DETAILS OF VARIANCES
ECONOMIC DEVELOPMENT
<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>+ CHANGE</td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>439.50</td>
<td>334.50</td>
<td>- 105.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>408,590</td>
<td>257,050</td>
<td>- 151,540</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>439.50</td>
<td>334.50</td>
<td>- 105.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>408,590</td>
<td>257,050</td>
<td>- 151,540</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II: MEASURES OF EFFECTIVENESS</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PLANNED</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>1. TOTAL VISITOR EXPENDITURES ($ BILLIONS)</td>
<td>14.9</td>
<td>15.2</td>
</tr>
<tr>
<td>2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)</td>
<td>200</td>
<td>432</td>
</tr>
<tr>
<td>3. NEW PRIV DEV IN KAKAAKO COM DEV DIST ($M)</td>
<td>720</td>
<td>150</td>
</tr>
<tr>
<td>4. # RE PROJECTS ASSISTED</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>5. INCREASE IN NUMBER OF COMPANIES FUNDED</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: ECONOMIC DEVELOPMENT

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.
**STATE OF HAWAII VARIANCE REPORT**

**PROGRAM TITLE:** BUSINESS DEVELOPMENT

**PROGRAM-ID:**

**PROGRAM STRUCTURE NO:** 0101

**FISCAL YEAR 2015-16**

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>% BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>% BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>% BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>---</td>
</tr>
<tr>
<td>POSITIONS EXPENDITURES ($1,000's)</td>
<td>62.00</td>
<td>60.00</td>
<td>-2.00</td>
<td>3</td>
<td>63.00</td>
<td>60.00</td>
<td>-3.00</td>
<td>5</td>
<td>63.00</td>
<td>63.00</td>
<td>+0.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>8,796</td>
<td>7,892</td>
<td>-904</td>
<td>10</td>
<td>2,243</td>
<td>1,453</td>
<td>-790</td>
<td>35</td>
<td>6,887</td>
<td>7,645</td>
<td>+758</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>62.00</td>
<td>60.00</td>
<td>-2.00</td>
<td>3</td>
<td>63.00</td>
<td>60.00</td>
<td>-3.00</td>
<td>5</td>
<td>63.00</td>
<td>63.00</td>
<td>+0.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>8,796</td>
<td>7,892</td>
<td>-904</td>
<td>10</td>
<td>2,243</td>
<td>1,453</td>
<td>-790</td>
<td>35</td>
<td>6,887</td>
<td>7,645</td>
<td>+758</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

**PART II: MEASURES OF EFFECTIVENESS**

1. **% INCREASE IN EXPORTS DUE TO PROG PARTICIPATION**
   - PLANNED ACTUAL ± CHANGE %
   - FISCAL YEAR 2015-16
   - FISCAL YEAR 2016-17

2. **IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)**
   - PLANNED ACTUAL ± CHANGE %
   - FISCAL YEAR 2015-16
   - FISCAL YEAR 2016-17

3. **%VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)**
   - PLANNED ACTUAL ± CHANGE %
   - FISCAL YEAR 2015-16
   - FISCAL YEAR 2016-17

4. **TOTAL VISITOR EXPENDITURES ($ BILLIONS)**
   - PLANNED ACTUAL ± CHANGE %
   - FISCAL YEAR 2015-16
   - FISCAL YEAR 2016-17
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: BUSINESS DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS
See Lowest Level Programs for additional information.

PART II - MEASURES OF EFFECTIVENESS
See Lowest Level Programs for additional information.
# VARIANCE REPORT

**STATE OF HAWAII**
**PROGRAM TITLE:** STRATEGIC MARKETING AND SUPPORT
**PROGRAM-ID:** BED-100
**PROGRAM STRUCTURE NO:** 010101

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS RESEARCH &amp; DEVELOPMENT COSTS</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td>POSITIONS</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>3,580</td>
<td>2,859</td>
<td>- 721</td>
<td>20</td>
<td>798</td>
<td>374</td>
<td>- 424</td>
<td>53</td>
<td>2,396</td>
<td>2,819</td>
<td>+ 424</td>
<td>18</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>POSITIONS</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>10.00</td>
<td>10.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>3,580</td>
<td>2,859</td>
<td>- 721</td>
<td>20</td>
<td>798</td>
<td>374</td>
<td>- 424</td>
<td>53</td>
<td>2,396</td>
<td>2,819</td>
<td>+ 424</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II: MEASURES OF EFFECTIVENESS</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION</td>
<td>10</td>
<td>10</td>
<td>+ 0</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>2. $ VALUE OF TOTAL/PROJ SALES-TRADE &amp; EXPORT PROMO</td>
<td>9350</td>
<td>14156</td>
<td>+ 4806</td>
<td>51</td>
<td>10285</td>
<td>16000</td>
<td>+ 5715</td>
<td>56</td>
</tr>
<tr>
<td>3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM</td>
<td>20</td>
<td>28</td>
<td>+ 8</td>
<td>40</td>
<td>20</td>
<td>30</td>
<td>+ 10</td>
<td>50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART III: PROGRAM TARGET GROUP</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM</td>
<td>300</td>
<td>225</td>
<td>- 75</td>
<td>25</td>
<td>300</td>
<td>300</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>2. COMM-BASED ORGS, CO-OPS &amp; SMALL BUS ASSISTED</td>
<td>200</td>
<td>200</td>
<td>+ 0</td>
<td>0</td>
<td>200</td>
<td>200</td>
<td>+ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART IV: PROGRAM ACTIVITY</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # INTL BUSINESS DEVELOPMENT ACTIVITIES</td>
<td>50</td>
<td>51</td>
<td>+ 1</td>
<td>2</td>
<td>50</td>
<td>50</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>2. OUTREACH ACTIVITIES</td>
<td>10</td>
<td>10</td>
<td>+ 0</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>3. # FIRMS ASSISTED FOR PART IN ENTERPRISE ZONES</td>
<td>300</td>
<td>300</td>
<td>+ 0</td>
<td>0</td>
<td>300</td>
<td>300</td>
<td>+ 0</td>
<td>0</td>
</tr>
</tbody>
</table>

- 81 -
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

PART I - EXPENDITURES AND POSITIONS

Minimal spending on Hawaii Community-Based Development Revolving Fund and no spending on State Disaster Revolving Fund. We expect no significant expenditures in the rest of the year for these appropriations.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The increase in the value of total exports generated by program activities was due in part to the devaluation of the U.S. dollar in relation to the Japanese yen. The strength of the Japanese yen made the cost of exported Hawaii products more inexpensive, translating to increased exports of Hawaii products to the Japan market.

Item 3. The increase in new firms enrolled in the Enterprise Zone Program (EZP) can primarily be attributed to the increased interest and attendance at the DBEDT-sponsored Small Business Fairs held twice a year, and increased outreach activities on the Neighbor Islands.

PART III - PROGRAM TARGET GROUPS

Item 1. The decrease in the number of firms enrolled in the EZP can be primarily attributed to: (1) FY 2015-2016 marked the 20-year expiration of many of the Enterprise Zones in all four counties. Governor’s approval was needed to re-designate and/or reconfigure Enterprise Zones for another 20-year term based upon the 2010 Census; and (2) for many firms, FY 2015-2016 marked the final year of their seven years of enrollment eligibility.

PART IV - PROGRAM ACTIVITIES

No significant variances.
STATE OF HAWAII  
PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION  
PROGRAM ID: BED-105  
PROGRAM STRUCTURE NO: 010102

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED ACTUAL</td>
<td>CHANGE</td>
</tr>
<tr>
<td><strong>PART I: EXPENDITURES &amp; POSITIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>11.00</td>
<td>9.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>1,207</td>
<td>1,023</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>11.00</td>
<td>9.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>1,207</td>
<td>1,023</td>
</tr>
</tbody>
</table>

| **PART II: MEASURES OF EFFECTIVENESS** | | | | | | |
| 1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL) | 150 | 283 | +133 | 89 | 150 | 250 | +100 | 67 |
| 2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL) | 200 | 432 | +232 | 116 | 200 | 440 | +240 | 120 |
| 3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL) | 15 | 31.2 | +16.2 | 108 | 15 | 30 | +15 | 100 |
| 4. FILM PROJ THAT APPL & QUAL FOR ACT 88 TAX CRED | 25 | 35 | +10 | 40 | 25 | 29 | +4 | 0 |
| 5. AMT OF DIR EXPEND FROM QUAL ACT 88 PROJECTS (MIL) | 135 | 103 | -32 | 24 | 135 | 135 | +0 | 0 |
| 6. CREATIVE SECTOR SHARE OF HAWAII GDP (BIL) | 4.5 | 3.3 | -1.2 | 27 | 4.5 | 3.4 | -1.1 | 24 |
| 7. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII | 51 | 50 | -1 | 2 | 52 | 52 | +0 | 0 |

| **PART III: PROGRAM TARGET GROUP** | | | | | | |
| 1. # OF CONTR TO LOCAL EDUC INST FR ACT 88 PROJ | 24 | 35 | +11 | 46 | 24 | 25 | +1 | 4 |
| 2. MUSIC INDUSTRY ORGANIZATIONS SERVED | 6 | 6 | +0 | 0 | 6 | 6 | +0 | 0 |
| 3. # OF ARTS/CULT BENEFICIARIES OF CID ACTIVITIES | 35 | 35 | +0 | 0 | 35 | 35 | +0 | 0 |

| **PART IV: PROGRAM ACTIVITY** | | | | | | |
| 1. # FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY | 140 | 140 | +0 | 0 | 140 | 140 | +0 | 0 |
| 2. # OF FILM PERMITS PROCESSED ANNUALLY | 1500 | 1500 | +0 | 0 | 1500 | 2000 | +500 | 33 |
| 3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS | 14 | 14 | +0 | 0 | 14 | 16 | +2 | 14 |
| 4. # OVERSEAS SALES/MKTG/PROMO ATTNDS/SPONS/SPPTS BY CID | 4 | 4 | +0 | 0 | 4 | 4 | +0 | 0 |
| 5. # OF FILM INQUIRIES | 3500 | 3500 | +0 | 0 | 3500 | 3500 | +0 | 0 |
| 6. # OF BUS OPPRT GEN THROUGH WORKSHOPS/SEMINARS | 150 | 150 | +0 | 0 | 150 | 150 | +0 | 0 |

REPORT 12/14/16

VARIANCE REPORT

- 83 -
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PART I - EXPENDITURES AND POSITIONS

Item 1. POSITIONS FY 16-17: An Economic Development Specialist V position in the Film Branch is being re-described as a Film Industry Development Specialist VI to more adequately staff the management of the Motion Picture, Film and Digital Media Tax Credit Program (Act 88, SLH 1989). Awaiting Department of Human Resources Development's approval. The position is currently filled with an 89-day hire who is handling statutory responsibilities of film permitting statewide for those projects which are not using the online system. The Office Assistant III position has been filled effective October 2016.

Item 2. Various contracts were delayed but will be implemented during the balance of the year.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The higher actuals against the planned expenditure are due to Hawaii's production activity maintaining a higher average of $200-$250M per year in estimated production spending.

Item 2. Economic impact is higher as estimated production spent is higher. Multiplier provided by DBEDT, Research Economic Analysis Division (READ), of 1.73; input/output model.

Item 3. Tax revenue is higher than estimated due to having higher direct expenditures and an increased number of productions applying for tax credits.

Item 4. The higher actual is due to the unanticipated amount of projects that shot in Hawaii in FY 16 and applied for the tax credits.

Item 5. The higher actual is due to having a number of larger productions (feature films and TV series) filming in Hawaii in FY 16.

Item 6. For both FY 16 and 17, the actual, while increasing, lags the originally planned growth as the initiatives of the Creative Labs and the other programs is a little behind schedule.

For FY 17 Estimated:

Item 1. The higher actual is due to several large "tent-pole" feature films for major studios, in addition to TV pilots and TV series.

Item 2. The higher estimated impact of film and television production on the State economy is determined by DBEDT/READ multiplier of 1.73 input/output model.

PART III - PROGRAM TARGET GROUPS

Item 1. The actual is higher due to having more productions apply for tax credits and choosing to contribute to local educational and economic development programs and institutions.

PART IV - PROGRAM ACTIVITIES

Item 3: Lower number of permits issued is due to more productions obtaining ePermits for both open and accessible permits and annual permits which were converted to an online e-permit system.
## STATE OF HAWAII VARIANCE REPORT

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

### PART I: EXPENDITURES & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Positions</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Positions</td>
<td>17.00</td>
<td>17.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,128</td>
<td>1,980</td>
</tr>
</tbody>
</table>

#### TOTAL COSTS

<table>
<thead>
<tr>
<th>Positions</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Positions</td>
<td>17.00</td>
<td>17.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,128</td>
<td>1,980</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

<table>
<thead>
<tr>
<th>Measures</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>PLANNED</th>
<th>ESTIMATED</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. % VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)</td>
<td>3 - 44.89</td>
<td>47.89</td>
<td>1596</td>
<td>3 3</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES</td>
<td>3 - 25.03</td>
<td>28.03</td>
<td>934</td>
<td>3 3</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL</td>
<td>6 12.71</td>
<td>6.71</td>
<td>112</td>
<td>6 6</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. # OF NEW FIRMS USING FTZ PROGRAM</td>
<td>30 62</td>
<td>32</td>
<td>107</td>
<td>30 30</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES</td>
<td>5 - 13.11</td>
<td>18.11</td>
<td>362</td>
<td>5 5</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PRG</td>
<td>60 61.74</td>
<td>1.74</td>
<td>3</td>
<td>60 60</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. SATIS RATING BY FTZ USERS (1-5 SCALE)</td>
<td>4 NO DATA</td>
<td>4</td>
<td>100</td>
<td>4 NO DATA</td>
<td>- 4</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)</td>
<td>0 NO DATA</td>
<td>0</td>
<td>0</td>
<td>0 NO DATA</td>
<td>- 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PART III: PROGRAM TARGET GROUP

<table>
<thead>
<tr>
<th>Categories</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FIRMS USING FTZ PROGRAM (NO.)</td>
<td>250 407</td>
<td>+ 157</td>
<td>63</td>
<td>250 400</td>
<td>+ 150</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE</td>
<td>500 500</td>
<td>+ 0</td>
<td>0</td>
<td>500 500</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS</td>
<td>70 72</td>
<td>2</td>
<td>3</td>
<td>70 70</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PART IV: PROGRAM ACTIVITY

<table>
<thead>
<tr>
<th>Categories</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)</td>
<td>1750 1434</td>
<td>- 316</td>
<td>18</td>
<td>1750 1750</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)</td>
<td>7600 7028</td>
<td>- 572</td>
<td>8</td>
<td>7600 7600</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)</td>
<td>60 53</td>
<td>- 7</td>
<td>12</td>
<td>60 60</td>
<td>+ 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC</td>
<td>0 NO DATA</td>
<td>0</td>
<td>0</td>
<td>0 NO DATA</td>
<td>- 0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION</td>
<td>75 0</td>
<td>- 75</td>
<td>100</td>
<td>75 10</td>
<td>- 65</td>
<td>87</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: FOREIGN TRADE ZONE

PART I - EXPENDITURES AND POSITIONS

The variance in expenditures in FY 16 was due to the program constraining operational expenditures to maintain parity with program revenue.

The variance in expenditures in the first quarter of FY 17 was due to a delay in the program's security guard contract renewal and vacancies in staff positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Variance was the result of the decrease in worldwide oil prices in 2016.

Item 2. Variance was the result of the decrease in the price of oil internationally in 2016.

Item 3. Variance was due to the increase in value of goods through the Pier 2 facility and the increased use of Foreign Trade Zone 9.

Item 4. Variance reflects the improved economy in Hawaii, increased demand for the Pier 2 warehouse space and services, and new tenants at the new Homer A. Maxey International Trade Resource Center.

Item 5. Variance was the result of the decrease in worldwide oil prices in 2016.

Item 7. Data was not available from Foreign-Trade Programs statewide.

Item 8. No data available.

PART III - PROGRAM TARGET GROUPS

Item 1. Same as Part II, Item 4.

PART IV - PROGRAM ACTIVITIES

Items 1 & 2. Variance was the result of the decrease in worldwide oil prices in 2016.

Item 3. Variance was a result of the continuing uncertain economic conditions.

Item 5. Variance is due to the program reducing its marketing expenditures in an effort to maintain parity with program revenues within its Special Fund.
### Part I: Expenditures & Positions

#### Research & Development Costs

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>BUDGETED ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td>24.00 24.00 + 0.00 0</td>
<td>25.00 24.00 - 1.00 4</td>
<td>25.00 25.00 + 0.00 0</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>1,881 1,850 - 31 2</td>
<td>511 456 - 55 11</td>
<td>1,929 1,983 + 54 3</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>24.00 24.00 + 0.00 0</td>
<td>25.00 24.00 - 1.00 4</td>
<td>25.00 25.00 + 0.00 0</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>1,881 1,850 - 31 2</td>
<td>511 456 - 55 11</td>
<td>1,929 1,983 + 54 3</td>
</tr>
</tbody>
</table>

### Part II: Measures of Effectiveness

1. **# of Procurement Violations**
   - PLANNED ACTUAL CHANGE %
   - 0 2 + 2 0 0 0 + 0 0
2. **% Error-Free Summary Warrant Vouchers Processed**
   - PLANNED ACTUAL CHANGE %
   - 95 97 + 2 2 95 95 + 0 0
3. **Server Downtime as % Total Operational Time (<)**
   - PLANNED ACTUAL CHANGE %
   - 2.0 1.5 - 0.5 25 2.0 1.5 - 0.5 25
4. **% DBEDT Employees Working W/O Formal Grievance**
   - PLANNED ACTUAL CHANGE %
   - 98 100 + 2 2 98 98 + 0 0

### Part III: Program Target Group

1. **Number of DBEDT POSNS (Permanent & Temporary)**
   - PLANNED ACTUAL CHANGE %
   - 303 322 + 19 6 302 322 + 20 7

### Part IV: Program Activity

1. **# of Requests for Allotment (A19) Prepared**
   - PLANNED ACTUAL CHANGE %
   - 150 200 + 50 33
2. **# of IFBS & RFPs Advertised Over Delegated Amount**
   - PLANNED ACTUAL CHANGE %
   - 2 0 - 2 100 2 2 + 0 0
3. **# of Contracts Executed Over Delegated Amount**
   - PLANNED ACTUAL CHANGE %
   - 50 0 - 50 100 50 50 + 0 0
4. **# of Summary Warrant Vouchers Processed**
   - PLANNED ACTUAL CHANGE %
   - 1,100 1,127 + 27 2 1,100 1,100 + 0 0
5. **# of Formal Grievances Filed Annually**
   - PLANNED ACTUAL CHANGE %
   - 5 0 - 5 100 5 5 + 0 0
6. **# of HR/Personnel Transactions Processed Annually**
   - PLANNED ACTUAL CHANGE %
   - 1,500 1,100 - 500 33 1,500 1,500 + 0 0
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

One position vacant, anticipate filling the position later in the year.

No significant variances except for first quarter of 2016-17 where expenditures were less than planned due to delays in implementation of various initiatives. Will be caught up in the subsequent quarters.

PART II - MEASURES OF EFFECTIVENESS

Item 3. No significant variances except for positive variance for server downtime as IT staff did a better job maintaining the servers.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. Processed more than anticipated A-19s.

Item 2. The variance is due to overestimation of planned amount.

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

Item 5. The variance is due to overestimation of planned amount.

Item 6. The variance is due to overestimation of planned amount.
# VARIANCE REPORT

## STATE OF HAWAII

**PROGRAM TITLE:** TOURISM  
**PROGRAM-ID:** BED-113  
**PROGRAM STRUCTURE NO:** 0102

### PART I: EXPENDITURES & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Positions</th>
<th>Exp $1,000's</th>
<th>OPERA TIONS</th>
<th>EXPENDITURES</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td></td>
<td></td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
</tr>
<tr>
<td>141,275</td>
<td>121,281</td>
<td>- 19,994</td>
<td>14</td>
<td></td>
<td></td>
<td>32,941</td>
<td>0</td>
<td>32,941</td>
<td>100</td>
<td>108,386</td>
<td>138,719</td>
<td>+ 30,333</td>
<td>28</td>
</tr>
</tbody>
</table>

#### OPERATING COSTS

<table>
<thead>
<tr>
<th>Positions</th>
<th>Exp $1,000's</th>
<th>OPERATING COSTS</th>
<th>EXPENDITURES</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td></td>
<td></td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
</tr>
<tr>
<td>141,275</td>
<td>121,281</td>
<td>- 19,994</td>
<td>14</td>
<td></td>
<td></td>
<td>32,941</td>
<td>0</td>
<td>32,941</td>
<td>100</td>
<td>108,386</td>
<td>138,719</td>
<td>+ 30,333</td>
<td>28</td>
</tr>
</tbody>
</table>

#### TOTAL COSTS

<table>
<thead>
<tr>
<th>Positions</th>
<th>Exp $1,000's</th>
<th>TOTAL COSTS</th>
<th>EXPENDITURES</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td></td>
<td></td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
<td>5.00</td>
<td>3.00</td>
<td>- 2.00</td>
<td>40</td>
</tr>
<tr>
<td>141,275</td>
<td>121,281</td>
<td>- 19,994</td>
<td>14</td>
<td></td>
<td></td>
<td>32,941</td>
<td>0</td>
<td>32,941</td>
<td>100</td>
<td>108,386</td>
<td>138,719</td>
<td>+ 30,333</td>
<td>28</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

1. TOTAL VISITOR EXPENDITURES ($ BILLIONS)  
2. VISITOR SATISFACTION % VERY LIKELY TO RECOMMEND HI  
3. TOTAL VISITOR DAYS (MILLIONS)  
4. TOTAL VISITOR ARRIVALS (MILLIONS)  
5. TOTAL SCHEDULED AIR SEATS (MILLIONS)  
6. HAWAII CONVENTION CENTER ROOM NIGHTS  
7. NUMBER OF CRUISE BERTHS

<table>
<thead>
<tr>
<th>Measures of Effectiveness</th>
<th>Planned</th>
<th>Actual</th>
<th>± Change</th>
<th>%</th>
<th>Planned</th>
<th>Estimated</th>
<th>± Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total Visitor expenditures ($ billions)</td>
<td>14.9</td>
<td>15.20</td>
<td>+ 0.3</td>
<td>2</td>
<td>14.9</td>
<td>15.67</td>
<td>+ 0.77</td>
<td>5</td>
</tr>
<tr>
<td>2. Visitor satisfaction % very likely to recommend HI</td>
<td>85.2</td>
<td>86.2</td>
<td>+ 1</td>
<td>1</td>
<td>85.2</td>
<td>87.0</td>
<td>+ 1.8</td>
<td>2</td>
</tr>
<tr>
<td>3. Total Visitor Days (Millions)</td>
<td>78.1</td>
<td>79.30</td>
<td>+ 3.2</td>
<td>4</td>
<td>78.1</td>
<td>81.26</td>
<td>+ 5.16</td>
<td>7</td>
</tr>
<tr>
<td>4. Total Visitor Arrivals (Millions)</td>
<td>8.3</td>
<td>8.8</td>
<td>+ 0.5</td>
<td>6</td>
<td>8.3</td>
<td>8.4</td>
<td>+ 0.54</td>
<td>7</td>
</tr>
<tr>
<td>5. Total Scheduled Air Seats (Millions)</td>
<td>11.2</td>
<td>12.03</td>
<td>+ 0.83</td>
<td>7</td>
<td>11.2</td>
<td>12.03</td>
<td>+ 0.83</td>
<td>7</td>
</tr>
<tr>
<td>6. Hawaii Convention Center Room Nights</td>
<td>130000</td>
<td>146398</td>
<td>+ 16398</td>
<td>13</td>
<td>130000</td>
<td>150000</td>
<td>+ 20000</td>
<td>15</td>
</tr>
<tr>
<td>7. Number of Cruise Berths</td>
<td>131000</td>
<td>113490</td>
<td>- 17510</td>
<td>13</td>
<td>131000</td>
<td>109000</td>
<td>- 22000</td>
<td>17</td>
</tr>
</tbody>
</table>

### PART III: PROGRAM TARGET GROUP

1. Japanese travelers to the US (Million)  
2. US Air Traffic to Overseas Regions (Millions)

<table>
<thead>
<tr>
<th>Program Target Group</th>
<th>Planned</th>
<th>Actual</th>
<th>± Change</th>
<th>%</th>
<th>Planned</th>
<th>Estimated</th>
<th>± Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Japanese travelers to the US (Million)</td>
<td>3.6</td>
<td>3.75</td>
<td>+ 0.15</td>
<td>4</td>
<td>3.6</td>
<td>3.75</td>
<td>+ 0.15</td>
<td>4</td>
</tr>
<tr>
<td>2. US Air Traffic to Overseas Regions (Millions)</td>
<td>40.52</td>
<td>44.42</td>
<td>+ 3.9</td>
<td>10</td>
<td>40.52</td>
<td>44.42</td>
<td>+ 3.9</td>
<td>10</td>
</tr>
</tbody>
</table>

### PART IV: PROGRAM ACTIVITY

1. # Sporting Events Actually Funded  
2. # Prod Enrich Proj Fnded (Incl Nat Res & Living Hwn)  
3. # of Hawaiian and Major Festivals Actually Funded  
4. # Speeches/Presentations to Tourism Stakeholders  
5. Number of Hits to Tourism Research Page  
6. Major Marketing Contractors Funded ($Millions)

<table>
<thead>
<tr>
<th>Program Activity</th>
<th>Planned</th>
<th>Actual</th>
<th>± Change</th>
<th>%</th>
<th>Planned</th>
<th>Estimated</th>
<th>± Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # sporting events actually funded</td>
<td>21</td>
<td>21</td>
<td>+ 0</td>
<td>0</td>
<td>21</td>
<td>21</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>2. # prod enrich proj funded (incl nat res &amp; living hwn)</td>
<td>128</td>
<td>162</td>
<td>+ 34</td>
<td>27</td>
<td>128</td>
<td>162</td>
<td>+ 34</td>
<td>27</td>
</tr>
<tr>
<td>3. # of hawaiian and major festivals actually funded</td>
<td>12</td>
<td>14</td>
<td>+ 2</td>
<td>17</td>
<td>12</td>
<td>14</td>
<td>+ 2</td>
<td>17</td>
</tr>
<tr>
<td>4. # speeches/presentations to tourism stakeholders</td>
<td>55</td>
<td>55</td>
<td>+ 0</td>
<td>0</td>
<td>55</td>
<td>55</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>5. number of hits to tourism research page</td>
<td>138000</td>
<td>138000</td>
<td>+ 0</td>
<td>0</td>
<td>138000</td>
<td>138000</td>
<td>+ 0</td>
<td>0</td>
</tr>
<tr>
<td>6. major marketing contractors funded ($millions)</td>
<td>58.3</td>
<td>53.7</td>
<td>- 4.6</td>
<td>8</td>
<td>58.3</td>
<td>57.3</td>
<td>- 1</td>
<td>2</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: TOURISM

PART I - EXPENDITURES AND POSITIONS

Expenditure of funds is primarily limited to the amount of Transient Accommodations Tax (TAT) and Convention Center revenue collected. TAT was capped at $108.5 million effective FY 16 (pursuant to Act 121, SLH 2015).

Variance in positions is due to recent conversions from permanent positions to temporary positions.

PART II - MEASURES OF EFFECTIVENESS

Items 1-5. Variances are mainly positive increases and reflect the growth in the number of visitors but slower growth in visitor spending.

Item 6. The positive variance is due to the restructured Meet Hawaii team’s efforts to exceed its room night goal.

Item 7. Ships that arrived were smaller with fewer berth capacity than ships that arrived the previous year.

PART III - PROGRAM TARGET GROUPS

Item 1. Japanese arrivals to Hawai’i has not kept pace with the total pace of Japanese traveling to the U.S. as a whole.

Item 2. Hawai’i has experienced some benefit from the growing wave of U.S. visitors to overseas regions.

PART IV - PROGRAM ACTIVITIES

Item 2. Increase in the number of quality applicants due to communication campaigns to promote the programs.

Item 3. Through a competitive bid process, two more quality organizations were contracted for our Major Festivals Program: POW WOW Hawai’i and Duke’s Ocean Fest.

Item 5. The actual and estimated figures represent Page Views instead of Hits, which is the newer industry standard measure.

Item 6. Further additional marketing opportunities also did not materialize and increased efficiencies.
## PART I: EXPENDITURES &.setPositions

### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th></th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>309.00</td>
<td>226.00</td>
<td>-63.00</td>
<td>27</td>
<td>311.00</td>
<td>233.00</td>
<td>-78.00</td>
<td>25</td>
<td>311.00</td>
<td>291.00</td>
<td>-20.00</td>
<td>6</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>57,007</td>
<td>37,205</td>
<td>-19,802</td>
<td>35</td>
<td>12,541</td>
<td>12,052</td>
<td>-489</td>
<td>4</td>
<td>44,308</td>
<td>44,447</td>
<td>+139</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>309.00</td>
<td>226.00</td>
<td>-63.00</td>
<td>27</td>
<td>311.00</td>
<td>233.00</td>
<td>-78.00</td>
<td>25</td>
<td>311.00</td>
<td>291.00</td>
<td>-20.00</td>
<td>6</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>57,007</td>
<td>37,205</td>
<td>-19,802</td>
<td>35</td>
<td>12,541</td>
<td>12,052</td>
<td>-489</td>
<td>4</td>
<td>44,308</td>
<td>44,447</td>
<td>+139</td>
<td>0</td>
</tr>
</tbody>
</table>

## PART II: MEASURES OF EFFECTIVENESS

1. **AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS**
   |          | 1000 | 0 | 1000 | 100 | 1000 | 1000 | +0 | 0 |
2. **# INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI**
   |          | 465  | 531 | +66  | 14  | 465  | 500  | +35 | 8 |
3. **PERCENTAGE OF AGRICULTURAL LANDS IN PRODUCTIVE USE**
   |          | 85   | 88  | +3   | 4   | 87   | 90   | +3  | 3 |
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

The variance in the Agriculture Program position counts are due to vacancies for pending recruitment and filling, as well as recruitment difficulties. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.
### STATE OF HAWAII
**PROGRAM TITLE:** FINANCIAL ASSISTANCE FOR AGRICULTURE
**PROGRAM-ID:** AGR-101
**PROGRAM STRUCTURE NO:** 010301

#### PART I: EXPENDITURES & POSITIONS

<table>
<thead>
<tr>
<th></th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>POSITIONS</strong></td>
<td>9.00</td>
<td>8.00</td>
<td>-1.00</td>
<td>11</td>
<td>9.00</td>
<td>7.00</td>
<td>-2.00</td>
<td>22</td>
<td>9.00</td>
<td>9.00</td>
<td>+0.00</td>
<td>0</td>
</tr>
<tr>
<td><strong>EXPENDITURES ($1000's)</strong></td>
<td>6,857</td>
<td>3,863</td>
<td>+2,994</td>
<td>44</td>
<td>1,699</td>
<td>1,699</td>
<td>+0</td>
<td>0</td>
<td>5,098</td>
<td>5,098</td>
<td>+0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>POSITIONS</strong></td>
<td>9.00</td>
<td>8.00</td>
<td>-1.00</td>
<td>11</td>
<td>9.00</td>
<td>7.00</td>
<td>-2.00</td>
<td>22</td>
<td>9.00</td>
<td>9.00</td>
<td>+0.00</td>
<td>0</td>
</tr>
<tr>
<td><strong>EXPENDITURES ($1000's)</strong></td>
<td>6,857</td>
<td>3,863</td>
<td>+2,994</td>
<td>44</td>
<td>1,699</td>
<td>1,699</td>
<td>+0</td>
<td>0</td>
<td>5,098</td>
<td>5,098</td>
<td>+0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### PART II: MEASURES OF EFFECTIVENESS

1. NUMBER OF LOANS APPROVED
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED ($000's)
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHER CRED SOURCES

#### PART III: PROGRAM TARGET GROUP

1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS
2. POTENTIAL QUALIFIED AQUACULTURISTS
3. AGRICULTURE/AQUACULTURE COOPERATIVES
4. COMMERCIAL BANKS

#### PART IV: PROGRAM ACTIVITY

1. NUMBER OF PUBLIC RELATIONS CONTACTS
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION
4. AMOUNT COLLECTED BY PROGRAM ($000's)

---

**VARIANCE REPORT**

**REPORT V61**

12/14/16
VARIA NCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

Variances in FY 16 expenditures were due to position vacancies and the lower dollar amount in loans granted.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The number of loans approved was below the planned amount due to a continuing sluggish economy and lack of affordable agricultural lands.

Item 2. The dollar amount of loans approved was below the planned amount due to the lower number of loans approved and reasons cited above.

Item 4. Amount of employees and laborers utilized by borrowers were larger than planned due to the program's overall portfolio has increased.

Item 5. 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.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 3. The number of inquiries appears to be affected by the availability of the website providing program information, lack of available lands with suitable terms and high capital costs as a barrier for entry into the profession.
<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>CHANGE</td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>181.00</td>
<td>132.00</td>
<td>- 49.00</td>
</tr>
<tr>
<td></td>
<td>21,320</td>
<td>14,980</td>
<td>- 6,340</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>181.00</td>
<td>132.00</td>
<td>- 49.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>21,320</td>
<td>14,980</td>
<td>- 6,340</td>
</tr>
<tr>
<td>PART II: MEASURES OF EFFECTIVENESS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. % TTL PARCELS INSPECTED AS PROHIB/RESTRICT</td>
<td>.003</td>
<td>.003</td>
<td>+ 0</td>
</tr>
<tr>
<td>2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI</td>
<td>465</td>
<td>531</td>
<td>+ 66</td>
</tr>
</tbody>
</table>
PART I - EXPENDITURES AND POSITIONS

The variance in the Productivity Improvement and Management Assistance for Agriculture Program position counts are due to vacancies for pending recruitment and filling, as well as recruitment difficulties. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.
## State of Hawaii Variance Report

**Program Title:** Plant Pest and Disease Control  
**Program ID:** AGR-122  
**Program Structure No:** 01030201

### Fiscal Year 2015-16: Three Months Ended 09-30-16

#### Part I: Expenditures & Positions

**Research & Development Costs**

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
<th>Operating Costs</th>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>CHANGE</td>
<td>BUDGETED</td>
</tr>
<tr>
<td>126.00</td>
<td>92.00</td>
<td>-34.00</td>
<td>27</td>
<td>121.00</td>
</tr>
<tr>
<td>15,598</td>
<td>9,864</td>
<td>-5,734</td>
<td>37</td>
<td>3,851</td>
</tr>
</tbody>
</table>

**Total Costs**

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
<th>Operating Costs</th>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>CHANGE</td>
<td>BUDGETED</td>
</tr>
<tr>
<td>126.00</td>
<td>92.00</td>
<td>-34.00</td>
<td>27</td>
<td>121.00</td>
</tr>
<tr>
<td>15,598</td>
<td>9,864</td>
<td>-5,734</td>
<td>37</td>
<td>3,851</td>
</tr>
</tbody>
</table>

### Fiscal Year 2015-16: Nine Months Ending 06-30-17

#### Part II: Measures of Effectiveness

1. % TTL PARCELS INSPECTED AS PROHIB/RESTRICT: 003 003 0%
2. NUMBER OF PEST INTERCEPTIONS: 2500 1500 1000 40%
3. % OF CHEMMECH CNTRL PROJ UNDER HI LEVEL OF CNTRL: 600 600 0%
4. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL: 75 75 0%
5. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSPECTIONS: 50 75 25 50%

### Fiscal Year 2016-17

#### Part III: Program Target Group

1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS): 44.305 46.731 2.426 2%
2. NUMBER OF IMPORT PERMIT REQUESTS: 969 1147 178 18%
3. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS: 1300 1892 592 45%
4. NUMBER OF NEW NOXIOUS WEED INFESTATIONS: 1 1 0 0%
5. NO. OF WIDESPREAD NOXIOUS WEED INFESTATIONS: 40 40 0 0%
6. NUMBER OF CERTIFIED NURSERY INSPECTIONS: 5 10 5 0%

### Fiscal Year 2017-18

#### Part IV: Program Activity

1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS): 44.305 46.731 2.426 2%
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUSANDS): 6500 6500 0 0%
3. NUMBER OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUSANDS): 8200 8200 0 0%
4. NUMBER OF CHEMMECH CNTRL AND ERADICATION PROJECTS: 950 950 0 0%
5. NUMBER OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS: 5 10 5 0%
6. NUMBER OF CERTIFIED NURSERY INSPECTIONS: 460 460 0 0%
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS): 5 5 0 0%
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

Item 2. Number is reduced due to staff focusing time and effort on high-risk, No Known Origin (NKO) pests. Number of NKOs account for half the interceptions turned in. High level of compliance for origin inspections and Certified nurseries resulted in smaller insect counts as well.

Item 3. Increased staff effort on detecting high risk, NKO pests.

Item 7. All certified Nurseries were in compliance. Origin inspections were at 95% compliance.

PART III - PROGRAM TARGET GROUPS

Item 1. It is likely that the increase in plane and ship arrivals is related to the increase in tourist numbers and a strengthened economy.

Item 4. Increased number of permit applications for restricted commodities.

Item 5. Post entry inspections declined due to personnel shortages.

Item 6. Same amount of certified nurseries as previous fiscal year. This number will be corrected for future years since there have not been 300 Certified nurseries since the 90s.

Item 7. No new noxious weed infestations were detected.

Item 9. Increase due to increased survey activities and additional staff available in plant pathology unit.

Item 10. Less than expected infestations of insects and weeds occurred possibly due to program responding quickly to pest incursions or education on pest distribution provided to industry and general public.

PART IV - PROGRAM ACTIVITIES

Item 4. Post entry inspections declined due to personnel shortages.

Item 5. Certified nursery inspections are conducted semi-annually. There are only 182 certified nurseries, all of which were in compliance.

Item 6. Increase due to increased number of staff available in critical areas.

Item 7. Increase due to increased number of staff available in critical areas.

Item 8. Decrease due to USDA taking over some of the testing and analysis. Number of submissions is dependent upon United States Department of Agriculture/Customs and Border Protection (USDA/CBP) agencies and commercial distributors.
### VARIANCE REPORT

**STATE OF HAWAII**  
**PROGRAM TITLE:** ANIMAL PEST AND DISEASE CONTROL  
**PROGRAM ID:** 01030202  
**REPORT V61**  
12/14/16

#### PROGRAM STRUCTURE NO: 01030202

##### FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>RESEARCH &amp; DEVELOPMENT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
</tr>
<tr>
<td><strong>FISCAL YEAR 2015-16</strong></td>
<td></td>
</tr>
<tr>
<td>PLANNED ACTUAL</td>
<td>BUDGETED ACTUAL</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>55.00 40.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>5,722 5,116</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>55.00 40.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>5,722 5,116</td>
</tr>
<tr>
<td><strong>THREE MONTHS ENDED 09-30-16</strong></td>
<td></td>
</tr>
<tr>
<td>PLANNED ACTUAL</td>
<td>BUDGETED ACTUAL</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>63.00 45.00</td>
</tr>
<tr>
<td>POSITIONS</td>
<td>1,454 1,384</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>4,362 4,082</td>
</tr>
<tr>
<td><strong>NINE MONTHS ENDING 06-30-17</strong></td>
<td></td>
</tr>
<tr>
<td>PLANNED ACTUAL</td>
<td>BUDGETED ACTUAL</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>63.00 58.00</td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>4,362 4,082</td>
</tr>
</tbody>
</table>

#### PART II: MEASURES OF EFFECTIVENESS

- **NUMBER OF RABIES CASES IN THE COMMUNITY**  
  - Planned: 0  
  - Estimated: 0  
  - + Change: 0

- **NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED**  
  - Planned: 6  
  - Estimated: 6  
  - + Change: 0

- **NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT**  
  - Planned: 5  
  - Estimated: 5  
  - + Change: 0
PART I - EXPENDITURES AND POSITIONS

The variance in the Animal Pest and Disease Control Program position counts are due to vacancies for pending recruitment and filling, as well as recruitment difficulties. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.
<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>+ CHANGE</td>
</tr>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
<td>36.32</td>
<td>27.32</td>
<td>- 9.00</td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>36.32</td>
<td>27.32</td>
<td>- 9.00</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>36.32</td>
<td>27.32</td>
<td>- 9.00</td>
</tr>
<tr>
<td></td>
<td>3,628</td>
<td>3,633</td>
<td>+ 5</td>
</tr>
<tr>
<td></td>
<td>3,628</td>
<td>3,633</td>
<td>+ 5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II: MEASURES OF EFFECTIVENESS</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NUMBER OF RABIES CASES IN THE COMMUNITY</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. NUMBER OF ALIEN PESTS DETECTED</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART III: PROGRAM TARGET GROUP</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DOGS AND CATS QUARANTINED</td>
<td>1600</td>
<td>1540</td>
</tr>
<tr>
<td>2. POPULATION OF HAWAII</td>
<td>1400000</td>
<td>1410000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART IV: PROGRAM ACTIVITY</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS</td>
<td>500</td>
<td>300</td>
</tr>
<tr>
<td>2. NO. OF DOGS &amp; CATS QUARANTINED- LESS THAN 120 DAYS</td>
<td>800</td>
<td>600</td>
</tr>
<tr>
<td>3. NO. QUAL DOGS &amp; CATS RELEASED AFTER INSPECTION UPON ARRIVAL</td>
<td>13000</td>
<td>14000</td>
</tr>
<tr>
<td>4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>5. NO. OF SATELLITE &amp; APPROVED VET FACILITY MONITORED</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>6. NO. OF DOGS &amp; CATS SAMPLED FOR EXTERNAL PARASITES</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>7. NO. OF DOGS &amp; CATS SAMPLED FOR INTERNAL PARASITES</td>
<td>2300</td>
<td>2200</td>
</tr>
<tr>
<td>8. NO. SVC DOGS &amp; ELIGIBLE GUIDE DOG ENTRIES PROCESSED</td>
<td>1100</td>
<td>1200</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: RABIES QUARANTINE

PART I - EXPENDITURES AND POSITIONS
Variances in positions filled due to inability to find qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS
Item 2. Increase may be due to higher number of animals imported and possible increase in tick populations in Continental US.

PART III - PROGRAM TARGET GROUPS
Item 1. The increased amount of animals qualifying for direct airport release decreased the amount of animals requiring quarantine.

PART IV - PROGRAM ACTIVITIES
Items 1, 2 & 4. The increased amount of animals entering the state and qualifying for direct airport release decreased the amount of animals in Item 1 and increased amount of animals in Item 2.

Items 1, 2, 3 & 4. FY 16 data is incomplete due to unfinished FY data entry and processing from office staffing shortage. Actual values for Items 1, 3 and 4 are expected to be higher once complete. Planned FY 17 decreases in Items 1 & 2 and increase in Item 3 are projected in response to proposed program changes currently in process.

Item 6. Increase in external parasite sampling due to increase in number of animals entering the State.

Item 8. The increase is due to changes in the federal service animal definition. This category is anticipated to increase annually.
<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGETED</strong></td>
<td><strong>ACTUAL</strong></td>
<td><strong>± CHANGE</strong></td>
</tr>
<tr>
<td><strong>PART I: EXPENDITURES &amp; POSITIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>18.68</td>
<td>12.68</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,094</td>
<td>1,483</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>18.68</td>
<td>12.68</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,094</td>
<td>1,483</td>
</tr>
<tr>
<td><strong>PART II: MEASURES OF EFFECTIVENESS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. NO. OF DISEASE-FREE STATUS OBTAINED &amp; MAINTAINED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. NO. OF OIE DISEASES OF LVSTK &amp; POLTRY NOT IN STATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. NO. DISEASE CNTRL &amp; ERAD PRG &amp; VOL DIS STATUS PROG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. NO. OF DISEASE CNTRL PRG W/ PUBLIC HEALTH IMPACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PART III: PROGRAM TARGET GROUP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. LIVESTOCK PRODUCERS</td>
<td>2900</td>
<td>2900</td>
</tr>
<tr>
<td>2. AQUACULTURE PRODUCERS</td>
<td>85</td>
<td>75</td>
</tr>
<tr>
<td>3. HUMAN POPULATION</td>
<td>1409000</td>
<td>1400000</td>
</tr>
<tr>
<td><strong>PART IV: PROGRAM ACTIVITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. NO. LVSTK &amp; EXOTIC ANMLS INSPI/TEST ON ENTRY</td>
<td>13000</td>
<td>7465</td>
</tr>
<tr>
<td>2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSPI ON ENTRY</td>
<td>600000</td>
<td>537793</td>
</tr>
<tr>
<td>3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY</td>
<td>15000</td>
<td>16158</td>
</tr>
<tr>
<td>4. NO. POLTRY,OTH BRDS, NON-DMSTC ANMLS INSPI ON ENTRY</td>
<td>20000</td>
<td>20137</td>
</tr>
<tr>
<td>5. NO. SMPLS COLLECTD &amp; ANMLS FIELD TSTD: ENTRY, SURV</td>
<td>1500</td>
<td>1622</td>
</tr>
<tr>
<td>6. # OF LVSTK/AQUAV EPIDEMI DISEASE INVESTIGATIONS</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS</td>
<td>2000</td>
<td>2434</td>
</tr>
<tr>
<td>8. NO. LAB TESTS FOR LVSTK/POLTRY DISEASE SURVEILLANCE</td>
<td>7000</td>
<td>5048</td>
</tr>
<tr>
<td>9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS</td>
<td>4000</td>
<td>7435</td>
</tr>
<tr>
<td>10. # OF AQUATIC ANIMALS HEALT DOCUMENTS ISSUED</td>
<td>10</td>
<td>1496</td>
</tr>
</tbody>
</table>

- 103 -
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: ANIMAL DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

Variance in positions and expenditures are due to vacancies and the absence of special fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 2. FY 16 actual and FY 17 projected data reflects current census of aquaculture operations.

PART IV - PROGRAM ACTIVITIES

Item 1. Decrease due to decreased importation of market hogs entering the State being replaced by imported chilled carcasses.

Item 2. Decrease due to a reduced number of hatching eggs imported into the State.

Items 6, 7, 8, 9. Increase and variance due to increased number of reportable animal disease investigations especially among imported market hogs.

Item 10. Variance due to increased number of shipments to foreign countries due to Hawaii's ability to maintain its shrimp disease free status.
### STATE OF HAWAII VARIANCE REPORT

**PROGRAM TITLE:** PRODUCT DEVELOPMENT AND MARKETING FOR AGR  
**PROGRAM-ID:**  
**PROGRAM STRUCTURE NO:** 010303

#### PART I: EXPENDITURES & POSITIONS

<table>
<thead>
<tr>
<th>EXPENSE CATEGORY</th>
<th>BUDGETED POSITIONS</th>
<th>ACTUAL POSITIONS</th>
<th>% CHANGE</th>
<th>BUDGETED EXPENDITURES ($1,000's)</th>
<th>ACTUAL EXPENDITURES ($1,000's)</th>
<th>% CHANGE</th>
<th>BUDGETED ESTIMATED POSITIONS</th>
<th>ACTUAL ESTIMATED POSITIONS</th>
<th>% CHANGE</th>
<th>BUDGETED ESTIMATED EXPENDITURES ($1,000's)</th>
<th>ACTUAL ESTIMATED EXPENDITURES ($1,000's)</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>52.00</td>
<td>40.00</td>
<td>-12.00</td>
<td>23</td>
<td>51.00</td>
<td>-12.00</td>
<td>24</td>
<td>51.00</td>
<td>47.00</td>
<td>-4.00</td>
<td>14,328</td>
<td>14,747</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>16,828</td>
<td>9,756</td>
<td>-7,072</td>
<td>42</td>
<td>2,549</td>
<td>2,130</td>
<td>419</td>
<td>14,328</td>
<td>14,747</td>
<td>419</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>52.00</td>
<td>40.00</td>
<td>-12.00</td>
<td>23</td>
<td>51.00</td>
<td>-12.00</td>
<td>24</td>
<td>51.00</td>
<td>47.00</td>
<td>-4.00</td>
<td>14,328</td>
<td>14,747</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>16,828</td>
<td>9,756</td>
<td>-7,072</td>
<td>42</td>
<td>2,549</td>
<td>2,130</td>
<td>419</td>
<td>14,328</td>
<td>14,747</td>
<td>419</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

#### PART II: MEASURES OF EFFECTIVENESS

1. **MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED**  
   - Planned: 24  
   - Actual: 38  
   - % Change: +14  
   - % Increase: 58

2. **NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION**  
   - Planned: 6  
   - Actual: 8  
   - % Change: +2  
   - % Increase: 33

3. **NO. OF CONTRACTS, LOA, MOU, ADMINISTERED**  
   - Planned: 15  
   - Actual: 30  
   - % Change: +15  
   - % Increase: 100
PART I - EXPENDITURES AND POSITIONS

The variance in the Product Development and Marketing for Agriculture Program position counts are due to vacancies for pending recruitment and filling, as well as recruitment difficulties. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.
## VARIANCE REPORT

### STATE OF HAWAII

**PROGRAM TITLE:** FORESTRY RESOURCE MANAGEMENT & DEVELOPMENT  
**PROGRAM-ID:** LNR-172  
**PROGRAM STRUCTURE NO:** 01030301  
**REPORT V61**  
**12/14/16**

### PART I: EXPENDITURES & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td>19.00</td>
<td>17.00</td>
<td>- 2.00</td>
<td>11</td>
<td>19.00</td>
<td>18.00</td>
<td>- 1.00</td>
<td>5</td>
<td>19.00</td>
<td>19.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td></td>
<td>11,517</td>
<td>6,010</td>
<td>- 5,507</td>
<td>48</td>
<td>850</td>
<td>431</td>
<td>- 419</td>
<td>49</td>
<td>9,229</td>
<td>9,648</td>
<td>+ 419</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
<td>19.00</td>
<td>17.00</td>
<td>- 2.00</td>
<td>11</td>
<td>19.00</td>
<td>18.00</td>
<td>- 1.00</td>
<td>5</td>
<td>19.00</td>
<td>19.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td></td>
<td>11,517</td>
<td>6,010</td>
<td>- 5,507</td>
<td>48</td>
<td>850</td>
<td>431</td>
<td>- 419</td>
<td>49</td>
<td>9,229</td>
<td>9,648</td>
<td>+ 419</td>
<td>5</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL |
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL |
3. % BOARD FEET TIMBER HARVESTED COMP TO GOAL |
4. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL |
5. % FUNDS LEVERAGED COMPARED TO GOAL |
6. % ACRES ACQ/SECURD FOR CONSERVTN COMPRED TO GOAL |
7. % DEPTL LANDS UNDR COMM TIMBR MGT COMP TO GOAL |

### PART III: PROGRAM TARGET GROUP

1. FOREST PRODCT PROCESSRS, RELTD BUSNSS/INVTRS (#) |
2. FOREST AND OTHER LANDOWNERS (NUMBER) |
3. WATERSHED PARTNERS (NUMBER) |
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER) |

### PART IV: PROGRAM ACTIVITY

1. PRODUCE & DISTRIBUTE OR SELL 60,000 TREE SEEDLINGS |
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS |
3. PROMOTE HARVST 60,000 BD FT OF TIMBER FRM DEPTL LND |
4. PROVIDE TECH FORSTRY ASSIST TO LNDOWNRS/ORGS/COMM |
5. LEVERAGE ADDL FUNDS/ASSOC SVCS ($2MIL) THRU PRGM |
6. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS |
7. PLACE 6,000 ACRES DEPTL LNDS UNDER COMM TIMBR MGT |
VARIANCE REPORT NARRATIVE  
FY 2016 AND FY 2017

PROGRAM TITLE: FORESTRY RESOURCE MANAGEMENT & DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The number of positions filled was less than the budgeted due to staff promotions and retirement; all vacancies are being recruited for FY 17 and Division expects 100% recruitment force by the second quarter of FY 17.

The Department's expenditures were 48% below the allowed and budgeted ceiling. This variance is attributed to the award of federal funding from the U.S. Forest Service for the acquisition project at Helemano Wilderness Area of $5 million; this project is ongoing, will close following the completion of necessary due diligence for land acquisitions. Additionally, the Department did not generate the projected revenue from commercial forestry projects due to implementation delays. Thus, there was not sufficient funding to utilize the full budgeted ceiling in LNR 172.

Funds actually expended in the first quarter of FY 17 were less than the budgeted due to delay in contract and purchase order encumbrances.

The amount of expenditures planned is greater than budgeted because of additional funds provided by Act 84, SLH 2015.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The Department was 12% below the estimated target. This variance can be attributed to the need to improve our State nursery facilities to improve efficiency and survival of seedlings.

Item 2. The Department was 23% above the estimated target. This variance is attributed to the award of federal grant support for reforestation activities in forest reserves on Oahu and Maui.

Item 3. The Department was 98% below the target. This variance is attributed to delays in project planning due to environmental review and additional community and stakeholder outreach and engagement at the Waiakea Timber Management Area. Additionally, timber sold at the Kokee Timber Management Area was sold by weight for utilization as biomass at the Green Energy facility versus as board feet.

Item 5. The Department was 102% above the target. This variance is attributed to the Department's success in acquiring federal grant support, primary associated with the U.S. Forest Service federal award of $3 million for a fee acquisition project at Helemano Wilderness Area in Central Oahu.

Item 6. The Department was 99.9% below the target. This variance is attributed to slower than anticipated processing of land designations, and difficulty fund-raising for acquisition projects, especially as property values continue to increase.

Item 7. The Department was 70% below the target. This variance is attributed to delayed environmental compliance and additional community engagement at Waiakea Timber Management Area.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The Department distributed 52,980 seedlings during fiscal year 2016, which is 12% below our target. This variance can be attributed to the need to improve our State nursery facilities to improve efficiency and survival of seedlings.

Item 2. The Department reforested an estimated 185 acres during fiscal year 2016, which is 23% increase above our target. This variance is attributed to the award of federal grant support for reforestation activities in forest reserve on Oahu and Maui.

Item 3. The Department provided an estimated 1,000 board feet of timber from the forest reserve system during fiscal year 2016, which is 98% less
than our target. This variance is attributed to delays in project planning due to environmental review and additional community and stakeholder outreach and engage at the Waiakea Timber Management Area. Additionally, timber sold at the Kokee Timber Management Area was sold by weight for utilization as biomass at the Green Energy facility versus as board feet; 6,014 green tons of woody biomass was harvested under the Kokee project.

Item 5. The Department leveraged $4,031,000 in additional funding support primary from the U.S. Forest Service during fiscal year 2016, which is a 102% increase over our target. The Department was very successful in acquiring federal grant support during fiscal year 2016, but the variance is largely related to the federal award of $3 million for a fee acquisition project at Helemano Wilderness Area in Central Oahu.

Item 6. The Department secured 4.36 acres of new land through executive order into the forest reserve system during fiscal year 2016, which is 99.9% lower than the target. This variance is attributed to slower than anticipated processing of land designations, and difficulty fundraising for projects, especially as land value continue to increase. The Department actively worked on acquisition projects of approximately 11,700 acres over fiscal year 2016, all of which are in various stages of fund raising and due diligence.

Item 7. The Department placed 1,792 acres under commercial timber management at Kokee Timber Management Area in fiscal year 2016; which is 70% below the target. This variance is attributed to delayed environmental compliance and additional community engagement at Waiakea Timber Management Area; this project is anticipated to make timber resources available in fiscal year 2017-2018 of approximately 10,000 acres.
### STATE OF HAWAII

**PROGRAM TITLE:** QUALITY AND PRICE ASSURANCE  
**PROGRAM-ID:** AGR-151  
**PROGRAM STRUCTURE NO:** 01030302

#### PROGRAM STRUCTURE NO:

- **QUALITY AND PRICE ASSURANCE**
  - **AGR-151**
  - **01030302**

#### VARIANCE REPORT

**FISCAL YEAR 2015-16**  
**THREE MONTHS ENDED 09-30-16**  
**NINE MONTHS ENDING 06-30-17**

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS RESEARCH &amp; DEVELOPMENT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITIONS EXPENDITURES ($1,000's)</td>
</tr>
<tr>
<td>BUDGETED</td>
</tr>
<tr>
<td>19.00 00</td>
</tr>
<tr>
<td>2,950,00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITIONS EXPENDITURES ($1000's)</td>
</tr>
<tr>
<td>BUDGETED</td>
</tr>
<tr>
<td>19.00 00</td>
</tr>
<tr>
<td>2,950,00</td>
</tr>
</tbody>
</table>

#### PART II: MEASURES OF EFFECTIVENESS

1. **% OF ENFORCEMENT INSPECTORS THAT COMPLY W/ LAWS AND RULES**
   - **99 99 + 0 0**
2. **% CERTIFICATION REQUESTS FULFILLED**
   - **100 100 + 0 0**
3. **AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERTIFICATION**
   - **3 3 + 0 0**
4. **% OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER**
   - **100 100 + 0 0**
5. **% OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES**
   - **95 95 + 0 0**

#### PART III: PROGRAM TARGET GROUP

1. **PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS**
   - **5500 5500 + 0 0**
2. **WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS**
   - **540 540 40 70**
3. **PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK**
   - **24 24 40 40**
4. **PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS**
   - **17 17 17 17**

#### PART IV: PROGRAM ACTIVITY

1. **# OF CERT ISSUED FOR GRADE AND COND OF AG COMM**
   - **1000 1000 + 0 0**
2. **# OF LOTS OF AG COMM INSPECTED FOR COMP W/ LAWS & RULES**
   - **2000 2000 + 0 0**
3. **NUMBER OF DEALERS IN AG PRODUCTS LICENSED**
   - **950 950 + 0 0**
4. **# PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED**
   - **24 24 24 24**
5. **NUMBER OF MONTHLY MILK PAYROLLS CALCULATED**
   - **12 12 12 12**
6. **# OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULES**
   - **10 10 10 10**
PART I - EXPENDITURES AND POSITIONS

Variances were due to position vacancies and lower than expected special, revolving and federal fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 2. Decrease due to a decline in the number of businesses required to be licensed; consolidation or closure of businesses. This trend is reflected in the FY17 estimate.

Item 4. Variance due to closures of feed businesses and the decline of the livestock industry.

PART IV - PROGRAM ACTIVITIES

Item 2. Increased number of lots inspected due to an increase in requests for inspections.
### STATE OF HAWAII
#### PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING
#### PROGRAM-ID: AGR-171
#### PROGRAM STRUCTURE NO: 01030303

#### VARIANCE REPORT

**PART I: EXPENDITURES & POSITIONS**

**RESEARCH & DEVELOPMENT COSTS**

<table>
<thead>
<tr>
<th>Positions</th>
<th>Budgeted</th>
<th>Actual</th>
<th>CHANGE</th>
<th>%</th>
<th>Budgeted</th>
<th>Actual</th>
<th>CHANGE</th>
<th>%</th>
<th>Budgeted</th>
<th>Actual</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positions</td>
<td>14.00</td>
<td>9.00</td>
<td>-5.00</td>
<td>36</td>
<td>13.00</td>
<td>8.00</td>
<td>-5.00</td>
<td>38</td>
<td>13.00</td>
<td>10.00</td>
<td>-3.00</td>
<td>23</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,361</td>
<td>1,691</td>
<td>-670</td>
<td>28</td>
<td>951</td>
<td>951</td>
<td>+0</td>
<td>0</td>
<td>2,855</td>
<td>2,855</td>
<td>+0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positions</td>
<td>14.00</td>
<td>9.00</td>
<td>-5.00</td>
<td>36</td>
<td>13.00</td>
<td>8.00</td>
<td>-5.00</td>
<td>38</td>
<td>13.00</td>
<td>10.00</td>
<td>-3.00</td>
<td>23</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>2,361</td>
<td>1,691</td>
<td>-670</td>
<td>28</td>
<td>951</td>
<td>951</td>
<td>+0</td>
<td>0</td>
<td>2,855</td>
<td>2,855</td>
<td>+0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### PART II: MEASURES OF EFFECTIVENESS

1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED

#### PART III: PROGRAM TARGET GROUP

1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS
2. COMMODITY GROUPS
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS

#### PART IV: PROGRAM ACTIVITY

1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS
2. COLLECT, COMPILE AND PUBLISH STATISTICS (NASS/HAS)
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING

PART I - EXPENDITURES AND POSITIONS

Variances were due to position vacancies and expenditure restrictions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Outreach and collaboration with commodity groups, agricultural associations, agriculturalists and private sector agencies led to an increase in activities created, conducted or managed by the Division.

Item 3. The variance was due to funding awarded by the federal State Trade and Export Program (STEP) and the state Agricultural Development and Food Security Program that resulted in additional solicitations for proposals.

Item 4. The actual figure reflects new contracts, Letters of Agreement and Memorandums of Understanding executed in FY16. The number of contracts generated was higher than planned due to the increased number of proposals selected for awards for the Specialty Crop Block Grant Program (11) and for the Sponsorship and Product Promotion Program (13).

PART III - PROGRAM TARGET GROUPS

Item 2. The variance was due to increased outreach to commodity groups to encourage collaboration. This includes increase focus on commodities such as beef (Hawaii Cattlemen's Council), macadamia nuts (Hawaii Macadamia Nut Association), tea (Hawaii Tea Society) and breadfruit (Hawaii Homegrown).

Item 3. The variance was due to increased outreach to commodity associations, cooperatives and federations such as the 'Awa Development Council, Hawaii Organic Farmers Association, Hawaii Farmers Union United and Sustainable Molokai.

PART IV - PROGRAM ACTIVITIES

Item 1. Variance due to seeking and being awarded the State Trade and Export Program (STEP) grant as a Subaward of DBEBT.

Item 4. Variance due to being awarded the STEP grant that included promoting Hawaii made products at three trade shows in Japan.
## PART I: EXPENDITURES & POSITIONS
### OPERATING COSTS
<table>
<thead>
<tr>
<th>Positions</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Change %</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Change %</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research &amp; Development Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures ($1,000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67.00</td>
<td>46.00</td>
<td>-21.00</td>
<td>31</td>
<td>67.00</td>
<td>48.00</td>
<td>-19.00</td>
<td>28</td>
<td>67.00</td>
<td>67.00</td>
</tr>
<tr>
<td>Expenditures ($1000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,002</td>
<td>8,606</td>
<td>-3,396</td>
<td>26</td>
<td>2,988</td>
<td>2,988</td>
<td>+0</td>
<td>0</td>
<td>8,966</td>
<td>8,966</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67.00</td>
<td>46.00</td>
<td>-21.00</td>
<td>31</td>
<td>67.00</td>
<td>48.00</td>
<td>-19.00</td>
<td>28</td>
<td>67.00</td>
<td>67.00</td>
</tr>
<tr>
<td>Expenditures ($1000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,002</td>
<td>8,606</td>
<td>-3,396</td>
<td>26</td>
<td>2,988</td>
<td>2,988</td>
<td>+0</td>
<td>0</td>
<td>8,966</td>
<td>8,966</td>
</tr>
</tbody>
</table>

## PART II: MEASURES OF EFFECTIVENESS
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK  
2. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE  
3. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)  
4. PERCENTAGE OF AGRICULTURAL LANDS IN PRODUCTIVE USE
PART I - EXPENDITURES AND POSITIONS

The variance in the General Support for Agriculture Program position counts are due to vacancies for pending recruitment and filling, as well as recruitment difficulties. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditures variances are best examined at the lowest program level.

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.
<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>+ CHANGE</td>
</tr>
<tr>
<td><strong>PART I: EXPENDITURES &amp; POSITIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESEARCH &amp; DEVELOPMENT COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>38.00</td>
<td>22.00</td>
<td>- 16.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>4,167</td>
<td>2,752</td>
<td>- 1,415</td>
</tr>
<tr>
<td><strong>OPERATING COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>38.00</td>
<td>22.00</td>
<td>- 16.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>4,167</td>
<td>2,752</td>
<td>- 1,415</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>38.00</td>
<td>22.00</td>
<td>- 16.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>4,167</td>
<td>2,752</td>
<td>- 1,415</td>
</tr>
</tbody>
</table>

| **PART II: MEASURES OF EFFECTIVENESS** | | | | | | | | | | | | |
| **1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)** | 11500 | 12133 | + 633 | 6 | 11500 | 12500 | + 1000 | 9 |
| **2. AGRICULTURAL LANDS LEASED (ACRES)** | 104667 | 15000 | - 89667 | 86 |
| **3. PERCENTAGE OF AGRICULTURAL LANDS IN PRODUCTIVE USE** | 85 | 88 | + 3 | 4 | 87 | 90 | + 3 | 3 |

| **PART III: PROGRAM TARGET GROUP** | | | | | | | | | | | | |
| **1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS** | 565 | 622 | + 57 | 10 | 565 | 625 | + 60 | 11 |
| **2. FARMS LEASED ON DEPT OF AG LANDS** | 450 | 475 | + 25 | 6 |

| **PART IV: PROGRAM ACTIVITY** | | | | | | | | | | | | |
| **1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS** | 85 | 85 | + 0 | 0 | 85 | 77 | - 8 | 9 |
| **2. AG LAND AWARDS ADMINISTERED (# OF TRANSACTIONS)** | 470 | 400 | - 70 | 15 |
| **3. NUMBER OF NEW WATER SERVICES INSTALLED** | 10 | 10 | + 0 | 0 |
| **4. PIPELINE AND DITCHES MAINTAINED (MILES)** | 94 | 94 | + 0 | 0 | 107 | 100 | - 7 | 7 |
| **5. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED** | 350 | 320 | - 30 | 30 |
| **6. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED** | 20 | 50 | + 30 | 150 |
PART I - EXPENDITURES AND POSITIONS
Variances were due to vacant positions and lower than expected special fund expenditures.

PART II - MEASURES OF EFFECTIVENESS
Item 2. FY 16 and 17 - Land transfers from DLNR slower than anticipated.

PART III - PROGRAM TARGET GROUPS
Item 1. Increased demand for the Department's water services.
Item 2. FY 16 - Increased demand for the Department controlled agricultural land.

PART IV - PROGRAM ACTIVITIES
Item 2. FY 16 and 17 - Land transfers from DLNR slower than anticipated.
Item 3. FY 16 - There were fewer than anticipated meter installations requested.
Item 5. FY 16 - Land transfers from DLNR slower than anticipated.
Item 6. FY 16 - Increased focus on dam safety issues required an increase in inspections. A reservoir construction project is anticipated to begin which will require more inspections than originally planned for FY 17.
## STATE OF HAWAII
### PROGRAM TITLE:
AGRICULTURE DEVELOPMENT AND RESEARCH
### PROGRAM-ID:
AGR-161
### PROGRAM STRUCTURE NO:
01030402

### FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>RESEARCH &amp; DEVELOPMENT COSTS</th>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>+ CHANGE</td>
<td>%</td>
<td>BUDGETED</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>TOTAL COSTS POSITIONS</td>
<td>0.00</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>4,807</td>
<td>3,428</td>
<td>- 1,379</td>
<td>29</td>
<td>1,122</td>
<td>1,122</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

1. AGRICULTURAL LANDS DIRECTLY MANAGED BY ADC (ACRES)
   - 20180
2. AG LANDS SERVED BY ADC IRRIG SYS & INFRASTRUCTURE (ACRES)
   - 26370
3. IRRIG SYS AND INFRASTRUCTURE PROJ MANAGED BY ADC
   - 4
4. AGRICULTURE RELATED FACILITIES MANAGED BY ADC
   - 4
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE
   - 8
6. LAND IN AGRIC CONSERVATION EASEMENTS ADC HOLDS TITLE TO
   - 108
7. AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT
   - 3

### PART III: PROGRAM TARGET GROUP

1. ACRES FROM SUGAR & PINE LANDS AVAILABLE FOR CONT. AQ USE
   - 74224
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE
   - 11
3. AG PROCESSING, MRSitating, PACKING, WAREHOUSING FACILITY
   - 3
4. PROCESSES AND RELATED AGRIBUSINESS IN ADC PROJ AREAS
   - 166
5. AGRICULTURAL COOPERATIVES
   - 7
6. LANDOWNERS INTERESTED IN PRESERVING AG LAND OR INFRASTRUCTURE
   - 4
7. PRVTS GRPS, GOV AGENCIES WORKING AG OR LAND/WTR ISSUES
   - 17

### PART IV: PROGRAM ACTIVITY

1. AGRICULTURAL LANDS MANAGED BY ADC (ACRES)
   - 20200
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS
   - 9
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITIATED BY ADC
   - 3
4. # OF GRANTS AND CONTRACTS AWARDED OR MANAGED BY ADC
   - 1
5. # OF ONGOING CAPITAL IMPROVEMENTS FOR ADC ASSETS
   - 6
6. # OF RESEARCH FRADC LAND, IRRIG, INFRASTRUCTURE FACILITIES
   - 166
7. # OF ACRES COVERED BY AG CONSERVATION EASEMENTS HELD BY ADC
   - 108
8. AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC
   - 3

### REPORT V61
12/14/16
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH

PART I - EXPENDITURES AND POSITIONS

Variances were due to lower than anticipated revolving fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

Item 2. Estimates mistakenly included acreage that is not irrigated by an Agribusiness Development Corp. (ADC) system.

Item 5. Program undertook a large amount of projects in the last fiscal year.

PART III - PROGRAM TARGET GROUPS

Item 3. Completion of facilities taking longer than projected.

Item 4. Number of producers is impacted by delay in completion of facilities and infrastructure.

Item 5. Number of cooperatives is impacted by delay in completion of facilities and infrastructure.

PART IV - PROGRAM ACTIVITIES

Item 5. As ADC-owned and managed acreage increases, the need for capital improvement projects increases.
# Variance Report

**State of Hawaii**  
**Program Title:** General Administration for Agriculture  
**Program ID:** AGR-192  
**Program Structure No:** 01030403  
**Fiscal Year:** 2015-16

## Part I: Expenditures & Positions

**Research & Development Costs**

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
<th>%</th>
<th>Operating Costs</th>
<th>Positions</th>
<th>Expenditures ($1000's)</th>
<th>%</th>
<th>Total Costs</th>
<th>Positions</th>
<th>Expenditures ($1000's)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td></td>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td></td>
<td>BUDGETED</td>
<td>ACTUAL</td>
<td>BUDGETED</td>
<td>ESTIMATED</td>
</tr>
<tr>
<td>FISCAL</td>
<td></td>
<td></td>
<td></td>
<td>FISCAL</td>
<td></td>
<td></td>
<td>YEAR</td>
<td></td>
<td>YEAR</td>
<td></td>
</tr>
<tr>
<td>YEAR 2015-16</td>
<td></td>
<td></td>
<td></td>
<td>YEAR 2015-16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| PART II: Measures of Effectiveness

1. % change of total value of crops and livestock
2. # of acres reclassified from ag to urban use
3. % personnel actions processed within payroll cycle
4. % of vendor payments made within 30 days
5. % of data processing requests completed

## Part III: Program Target Group

1. Total acres in diversified crops and livestock
2. diversified farm operators and farm workers (#)
3. Inventory of important ag lands (acres)
4. Employees (number)
5. Divisions (number)
6. Branches (number)
7. Attached agencies (number)

## Part IV: Program Activity

1. # land use permit appl reviewed affecting ag lands
2. Number of personnel actions processed
3. Number of purchase orders processed
4. Number of petty cash checks processed
5. Number of data processing requests received
PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

Variances in expenditures were due to restrictions and lower than expected special fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Due to the restructuring of the federal agricultural statistics program, reporting actual percentage increases and decreases for the fiscal year are no longer possible. For FY 16, the actual -2.3 percent figure reflects the percentage change in the total value of crops and livestock in the 2015 calendar year.

Item 2. Actual acreage reclassified for FY 16 is current only to December 31, 2015, and provided by the Land Use Commission, Department of Business, Economic Development and Tourism, 2015 State of Hawaii Data Book (Table 6.04). No large landowners have received approval by the Land Use Commission to reclassify agricultural lands in the 2015 calendar year. The Department has no direct control over agricultural land reclassifications.

PART III - PROGRAM TARGET GROUPS

Item 2. Farm operators and farm employees increased - no specific reason known.

Item 3. A large landowner submitted for designation nearly 21,000 acres for an important agricultural lands petition to the Land Use Commission in the second half of 2016.

PART IV - PROGRAM ACTIVITIES

Item 1. Recent personnel additions have made it possible to review more land use permit applications for FY 16.

Item 3. The actual data for FY 16 is more than the planned data by 26% because more program activities were performed and more purchases were made. Expenditure amounts were more than the petty cash disbursement limit, so more purchase orders were generated. The estimated number of purchase orders to be processed for FY 17 is 25% more than planned number for FY 17. This is a projection based on actual numbers in FY 15 and FY 16. It is anticipated that more program activities will be performed and paid using purchase order instead of petty cash.

Item 4. The actual number of petty cash checks processed for FY 16 is less than the planned number by 45% because most expenditures were more than the petty cash disbursement limit, in which a purchase order was processed. Another reason for the decrease is that more purchases were made using the p-card. Also, because of the increase in the threshold for cash purchases to $50.00 - issuance of petty cash checks decreased. The estimated number of petty cash checks to be processed for FY 17 is less than the planned number by 25% due to the anticipation that more purchases will be made using the p-card, and petty cash reimbursements will be paid through petty cash.
## VARIANCE REPORT

**PROGRAM TITLE:** FISHERIES AND AQUACULTURE  
**PROGRAM-ID:**  
**PROGRAM STRUCTURE NO:** 0104

### PART I: EXPENDITURES & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>OPERATING COSTS</th>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>EXPENDITURES ($1000's)</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
<th>BUDGETED</th>
<th>ESTIMATED</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16.00</td>
<td>13.00</td>
<td>-3.00</td>
<td>19</td>
<td>16.00</td>
<td>13.00</td>
<td>-3.00</td>
<td>19</td>
<td>16.00</td>
<td>16.00</td>
<td>+0.00</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,168</td>
<td>1,592</td>
<td>-576</td>
<td>27</td>
<td>1,019</td>
<td>310</td>
<td>-709</td>
<td>70</td>
<td>1,162</td>
<td>1,911</td>
<td>+749</td>
<td>64</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td>16.00</td>
<td>13.00</td>
<td>-3.00</td>
<td>19</td>
<td>16.00</td>
<td>13.00</td>
<td>-3.00</td>
<td>19</td>
<td>16.00</td>
<td>16.00</td>
<td>+0.00</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,168</td>
<td>1,592</td>
<td>-576</td>
<td>27</td>
<td>1,019</td>
<td>310</td>
<td>-709</td>
<td>70</td>
<td>1,162</td>
<td>1,911</td>
<td>+749</td>
<td>64</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

<table>
<thead>
<tr>
<th>1. NUMBER OF LICENSES ISSUED</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
<th>PLANNED</th>
<th>ESTIMATED</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>5</td>
<td>-25</td>
<td>83</td>
<td>30</td>
<td>5</td>
<td>-25</td>
<td>83</td>
</tr>
<tr>
<td>2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)</td>
<td>700</td>
<td>NO DATA</td>
<td>700</td>
<td>100</td>
<td>750</td>
<td>NO DATA</td>
<td>-750</td>
<td>100</td>
</tr>
<tr>
<td>3. PRIMARY VALUE OF AQUACULTURE PRODUCTION ($000)</td>
<td>55000</td>
<td>78200</td>
<td>+23200</td>
<td>42</td>
<td>70000</td>
<td>70000</td>
<td>+0</td>
<td>0</td>
</tr>
<tr>
<td>4. TOTAL AQUACULTURE EMPLOYMENT</td>
<td>400</td>
<td>365</td>
<td>-35</td>
<td>9</td>
<td>400</td>
<td>365</td>
<td>-35</td>
<td>9</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: FISHERIES AND AQUACULTURE

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.
## STATE OF HAWAII VARIANCE REPORT

**PROGRAM TITLE:** FISHERIES MANAGEMENT  
**PROGRAM-ID:** LNR-153  
**PROGRAM STRUCTURE NO:** 010402

### PART I: EXPENDITURES

#### OPERATING COSTS

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.00</td>
<td>10.00</td>
<td>- 2.00</td>
</tr>
<tr>
<td>915</td>
<td>206</td>
<td>77</td>
</tr>
</tbody>
</table>

### TOTAL COSTS

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1000's)</th>
<th>TOTAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.00</td>
<td>10.00</td>
<td>- 2.00</td>
</tr>
<tr>
<td>915</td>
<td>206</td>
<td>77</td>
</tr>
</tbody>
</table>

### AUDIO DISTRIBUTIONS & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>RESEARCH &amp; DEVELOPMENT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.00</td>
<td>10.00</td>
<td>- 2.00</td>
</tr>
<tr>
<td>915</td>
<td>206</td>
<td>77</td>
</tr>
</tbody>
</table>

### FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.00</td>
<td>10.00</td>
<td>- 2.00</td>
<td>17</td>
</tr>
<tr>
<td>915</td>
<td>206</td>
<td>- 77</td>
<td></td>
</tr>
</tbody>
</table>

### THREE MONTHS ENDED 09-30-16

<table>
<thead>
<tr>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.00</td>
<td>10.00</td>
<td>- 3.00</td>
<td>23</td>
</tr>
<tr>
<td>915</td>
<td>206</td>
<td>- 77</td>
<td></td>
</tr>
</tbody>
</table>

### NINE MONTHS ENDING 06-30-17

<table>
<thead>
<tr>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.00</td>
<td>13.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>915</td>
<td>1,599</td>
<td>+ 749</td>
<td>88</td>
</tr>
</tbody>
</table>

### FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>850</td>
<td>1,599</td>
<td>+ 749</td>
<td>88</td>
</tr>
</tbody>
</table>

### FISCAL YEAR 2016-17

<table>
<thead>
<tr>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>850</td>
<td>1,599</td>
<td>+ 749</td>
<td>88</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

1. NUMBER OF LICENSES ISSUED
   - PLANNED: 8  
   - ACTUAL: 5  
   - CHANGE: -3
2. FISHING RPTS CLCTD & PRCSSD AS % OF TTL RPTS DUE
   - PLANNED: 97  
   - ACTUAL: 97  
   - CHANGE: 0
3. ONLINE COMMRCL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE
   - PLANNED: 35  
   - ACTUAL: 35  
   - CHANGE: 0
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE
   - PLANNED: 70  
   - ACTUAL: 70  
   - CHANGE: 0
5. FISHING SUCCESS (FISH/TRIP)
   - PLANNED: 2  
   - ACTUAL: 2  
   - CHANGE: 0
6. NUMBER OF FISHERY MANAGEMENT AREAS
   - PLANNED: 22  
   - ACTUAL: 23  
   - CHANGE: +1
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTANT SPECIES
   - PLANNED: 1  
   - ACTUAL: 1  
   - CHANGE: 0
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)
   - PLANNED: 6  
   - ACTUAL: 6  
   - CHANGE: 0

### PART III: PROGRAM TARGET GROUP

1. LICENSED COMMERCIAL FISHERS (1000)
   - PLANNED: 3.3  
   - ACTUAL: 3.8  
   - CHANGE: +0.5
2. COMMERCIAL MARINE DEALERS (HUNDREDS)
   - PLANNED: 2.6  
   - ACTUAL: 2.4  
   - CHANGE: -0.2
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)
   - PLANNED: 5  
   - ACTUAL: 5  
   - CHANGE: 0
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (ODO'S)
   - PLANNED: 6  
   - ACTUAL: 6  
   - CHANGE: 0
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)
   - PLANNED: 156  
   - ACTUAL: 155  
   - CHANGE: -1
6. MARINE SPORT FISHERMEN (THOUSANDS)
   - PLANNED: 12  
   - ACTUAL: 12  
   - CHANGE: 0
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)
   - PLANNED: 146  
   - ACTUAL: 146  
   - CHANGE: 0
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES
   - PLANNED: 12  
   - ACTUAL: 12  
   - CHANGE: 0

### PART IV: PROGRAM ACTIVITY

1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)
   - PLANNED: 4  
   - ACTUAL: 4  
   - CHANGE: 0
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)
   - PLANNED: 590  
   - ACTUAL: 650  
   - CHANGE: +60
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(000'S)
   - PLANNED: 1300  
   - ACTUAL: 1100  
   - CHANGE: -200
4. AQUARIUM PERMITS (HUNDREDS)
   - PLANNED: 13  
   - ACTUAL: 13  
   - CHANGE: 0
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS
   - PLANNED: 25  
   - ACTUAL: 25  
   - CHANGE: 0
6. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION
   - PLANNED: 49  
   - ACTUAL: 50  
   - CHANGE: +1
7. SURVEYS FOR FISHERMEN (THOUSANDS)
   - PLANNED: 5  
   - ACTUAL: 5  
   - CHANGE: 0
8. SURVEYS OF FISHING AREAS
   - PLANNED: 2  
   - ACTUAL: 2  
   - CHANGE: 0
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: FISHERIES MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

FY 16: The program manager and office assistant positions remained vacant last year as the department planned reorganization of the Division. In addition, actual expenditures reflect a significant (-26% or nearly $450K) scale down on spending for Federal-funded projects requiring State matching funds.

FY 17: The Program Manager and Office Assistant positions remained vacant during the 1st quarter as the Department continues to reorganize the Division. Although expenditures were down 26% during the 1st quarter, spending is expected to increase significantly over the remaining nine remaining months.

PART II - MEASURES OF EFFECTIVENESS

Item 1: The planned increase to the commercial marine license (CML) fee schedule and the addition of a vessel, professional marine and dealer license was delayed last year, accounted of the decrease in the licenses issued. The decrease in licenses issued will probably continue this year as efforts are geared to increase the CML fee.

Item 6: The number of fishery management areas increased last year with the addition of the Ha'ena Community-Based Subsistence Fishing Area on Kauai. The newly established Ka'pulehu Marine Reserve in North Kona, Hawaii accounts for the increase this year.

PART III - PROGRAM TARGET GROUPS

Item 1: In January 2016, a lawsuit settlement on non-justification to charge higher fees for non-residents resulted in an increase in the number of CML issuances and it is expected this increase would remain at the same level this year.

Item 2: Commercial marine primary dealers still impacted by the recent recession are still not purchasing marine life directly from licensed fishers.

Item 5: The increase in licensed freshwater sport fishermen is attributed to the past two very successful rainbow trout seasons on Kokee, Kauai.

PART IV - PROGRAM ACTIVITIES

Item 2: The commercial fishing report requirement compliance is improving due to enforcement through the Civil Resources Violation System and the gradual increase of the adoption rate of fishers submitting the fishing report online.

Item 3: The main Hawaiian Islands (MHI) bottomfish fishery is federally managed using a series of progressively lower fishing quotas to ensure the sustainability of the resource; however the lower quotas has lead to a decline in the number of vessels registered to participate in the fishery.

Item 4: The decrease in the number of commercial aquarium permits issued may be attributed to the new regulation on limits for harvesting certain species including bag limit and slot sizes.

Item 9: The number of fishermen surveys is expected to increase significantly this year due to the recent hiring of an additional worker on the island of Hawaii.
### STATE OF HAWAII VARIANCE REPORT

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

#### FISCAL YEAR 2015-16

| PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS |
|---------------------------------|-----------------|-----------------|-----------------|
|                                 | BUDGETED | ACTUAL | + CHANGE | % BUDGETED | ACTUAL | + CHANGE | % BUDGETED | ACTUAL | + CHANGE | % |
| OPERATING COSTS                 |           |        |         |           |        |         |           |        |         |     |
| POSITIONS                       | 4.00      | 3.00   | -1.00   | 25        | 3.00   | 3.00    | +0.00    | 0      | 3.00    | 3.00  |
| EXPENDITURES ($1,000's)         | 459       | 332    | -127    | 28        | 104    | 104     | +0       | 0      | 312     | 312   |
| TOTAL COSTS                     | 4.00      | 3.00   | -1.00   | 25        | 3.00   | 3.00    | +0.00    | 0      | 3.00    | 3.00  |
| EXPENDITURES ($1000's)          | 459       | 332    | -127    | 28        | 104    | 104     | +0       | 0      | 312     | 312   |

#### PART II: MEASURES OF EFFECTIVENESS

1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)  
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION ($000)  
3. TOTAL AQUACULTURE EMPLOYMENT

#### PART III: PROGRAM TARGET GROUP
1. AQUACULTURE OPERATIONS STATEWIDE

#### PART IV: PROGRAM ACTIVITY
1. INFORMATION SENT (NUMBER)  
2. PERMIT ASSISTANCE (NUMBER)  
3. DISEASE ASSISTANCE (NUMBER OF CASES)  
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM

PART I - EXPENDITURES AND POSITIONS

Variance were due to position vacancies, and lower than anticipated expenditures from the Aquaculture Development special fund.

PART II - MEASURES OF EFFECTIVENESS

Item 1. No data available. National Agricultural Statistics Service (NASS) no longer publishes Aquaculture Production data for disclosure reasons. This is an important metric, so as the industry continues to grow, it is hoped that the metric will be published.

Item 2. The increase reflects growth in the algae and shrimp broodstock sectors. In the future, additional growth will originate from the finfish sector.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The increase reflects an uptick in aquaculture interest as a viable production sector.
# STATE OF HAWAII VARIANCE REPORT

**PROGRAM TITLE:** TECHNOLOGY  
**PROGRAM ID:**  
**PROGRAM STRUCTURE NO:** 0105

## FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.00</td>
<td>8.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>5.00</td>
<td>8.00</td>
<td>+ 3.00</td>
</tr>
<tr>
<td>5.00</td>
<td>8.00</td>
<td>+ 3.00</td>
</tr>
</tbody>
</table>

## THREE MONTHS ENDED 09-30-16

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>95,296</td>
<td>67,522</td>
<td>- 27,774</td>
</tr>
<tr>
<td>7,696</td>
<td>3,564</td>
<td>- 4,132</td>
</tr>
<tr>
<td>5.00</td>
<td>8.00</td>
<td>+ 3.00</td>
</tr>
</tbody>
</table>

## NINE MONTHS ENDING 06-30-17

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENDITURES ($1,000's)</th>
<th>OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>95,296</td>
<td>67,522</td>
<td>- 27,774</td>
</tr>
<tr>
<td>7,696</td>
<td>3,564</td>
<td>- 4,132</td>
</tr>
<tr>
<td>5.00</td>
<td>8.00</td>
<td>+ 3.00</td>
</tr>
</tbody>
</table>

## PART II: MEASURES OF EFFECTIVENESS

1. **# RE PROJECTS ASSISTED**
   - 20 13 - 7 35
   - 20 15 - 5 25

2. **INCREASE IN NUMBER OF COMPANIES FUNDED**
   - 5 5 + 0 0
   - 5 5 + 0 0

3. **# OF COMPANIES ASDT AT HTDC INCUBATION CENTERS**
   - 250 172 - 78 31
   - 250 200 - 50 20

4. **TOTAL TENANT REVENUE ($M)**
   - 61 60 - 1 2
   - 65 65 + 0 0

5. **NELHA REVENUES (INCL REIMBURSABLES) ($M)**
   - 6.3 5.1 - 1.2 19
   - 8.8 6.2 - 1.4 21

---

- 128 -
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**

**STATE OF HAWAII**
**PROGRAM TITLE:** HAWAII STATE ENERGY OFFICE
**PROGRAM-ID:** BED-120
**PROGRAM STRUCTURE NO:** 010501

**FISCAL YEAR 2015-16**

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>% CHANGE</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>% CHANGE</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
<td>POSITIONS</td>
<td>5.00</td>
<td>5.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>2.00</td>
<td>5.00</td>
<td>+ 3.00</td>
<td>150</td>
<td>2.00</td>
<td>5.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td></td>
<td>57,265</td>
<td>56,206</td>
<td>- 1,059</td>
<td>2</td>
<td>2,354</td>
<td>1,309</td>
<td>- 1,045</td>
<td>44</td>
<td>54,262</td>
<td>55,307</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>POSITIONS</td>
<td>5.00</td>
<td>5.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>2.00</td>
<td>5.00</td>
<td>+ 3.00</td>
<td>150</td>
<td>2.00</td>
<td>5.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td></td>
<td>57,265</td>
<td>56,206</td>
<td>- 1,059</td>
<td>2</td>
<td>2,354</td>
<td>1,309</td>
<td>- 1,045</td>
<td>44</td>
<td>54,262</td>
<td>55,307</td>
</tr>
</tbody>
</table>

**PART II: MEASURES OF EFFECTIVENESS**

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>% CHANGE</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # RE PROJECTS ASSISTED</td>
<td>20</td>
<td>13</td>
<td>-</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED</td>
<td>48</td>
<td>48</td>
<td>+</td>
<td>0</td>
<td>48</td>
</tr>
<tr>
<td>3. # EA ACTIVITIES DEV &amp; SUPPORTED</td>
<td>4</td>
<td>4</td>
<td>+</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>4. TA TO PUBLIC &amp; PRIVATE ENTITIES</td>
<td>856</td>
<td>874</td>
<td>+</td>
<td>2</td>
<td>856</td>
</tr>
<tr>
<td>5. # PROJECTS/ENERGY SYSTEMS FINANCED</td>
<td>1119</td>
<td>1119</td>
<td>+</td>
<td>100</td>
<td>560</td>
</tr>
</tbody>
</table>

**PART III: PROGRAM TARGET GROUP**

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # EMERGING CLEAN ENERGY PRODUCERS</td>
<td>40</td>
<td>45</td>
<td>+</td>
<td>5</td>
</tr>
<tr>
<td>2. # EV INDUSTRY SECTORS</td>
<td>17</td>
<td>17</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td>3. # CUSTOMERS/ORGANIZATIONS RECEIVING FINANCING</td>
<td>1119</td>
<td>1119</td>
<td>+</td>
<td>100</td>
</tr>
<tr>
<td>4. # BUS/ORG INTERESTED IN ENERGY ASSURANCE</td>
<td>25</td>
<td>25</td>
<td>+</td>
<td>0</td>
</tr>
</tbody>
</table>

**PART IV: PROGRAM ACTIVITY**

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>PLANNED</th>
<th>ACTUAL</th>
<th>+ CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # STATEWIDE RPS</td>
<td>21</td>
<td>23.4</td>
<td>+</td>
</tr>
<tr>
<td>2. # REGISTERED PASSENGER PLUG-IN EVS</td>
<td>456</td>
<td>938</td>
<td>+</td>
</tr>
<tr>
<td>3. # PUBLIC CHARGING STATIONS</td>
<td>20</td>
<td>20</td>
<td>+</td>
</tr>
<tr>
<td>4. # BUS/ORG PARTICIPATED IN EA ACTIVITIES</td>
<td>100</td>
<td>100</td>
<td>+</td>
</tr>
<tr>
<td>5. # ENTITIES PARTICIPATED EE ACTIVITIES</td>
<td>1064</td>
<td>1970</td>
<td>+</td>
</tr>
</tbody>
</table>
PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

PART I - EXPENDITURES AND POSITIONS

Positions: The Legislature made a permanent count error last year. Position count difference due to Legislative error for FY 17.

Expenditures: FY 16 expenditures were lower than budgeted mainly because of the following: 1) No activity in Renewable Energy Facility Siting Special Fund; 2) A difference between appropriation for the Green Energy Market Securitization (GEMS) and the actual GEMS bond fund expenditures; 3) A difference between the appropriation for a multi-year federal grant and the amount expended in Year 1.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Variance is due to several renewable energy (RE) projects undergoing regulatory processes, which limits the Hawaii State Energy Office's involvement.

Item 5. This program activity is no longer under BED 120. The Hawaii Green Infrastructure Authority (BED 138), created in FY 15, is responsible for deploying the funds raised from the GEMS bond sale by financing RE projects and systems.

PART III - PROGRAM TARGET GROUPS

Item 1. Variance is due to a positive surge of new projects recently added to the Projects Directory that are under development.

Item 3. This program target group is no longer under BED 120. The Hawaii Green Infrastructure Authority (BED 138), created in FY 15, is responsible for deploying the funds raised from the GEMS bond sale by financing RE projects and systems.

PART IV - PROGRAM ACTIVITIES

Item 1. Variance is based on 23% Renewable Portfolio Standards, the latest published figure. Hawaii is well on track of achieving its renewable portfolio standard goals.

Item 2. Variance is due to new electric vehicle sales being significantly higher than projected as consumer demand remained high.

Item 5. Variance is attributed to attendance and interest in events being greater than expected.
# Variance Report

**Program Title:** High Technology Development Corporation  
**Program ID:** BED-143  
**Program Structure No:** 010502

## Part I: Expenditures & Positions

### Research & Development Costs

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Actual</th>
<th>+ Change</th>
<th>%</th>
<th>Budgeted</th>
<th>Actual</th>
<th>+ Change</th>
<th>%</th>
<th>Budgeted</th>
<th>Estimated</th>
<th>+ Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs Positions</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>Expenditures ($1,000's)</td>
<td>22,344</td>
<td>4,346</td>
<td>- 17,998</td>
<td>81</td>
<td>1,240</td>
<td>393</td>
<td>- 847</td>
<td>68</td>
<td>6,454</td>
<td>7,301</td>
<td>+ 847</td>
<td>13</td>
</tr>
</tbody>
</table>

### Total Costs

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Actual</th>
<th>+ Change</th>
<th>%</th>
<th>Budgeted</th>
<th>Actual</th>
<th>+ Change</th>
<th>%</th>
<th>Budgeted</th>
<th>Estimated</th>
<th>+ Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs Positions</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>3.00</td>
<td>3.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>Expenditures ($1,000's)</td>
<td>22,344</td>
<td>4,346</td>
<td>- 17,998</td>
<td>81</td>
<td>1,240</td>
<td>393</td>
<td>- 847</td>
<td>68</td>
<td>6,454</td>
<td>7,301</td>
<td>+ 847</td>
<td>13</td>
</tr>
</tbody>
</table>

## Part II: Measures of Effectiveness

1. # of companies assisted at HTDC incubation centers: 250 vs. 172, + 78, 31%
2. Marketing: # of individuals or companies assisted: 36100 vs. 29500, - 6600, 18%

## Part III: Program Target Group

1. # of potential tech-based companies: 1300 vs. 1200, - 100, 8%
2. # of companies applying for incubation services: 25 vs. 15, - 10, 40%

## Part IV: Program Activity

1. # of contacts and responses: 57800 vs. 62000, + 4200, 7%

---

**Report:** V61  
**Date:** 12/14/16

---
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

FY 16 Expenditures were lower than budgeted primarily due to: 1) not obligating all the federal funds for the Hawaii Center for Advanced Transportation Technologies projects for the Air Force, as projects are being done in phases over several years while full co-op agreement is budgeted in year 1; 2) the budgeted appropriation for the federal-funded Manufacturing Extension Partnership agreement covers the five-year award period per revised State procedures implemented in FY 14; and 3) not expending funds for the Hawaii technology loan program;

FY 17 Expenditures are lower than budgeted for the reasons stated above.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The number of companies assisted at our incubation centers has been robust at Manoa Innovation Center (MIC). However, our facilities in Maui continue to be underutilized and vacancy remains low throughout the Kihei area.

Our marketing efforts are also robust and we are reaching more individuals. However, Maui remains slower in activity than on Oahu.

PART III - PROGRAM TARGET GROUPS

Item 1. The target group of companies that potentially would utilize the Manufacturing Extension Partnership program and its Hawaii Small Business Innovation Research grant program was lowered after reassessing the tech sectors.

Item 2. Companies applying for tenancy or to become a virtual tenant at the tech centers are projected to be higher than budgeted in FY 16 as a result of filling a vacant position and upgrading the incubation program. HTDC is also seeking commercial leasing services from the asset management contractor on Maui to fill office space at the Maui Research and Technology Center (MRTC).

PART IV - PROGRAM ACTIVITIES

Item 1. Hits to the various HTDC websites has showed that activity is higher than planned. The trend is anticipated to continue. Inquiries regarding leasing space at the technology centers is anticipated to be higher than planned as the incubation program is upgraded at MIC. New co-working space introduced at MRTC has garnered interest as an alternative to leasing space.
### Part I: Expenditures & Positions

#### Research & Development Costs

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Actual</th>
<th>Change (%)</th>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs Positions</td>
<td>0.00</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>6,916 2,059 - 4,857 70</td>
</tr>
<tr>
<td>Expenditures ($1000's)</td>
<td>0.00</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>1,981 890 - 1,091 55</td>
</tr>
</tbody>
</table>

**Total Costs**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Actual</th>
<th>Change (%)</th>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs Positions</td>
<td>0.00</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>6,916 2,059 - 4,857 70</td>
</tr>
<tr>
<td>Expenditures ($1000's)</td>
<td>0.00</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>1,981 890 - 1,091 55</td>
</tr>
</tbody>
</table>

### Part II: Measures of Effectiveness

1. **Incr in Leveraging Public Inv w/ Private Capital**: Planned 0 0 + 0 0
2. **Incr in Number of Venture Cap Partnerships Estab**: Planned 1 1 + 0 0
3. **Increase in Number of Companies Funded**: Planned 5 5 + 0 0

### Part III: Program Target Group

1. **Entrepreneurial Start-Up Companies**: Planned 50 50 | + | 0 | 0 | 0 | 0 | 50 | 40 | + | 0 | 0
2. **Potential Invest Org, Incl High Net Worth Indivs**: Planned 20 20 | + | 0 | 0 | 0 | 0 | 20 | 20 | + | 0 | 0
3. **Support Orgs Including Legal & Acct Firms**: Planned 5 5 | + | 0 | 0 | 0 | 0 | 5 | 5 | + | 0 | 0

### Part IV: Program Activity

1. **Reinvest Invest Distrib in New Venture Partnership**: Planned 0 0 | + | 0 | 0 | 0 | 0 | 0 | 0 | + | 0 | 0
2. **Organize and Sponsor Venture Capital Conf**: Planned 3 3 | + | 0 | 0 | 0 | 0 | 3 | 3 | + | 0 | 0
3. **Entrepreneurial Training Programs**: Planned 1 1 | + | 0 | 0 | 0 | 0 | 1 | 1 | + | 0 | 0
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

The budgeted amounts allow Hawaii Strategic Development Corporation (HSDC) an expenditure ceiling to deploy investment capital opportunistically. Therefore, depending on the opportunities to invest, our actual expenditures will vary from the budgeted amounts.

Actual expenditures were based upon opportunities which are running at a normalized rate, so not an issue. For G-17-101, because of proviso wording not included in the Budget Act, the $1 million of appropriated funds will not be able to be expended.

PART II - MEASURES OF EFFECTIVENESS

Item 1. HSDC was able to close on a small fund in December 2015. HSDC committed $1.5 million and Hawaii investors committed $1.5 million to establish a $3 million fund to invest in Energy Excelerator companies.

HSDC was able to close on an investment in a project accelerated by the GVS Transmedia Accelerator that brought in $2 million of private investment capital in September 2016.

Item 2. HSDC was appropriated $1 million in the 2017 budget. HSDC has reached agreement to establish a pilot investment fund to explore research commercialization opportunities in Hawaii.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

No significant variances.
## State of Hawaii

**Program Title:** Natural Energy Lab of Hawaii Authority  
**Program-ID:** BED-146  
**Program Structure No.:** 010504  

### Fiscal Year 2015-16

#### Part I: Expenditures & Positions

<table>
<thead>
<tr>
<th>Positions</th>
<th>Operating Costs Positions</th>
<th>Total Costs Positions</th>
<th>Research &amp; Development Costs Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budgeted ($1,000's)</td>
<td>Actual ($1,000's)</td>
<td>Change ($1,000's)</td>
</tr>
<tr>
<td>0.00</td>
<td>7,771</td>
<td>4,144</td>
<td>-3,627</td>
</tr>
<tr>
<td>0.00</td>
<td>1,945</td>
<td>830</td>
<td>-1,115</td>
</tr>
</tbody>
</table>

#### Part II: Measures of Effectiveness

1. **NELHA Revenues (incl. Reimbursables) ($M)**
   - Planned: 6.3, Actual: 5.1, Change: -1.2, % Change: -19%
   - Estimated: 6.6, Actual: 5.2, Change: -1.4, % Change: -21%

2. **Energy Produced from Renewable Resources (MWh/yr)**
   - Planned: 4500, Actual: 4500, Change: 0, % Change: 0%

3. **Total Tenant Revenue ($M)**
   - Planned: 10, Actual: 10, Change: 0, % Change: 0%

4. **Annual Tenant Capital Improvement ($M)**
   - Planned: 10, Actual: 10, Change: 0, % Change: 0%

5. **Seawater System Delivery Reliability (%)**
   - Planned: 99.999, Actual: 99.999, Change: 0, % Change: 0%

### Fiscal Year 2016-17

#### Part I: Expenditures & Positions

<table>
<thead>
<tr>
<th>Positions</th>
<th>Operating Costs Positions</th>
<th>Total Costs Positions</th>
<th>Research &amp; Development Costs Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budgeted ($1,000's)</td>
<td>Actual ($1,000's)</td>
<td>Change ($1,000's)</td>
</tr>
<tr>
<td>0.00</td>
<td>5,871</td>
<td>6,986</td>
<td>1,115</td>
</tr>
<tr>
<td>0.00</td>
<td>1,945</td>
<td>830</td>
<td>-1,115</td>
</tr>
</tbody>
</table>

#### Part II: Measures of Effectiveness

1. **NELHA Revenues (incl. Reimbursables) ($M)**
   - Planned: 6.6, Actual: 5.2, Change: -1.4, % Change: -21%
   - Estimated: 6.6, Actual: 5.2, Change: -1.4, % Change: -21%

2. **Energy Produced from Renewable Resources (MWh/yr)**
   - Planned: 4500, Actual: 4500, Change: 0, % Change: 0%

3. **Total Tenant Revenue ($M)**
   - Planned: 10, Actual: 10, Change: 0, % Change: 0%

4. **Annual Tenant Capital Improvement ($M)**
   - Planned: 10, Actual: 10, Change: 0, % Change: 0%

5. **Seawater System Delivery Reliability (%)**
   - Planned: 99.999, Actual: 99.999, Change: 0, % Change: 0%
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

PART I - EXPENDITURES AND POSITIONS

Variance for FY 16 expenditures is due to actual revenue collected being less than the special fund budget ceiling and utility and electrical use lower than expected. Electrical rates were lower in FY 16 than anticipated.

FY 17 first quarter variance due to timing of utility payments and contracting.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Revenues lower mainly due to the collection issues with a few tenants. Working to resolve this issue.

PART III - PROGRAM TARGET GROUPS

Items 1 and 2. Anticipate filling in the higher than anticipated vacant offices during this fiscal year.

Item 4. Higher than anticipated public outreach as Natural Energy Lab of Hawaii Authority's public outreach has ramped up.

PART IV - PROGRAM ACTIVITIES

No significant variances.
## STATE OF HAWAII VARIANCE REPORT

### PROGRAM TITLE:
HAWAII GREEN INFRASTRUCTURE AUTHORITY

### PROGRAM-ID:
BED-138

### PROGRAM STRUCTURE NO:
016505

### PART I: EXPENDITURES & POSITIONS

#### RESEARCH & DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th></th>
<th>EXPENDITURES ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td></td>
</tr>
<tr>
<td>POSITIONS</td>
<td>0.00 0.00 + 0.00 0</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td>1,000 767 - 233 23</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>0.00 0.00 + 0.00 0</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td>1,000 767 - 233 23</td>
</tr>
</tbody>
</table>

### PART II: MEASURES OF EFFECTIVENESS

1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH)
2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD ($M)
3. NUMBER OF UNDERSERVED CONSUMERS FINANCED
4. NUMBER OF NONPROFITS FINANCED

### PART III: PROGRAM TARGET GROUP

1. ENTITIES AND CUST ADPTING CLEAN ENRGY TECHNOLOGIES

### PART IV: PROGRAM ACTIVITY

1. TOTAL NUMBER OF BUILDINGS SERVED
2. NUMBER OF LOANS APPROVED
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

PART I - EXPENDITURES AND POSITIONS

Actual expenditures in FY 16 were less than the budgeted amount primarily due to vacant positions and a lower level needed for other current expenditures.

For FY 17, the first quarter variance resulted from less personal services expended than originally estimated due to vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Items 1 to 4: As reported during last fiscal year, implementation of the Green Energy Market Securitization (GEMS) program had taken longer than initially estimated. The program shuttered its Nonprofit/Small Business Loan Program on December 31, 2015, due to the loss of the equity investor. Additionally, the first consumer loans only began funding in January 2016.

As such, the actual results for FY 16 fell short of expectations in all effectiveness metrics producing the following (MWH means megawatt-hour):

(1) 144.2 MWH (instead of 3300 MWH in the revised projections).
(2) $386,269 capital deployed (instead of the expected $12 million in the revised projections).
(3) It did, however, surpass the revised projections for number of underserved consumers financed of 8 (instead of 22).
(4) There were no non-profits financed with the shuttering of its program.

With eight months left in the fiscal year and the need for Notifications and Modifications to be submitted to the Public Utilities Commission to expand GEMS financial options, forecasts for FY 17 are as follows:

(1) 2,636 MWH production from projects financed.
(2) $5.5 million of GEMS capital deployed.
(3) 303 underserved consumers financed.
(4) 11 non-profits/small businesses or multi-family projects financed.

Looking forward to FY 18, projections are as follows:

(1) 22,086 MWH production from projects financed.
(2) $44.5 million of GEMS capital deployed.
(3) 2,904 underserved consumers financed.
(4) 34 non-profits/small businesses or multi-family projects financed.

PART III - PROGRAM TARGET GROUPS

As stated above, actual results have fallen short of projections with 12 entities/customers adopting clean energy technologies.

The projections for FY 17 is 61 and for FY 18 is 548.

PART IV - PROGRAM ACTIVITIES

See Part III.
## VARIANCE REPORT

**Program Title:** Water and Land Development  
**Program ID:** LNR-141  
**Program Structure No.:** 0106  
**Fiscal Year 2015-16**

### Part I: Expenditures & Positions

<table>
<thead>
<tr>
<th>Research &amp; Development Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.50</td>
</tr>
</tbody>
</table>

### Operating Costs

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
<th>5.50</th>
<th>3.50</th>
<th>-2.00</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,110</td>
<td>842</td>
<td>268</td>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total Costs

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures ($1,000's)</th>
<th>5.50</th>
<th>3.50</th>
<th>-2.00</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,110</td>
<td>842</td>
<td>268</td>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Measures of Effectiveness

1. Surface Water Supply Developed (MGD)  
2. Groundwater Supply Developed (MGD)  
3. Water Credits Provided to State Agencies (1000 GALS)  
4. State Lands Developed (Acres)  
5. Geothermal Royalties Collected (Dollars)  
6. Rockfall Projects Implemented (# of Projects)

### Program Target Group

1. De facto Population Benefiting from Improvements (No. in Mil)

### Program Activity

1. Planning and Programming (Number of Projects)  
2. Projects Designed (Number of Projects)  
3. Engineering Consultant Contracts Administered  
4. Engineering Services Provided to Other DLNR Offices (Man Hrs)  
5. CIP Expenditures ($1,000)  
6. Alternate Water Development Projects Investigated (No.)  
7. Geothermal Resource Permits Issued (# of Permits)  
8. Rockfall/Slope Movement Areas Investigated & Addressed

---

**Report V61**  
**12/14/16**
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 16 and FY 17 position variance due to budgeted unfilled positions under recruitment.

Differences in budgeted amount and actual expenditures are primarily due to staff vacancy and corresponding funds for activities to be performed, 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; program has sought but not been authorized funding for such projects.

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

Item 5: Geothermal royalties collected fluctuates annually, based on actual power production and operations of the sole geothermal developer. The royalty rate is also linked to the price of oil, which is at a historical low; FY 17 estimate has been adjusted to reflect this trend.

Item 6: Variance due to greater number of rockfall incidents than originally anticipated

PART III - PROGRAM TARGET GROUPS

No significant variance.

PART IV - PROGRAM ACTIVITIES

Items 1 and 3: FY 16 actuals reflect greater number of projects authorized than initially projected due to increased CIP funding levels and the breakdown of Lump Sum appropriations into multiple projects/contracts.

Item 4: Variance due to temporary staff reductions due to retirements. Vacancies were under recruitment in FY 17.

Item 5: FY 16 reflects actual expenditures based on contractor invoicing and payment processing; an additional $58 million is encumbered in consultant and/or construction contracts for expenditure in FY 17 and beyond. FY 16 expenditures include $10.6 million for the Central Maui Regional Sports Complex, $4.7 million for various watershed protection projects, $5.6 million for ferry system improvement projects in Maui County, and $3.1 million for various rockfall or flood mitigation projects.

Item 8: FY 16 reflects the investigation of more rockfall incidents than originally anticipated. FY 17 estimate has been adjusted to reflect the increasing trend.
# VARIANCE REPORT

**STATE OF HAWAI`I**
**PROGRAM TITLE:** SPECIAL COMMUNITY DEVELOPMENT
**PROGRAM-ID:**
**PROGRAM STRUCTURE NO:** 0107

**PART I: EXPENDITURES & POSITIONS**

<table>
<thead>
<tr>
<th>OPERATING COSTS</th>
<th>BUDGETED ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITIONS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>1,191 739</td>
<td>- 452</td>
<td>38</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>1,191 739</td>
<td>- 452</td>
<td>38</td>
</tr>
</tbody>
</table>

FISCAL YEAR 2015-16

<table>
<thead>
<tr>
<th>BUDGETED ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td>2.00 1.00</td>
<td>- 1.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>302 130</td>
<td>- 172</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>302 130</td>
<td>- 172</td>
</tr>
</tbody>
</table>

THREE MONTHS ENDED 09-30-16

<table>
<thead>
<tr>
<th>BUDGETED ACTUAL</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td>2.00 1.00</td>
<td>- 1.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>302 130</td>
<td>- 172</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>302 130</td>
<td>- 172</td>
</tr>
</tbody>
</table>

NINE MONTHS ENDING 06-30-17

<table>
<thead>
<tr>
<th>BUDGETED ESTIMATED</th>
<th>+ CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING COSTS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>908 1,080</td>
<td>+ 172</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>2.00 2.00</td>
<td>+ 0.00</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>908 1,080</td>
<td>+ 172</td>
</tr>
</tbody>
</table>

**PART II: MEASURES OF EFFECTIVENESS**

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLANNED ACTUAL + CHANGE</td>
<td>%</td>
</tr>
<tr>
<td>1. NEW PRIV DEV IN KAKAAKO COM DEV DIST ($M)</td>
<td>720 150</td>
</tr>
<tr>
<td>2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA ($M)</td>
<td>10 8</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

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.
### STATE OF HAWAII
**PROGRAM TITLE:** HAWAII COMMUNITY DEVELOPMENT AUTHORITY
**PROGRAM-ID:** BED-150
**PROGRAM STRUCTURE NO:** 010701

**VARIANCE REPORT**

**REPORT V61**
12/14/16

<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESEARCH &amp; DEVELOPMENT COSTS</strong></td>
<td><strong>BUDGETED ACTUAL + CHANGE %</strong></td>
<td><strong>BUDGETED ACTUAL + CHANGE %</strong></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>2.00 2.00 + 0.00 0</td>
<td>2.00 1.00 - 1.00 50</td>
</tr>
<tr>
<td>POSITIONS</td>
<td>1,191 739 - 452 38</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
<td>1,191 739 - 452 38</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>2.00 2.00 + 0.00 0</td>
<td>2.00 1.00 - 1.00 50</td>
</tr>
<tr>
<td>POSITIONS</td>
<td>302 130 - 172 57</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
<td>302 130 - 172 57</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II: MEASURES OF EFFECTIVENESS</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NEW PRIV DEV IN KAKAAKO COM DEV DIST ($M)</td>
<td>720 150 - 570 79</td>
<td>370 NO DATA - 370 100</td>
</tr>
<tr>
<td>2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)</td>
<td>1395.3 964.4 - 430.9 31</td>
<td>2838.2 NO DATA - 2838.2 100</td>
</tr>
<tr>
<td>3. # OF NEW HOUSING UNITS IN KAKAAKO</td>
<td>1223 483 - 740 61</td>
<td>1949 NO DATA - 1949 100</td>
</tr>
<tr>
<td>4. # OF NEW PUBLIC FACILITIES IN KAKAAKO</td>
<td>0 0 + 0 0</td>
<td>0 NO DATA - 0 0</td>
</tr>
<tr>
<td>5. # ACTIVELY-USED PARCELS IN KALAELOA CDD</td>
<td>80 87 + 7 9</td>
<td>85 90 + 5 6</td>
</tr>
<tr>
<td>6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA ($M)</td>
<td>10 8 + 2 20</td>
<td>10 8 + 2 20</td>
</tr>
<tr>
<td>7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA</td>
<td>60 55 + 5 8</td>
<td>70 55 + 15 21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART III: PROGRAM TARGET GROUP</th>
<th>FISCAL YEAR 2015-16</th>
<th>FISCAL YEAR 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # OF RESIDENTS IN KAKAAKO</td>
<td>17482 17482 + 0 0</td>
<td>24138 NO DATA - 24138 100</td>
</tr>
<tr>
<td>2. # OF EMPLOYEES IN KAKAAKO</td>
<td>25330 25330 + 0 0</td>
<td>25330 NO DATA - 25330 100</td>
</tr>
<tr>
<td>3. # OF BUSINESSES IN KAKAAKO</td>
<td>1266 1266 + 0 0</td>
<td>1266 NO DATA - 1266 100</td>
</tr>
<tr>
<td>4. # OF LANDUSERS WITHIN KALAELOA</td>
<td>15 15 + 0 0</td>
<td>17 17 + 0 0</td>
</tr>
<tr>
<td>5. # RESIDENTS WITHIN KALAELOA &amp; SURROUNDING AREAS</td>
<td>4500 4600 + 100 2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART IV: PROGRAM ACTIVITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO</td>
<td>175 115 - 60 34</td>
<td>175 NO DATA - 175 100</td>
</tr>
<tr>
<td>2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO</td>
<td>0 0 + 0 0</td>
<td>0 0 + 0 0</td>
</tr>
<tr>
<td>3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO ($M)</td>
<td>0 0 + 0 0</td>
<td>0 0 + 0 0</td>
</tr>
<tr>
<td>4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN</td>
<td>59 59 + 0 0</td>
<td>60 60 + 0 0</td>
</tr>
<tr>
<td>5. NEW PLANNING IN KALAELOA ($M)</td>
<td>20 20 + 0 0</td>
<td>20 21.5 + 1.5 8</td>
</tr>
<tr>
<td>6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA</td>
<td>3 0 - 3 100</td>
<td>4 0 + 4 100</td>
</tr>
<tr>
<td>7. # PROJS FACILITATED &amp; COMPLETED IN KALAELOA</td>
<td>5 2 - 3 60</td>
<td>5 2 - 3 60</td>
</tr>
</tbody>
</table>

| NINE MONTHS ENDING 06-30-17 |
|---|---|---|
| **BUDGETED ACTUAL + CHANGE %** | **BUDGETED ACTUAL + CHANGE %** | **BUDGETED ESTIMATED + CHANGE %** |
| 2.00 2.00 + 0.00 0 | 2.00 2.00 + 0.00 0 | 2.00 1,080 + 172 19 |
| 1,191 739 - 452 38 | 1,191 739 - 452 38 | 908 1,080 + 172 19 |
| 2.00 2.00 + 0.00 0 | 2.00 2.00 + 0.00 0 | 2.00 1,080 + 172 19 |
| 1,191 739 - 452 38 | 1,191 739 - 452 38 | 908 1,080 + 172 19 |

---

- 144 -
PART I - EXPENDITURES AND POSITIONS

FY 16: 1) Variance is due to a vacant position for a portion of the fiscal year, expecting to fill by 2nd or 3rd quarter; and 2) Kaka'ako and Kalaeloa's expenditures were less than budgeted.

FY 17: Variance is due to the Executive Director position not being filled, so expense is less than budgeted; expect to hire shortly.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, 3 and 6: The negative variances are due to construction-related and financing delays for existing projects currently under construction. It is anticipated that there will be an increase in floor area and residential units in FY 2016-17 as many projects (Waiea, Anaha, The Collection) will be completed.

PART III - PROGRAM TARGET GROUPS

Please see Part II above.

PART IV - PROGRAM ACTIVITIES

Please see Part II above.
<table>
<thead>
<tr>
<th>PART I: EXPENDITURES &amp; POSITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH &amp; DEVELOPMENT COSTS</td>
</tr>
<tr>
<td>POSITIONS</td>
</tr>
<tr>
<td>EXPENDITURES ($1,000's)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
</tr>
<tr>
<td>POSITIONS</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>TOTAL COSTS</td>
</tr>
<tr>
<td>POSITIONS</td>
</tr>
<tr>
<td>EXPENDITURES ($1000's)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FISCAL YEAR 2015-16</th>
<th>THREE MONTHS ENDED 09-30-16</th>
<th>NINE MONTHS ENDING 06-30-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGETED + ACTUAL + CHANGE</td>
<td>BUDGETED + ACTUAL + CHANGE</td>
<td>BUDGETED + ESTIMATED + CHANGE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II: MEASURES OF EFFECTIVENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. # OF HOMEBUYERS ASSISTED</td>
</tr>
<tr>
<td>2. # OF NEW RENTAL UNITS</td>
</tr>
<tr>
<td>3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERVED</td>
</tr>
<tr>
<td>4. # OF LEASE RENTS RENEGOTIATED</td>
</tr>
<tr>
<td>5. # OF SINGLE FAMILY LEASEHOLD LOTS CONVERT TO FEE SIMPLE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART III: PROGRAM TARGET GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD</td>
</tr>
<tr>
<td>2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART IV: PROGRAM ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE</td>
</tr>
<tr>
<td>2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING</td>
</tr>
<tr>
<td>3. ISSUE TAX EXEMPT REVENUE BONDS (SM)</td>
</tr>
<tr>
<td>4. FACILITATE DEVELOPMENT OF REAL PROPERTY</td>
</tr>
<tr>
<td>5. ASSIST FIRST-TIME HOMEBUYERS</td>
</tr>
<tr>
<td>6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO</td>
</tr>
<tr>
<td>7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION</td>
</tr>
</tbody>
</table>

- 146 -
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

PART I - EXPENDITURES AND POSITIONS

The position variances are primarily due to delays in filling of positions.

The expenditure variance for FY 16 was primarily the result of Rental Housing Revolving Fund loan advances being lower than anticipated.

Variances for the first three months of FY 17 are caused by the timing of federal grant award expenditures and Rental Housing Revolving Fund loan advances, resulting in lower expenditures than anticipated. For the following nine months of FY 17, Rental Housing Revolving Fund loan advances are anticipated to be higher.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The positive variance in the number of homebuyers assisted in FY 16 is primarily due to low interest rates, resulting in higher Mortgage Credit Certificate (MCC) assistance. The negative variance for FY 17 in number of homebuyers assisted is primarily due to delays in certain projects, partially offset by anticipated higher MCC assistance.

Item 2. The positive variance in the number of new rental units in FY 16 is due to faster construction completion than originally anticipated on a couple of projects. This resulted in an offsetting negative variance for FY 17 in the number of new rental units.

Item 3. The positive variance for FY 16 in the number of existing rental housing preserved is due to the approval of a project which was not anticipated when projections were made for FY 16.

Item 4. The positive variance in FY 16 and FY 17 in the number of lease rents renegotiated is due to the timing of the expiration of lease rent agreements.

Item 5. The positive variance in FY 16 and the negative variance in FY 17 in the number of leasehold lots converted to fee simple is due to the timing of requests for conversion.

PART III - PROGRAM TARGET GROUPS

No variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of loan originations for FY 16 was higher than budgeted due to delays in finalizing the financing of certain projects in FY 15, which were completed in FY 16. The positive variance in number of loan originations for FY 17 is also the result of delays in finalizing the financing of certain projects in FY 15, which were completed in FY 17.

Item 2. The positive variance in FY 16 and FY 17 are due to higher than anticipated number of applications.

Item 3. The positive variance in FY 16 in the amount of tax-exempt revenue bonds issued is due to delays from FY 15 to FY 16 for a certain project applying for funding from tax-exempt revenue bonds for the Hula Mae multi-family program.

Item 4. Project delays caused the lag in the number of units requiring Chapter 201H, HRS, approvals from FY 15 to FY 16, resulting in a positive variance for FY 16. The negative variance estimated for FY 17 is due to a lack of funding for a certain project.

Item 5. The positive variance in the number of homebuyers assisted in FY 16 is primarily due to low interest rates, resulting in higher MCC assistance. The negative variance for FY 17 in number of homebuyers assisted is primarily due to delays in certain projects, partially offset by anticipated higher MCC assistance.

Item 7. The positive variance in the number of applications processed for leasehold conversion in FY 16 and FY 17 is due to higher than anticipated number of applications.
<table>
<thead>
<tr>
<th></th>
<th>BUDGETED ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>BUDGETED ESTIMATED</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART I: EXPENDITURES &amp; POSITIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESEARCH &amp; DEVELOPMENT COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>Positions</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>904</td>
<td>791</td>
<td>- 113</td>
<td>13</td>
<td>1,135</td>
<td>1,052</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
</tr>
<tr>
<td>Positions</td>
<td>0.00</td>
<td>+ 0.00</td>
<td>0</td>
<td>904</td>
<td>791</td>
<td>- 113</td>
<td>13</td>
<td>1,135</td>
<td>1,052</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>PLANNED ACTUAL</th>
<th>± CHANGE</th>
<th>%</th>
<th>PLANNED ESTIMATED</th>
<th>± CHANGE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART II: MEASURES OF EFFECTIVENESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED</td>
<td>100</td>
<td>25</td>
<td>-</td>
<td>75</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>2. FEDERAL COOPERATIVE AGREEMENTS INAUGURATED</td>
<td>3</td>
<td>3</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED</td>
<td>5</td>
<td>5</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>4. INTERNATIONAL ALLIANCES INITIATED/MAINTAINED</td>
<td>4</td>
<td>4</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR 2015-16</th>
<th></th>
<th></th>
<th>FISCAL YEAR 2016-17</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART III: PROGRAM TARGET GROUP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS</td>
<td>75</td>
<td>75</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>75</td>
</tr>
<tr>
<td>2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS</td>
<td>9</td>
<td>9</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>3. OVERSEAS AEROSPACE AGENCIES/COMPANIES/CORPORATIONS</td>
<td>25</td>
<td>23</td>
<td>-</td>
<td>2</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>4. OVERSEAS EDUCATION AND RESEARCH AGENCIES/INSTITUTIONS</td>
<td>25</td>
<td>24</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR 2015-16</th>
<th></th>
<th></th>
<th>FISCAL YEAR 2016-17</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART IV: PROGRAM ACTIVITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. PACIFIC INTERNATIONAL SPACE ALLIANCE (ANNUAL MEETI)</td>
<td>1</td>
<td>0</td>
<td>-</td>
<td>1</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>2. PISCES FUNDING GENERATED THROUGH STATE LEGISLATURE</td>
<td>3.0</td>
<td>0</td>
<td>-</td>
<td>3</td>
<td>100</td>
<td>3.0</td>
</tr>
<tr>
<td>3. COMMERCIAL SPACE TRANSPORTATION (FAA GRANT APPLICA)</td>
<td>1</td>
<td>1</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>4. NEXT-GENERATION AVIATION (UAS/OTHER ALLIANCES/APPL</td>
<td>3</td>
<td>3</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>5. REAL WORLD DESIGN CHALLENGE (NUMBER OF TEAMS COORD</td>
<td>15</td>
<td>14</td>
<td>-</td>
<td>1</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>75</td>
<td>4</td>
</tr>
<tr>
<td>7. HAWAII STARLIGHT RESERVE COMMITTEE MEETINGS</td>
<td>4</td>
<td>0</td>
<td>-</td>
<td>4</td>
<td>100</td>
<td>4</td>
</tr>
<tr>
<td>8. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION</td>
<td>25</td>
<td>25</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>9. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEB</td>
<td>5</td>
<td>5</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>
VARIANCE REPORT NARRATIVE
FY 2016 AND FY 2017

PROGRAM TITLE: OFFICE OF AEROSPACE

PART I - EXPENDITURES AND POSITIONS

Variance in FY 17 is due to delays in releasing contracts; expect to catch up in balance of year.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Federal funding decreases due to federal reimbursements delayed to subsequent year.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. Meeting not held.

Item 2. Funding requests were not approved.

Items 6 and 7. Periodic meetings not held as the Research and Development Coordinator has been out for an extended period.