



## **DETAILS OF VARIANCES**



## **ECONOMIC DEVELOPMENT**

## VARIANCE REPORT

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	439.50	334.50	- 105.00	24	438.50	338.50	- 100.00	23	438.50	403.00	- 35.50	8
EXPENDITURES (\$1000's)	408,590	257,050	- 151,540	37	81,948	21,690	- 60,258	74	315,224	370,325	+ 55,101	17
TOTAL COSTS												
POSITIONS	439.50	334.50	- 105.00	24	438.50	338.50	- 100.00	23	438.50	403.00	- 35.50	8
EXPENDITURES (\$1000's)	408,590	257,050	- 151,540	37	81,948	21,690	- 60,258	74	315,224	370,325	+ 55,101	17

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	14.9	15.2	+ 0.3	2	14.9	15.67	+ 0.77	5
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)	200	432	+ 232	116	200	440	+ 240	120
3. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	720	150	- 570	79	370	100	- 270	73
4. # RE PROJECTS ASSISTED	20	13	- 7	35	20	15	- 5	25
5. INCREASE IN NUMBER OF COMPANIES FUNDED	5	5	+ 0	0	5	5	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: ECONOMIC DEVELOPMENT**

**01**

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

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

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

See Lowest Level Programs for additional information.

## VARIANCE REPORT

PROGRAM TITLE:

BUSINESS DEVELOPMENT

PROGRAM-ID:

12/14/16

PROGRAM STRUCTURE NO: 0101

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	62.00	60.00	-	2.00	3	63.00	60.00	-	3.00	5	63.00	63.00	+	0.00	0
EXPENDITURES (\$1000's)	8,796	7,892	-	904	10	2,243	1,453	-	790	35	6,887	7,645	+	758	11
TOTAL COSTS															
POSITIONS	62.00	60.00	-	2.00	3	63.00	60.00	-	3.00	5	63.00	63.00	+	0.00	0
EXPENDITURES (\$1000's)	8,796	7,892	-	904	10	2,243	1,453	-	790	35	6,887	7,645	+	758	11

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	+	0	0	10	10	+	0	0
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)	200	432	+	232	116	200	440	+	240	120
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	-44.89	-	47.89	1596	3	3	+	0	0
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	14.9	15.2	+	0.3	2	14.9	15.67	+	0.77	5

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

**PROGRAM TITLE: BUSINESS DEVELOPMENT**

**01 01**

**PART I - EXPENDITURES AND POSITIONS**

See Lowest Level Programs for additional information.

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010101

STRATEGIC MARKETING AND SUPPORT

BED-100

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	3,580	2,859	-	721	20	798	374	-	424	53	2,395	2,819	+	424	18
TOTAL COSTS															
POSITIONS	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	3,580	2,859	-	721	20	798	374	-	424	53	2,395	2,819	+	424	18
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION						10	10	+	0	0	10	10	+	0	0
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO						9350	14156	+	4806	51	10285	16000	+	5715	56
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM						20	28	+	8	40	20	30	+	10	50
PART III: PROGRAM TARGET GROUP															
1. # OF FIRMS ENROLLED IN ENTERPRIZE ZONE PROGRAM						300	225	-	75	25	300	300	+	0	0
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED						200	200	+	0	0	200	200	+	0	0
PART IV: PROGRAM ACTIVITY															
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES						50	51	+	1	2	50	50	+	0	0
2. OUTREACH ACTIVITIES						10	10	+	0	0	10	10	+	0	0
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES						300	300	+	0	0	300	300	+	0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

01 01 01  
BED 100

**PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT**

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

Miminal 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 increase d exports of Hawaii products to the Japan market.

Item 3. The increase in new firms enrolled in the Enterprise Zone Program (EZIP) 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 EZIP 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

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	11.00	9.00	-	2.00	18	11.00	9.00	-	2.00	18	11.00	11.00	+	0.00	0
EXPENDITURES (\$1000's)	1,207	1,203	-	4	0	395	271	-	124	31	945	1,038	+	93	10
TOTAL COSTS															
POSITIONS	11.00	9.00	-	2.00	18	11.00	9.00	-	2.00	18	11.00	11.00	+	0.00	0
EXPENDITURES (\$1000's)	1,207	1,203	-	4	0	395	271	-	124	31	945	1,038	+	93	10
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
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 FOR & QUAL FOR ACT 88 TAX CRED					25	35	+	10	40	25	25	+	0	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 ATTND/SPON/SPPT 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 OPPTY GEN THROUGH WORKSHOPS/SEMINARS					150	150	+	0	0	150	150	+	0	0	

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 01 02  
BED 105

**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

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010103

FOREIGN TRADE ZONE

BED-107

## VARIANCE REPORT

REPORT V61

12/14/16

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	17.00 2,128	17.00 1,980	+	0.00 148	0 7	17.00 539	17.00 352	+	0.00 187	0 35	17.00 1,618	17.00 1,805	+	0.00 187	0 12
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	17.00 2,128	17.00 1,980	+	0.00 148	0 7	17.00 539	17.00 352	+	0.00 187	0 35	17.00 1,618	17.00 1,805	+	0.00 187	0 12

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
	PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	-44.89	-	47.89	1596	3	3	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	-25.03	-	28.03	934	3	3	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	12.71	+	6.71	112	6	6	+	0	0
4. # OF NEW FIRMS USING FTZ PROGRAM	30	62	+	32	107	30	30	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	-13.11	-	18.11	362	5	5	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	61.74	+	1.74	3	60	60	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NO DATA	-	4	100	4	NO DATA	-	4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	NO DATA	-	0	0	0	NO DATA	-	0	0

PART III: PROGRAM TARGET GROUP															
1. FIRMS USING FTZ PROGRAM (NO.)	250	407	+	157	63	250	400	+	150	60					
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	500	+	0	0	500	500	+	0	0					
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	72	+	2	3	70	70	+	0	0					

PART IV: PROGRAM ACTIVITY															
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1434	-	316	18	1750	1750	+	0	0					
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	7028	-	572	8	7600	7600	+	0	0					
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	53	-	7	12	60	60	+	0	0					
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	NO DATA	-	0	0	0	NO DATA	-	0	0					
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	0	-	75	100	75	10	-	65	87					

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 01 03  
BED 107

**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 world wide 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 world wide 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 world wide 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.

## STATE OF HAWAII

PROGRAM TITLE:

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PROGRAM-ID:

BED-142

PROGRAM STRUCTURE NO: 010104

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	24.00	24.00	+	0.00	0	25.00	24.00	-	1.00	4	25.00	25.00	+	0.00	0
EXPENDITURES (\$1000's)	1,881	1,850	-	31	2	511	456	-	55	11	1,929	1,983	+	54	3
TOTAL COSTS															
POSITIONS	24.00	24.00	+	0.00	0	25.00	24.00	-	1.00	4	25.00	25.00	+	0.00	0
EXPENDITURES (\$1000's)	1,881	1,850	-	31	2	511	456	-	55	11	1,929	1,983	+	54	3
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. # OF PROCUREMENT VIOLATIONS					0	2	+	2	0	0	0	+	0	0	
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED					95	97	+	2	2	95	95	+	0	0	
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)					2.0	1.5	-	0.5	25	2.0	1.5	-	0.5	25	
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE					98	100	+	2	2	98	98	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)					303	322	+	19	6	302	322	+	20	7	
PART IV: PROGRAM ACTIVITY															
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED					150	203	+	53	35	150	200	+	50	33	
2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT					2	0	-	2	100	2	2	+	0	0	
3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT					50	0	-	50	100	50	50	+	0	0	
4. # OF SUMMARY WARRANT VOUCHERS PROCESSED					1100	1127	+	27	2	1100	1100	+	0	0	
5. # OF FORMAL GRIEVANCES FILED ANNUALLY					5	0	-	5	100	5	5	+	0	0	
6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY					1500	1000	-	500	33	1500	1500	+	0	0	

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 01 04  
BED 142

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

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### **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.

## STATE OF HAWAII

PROGRAM TITLE:

TOURISM

PROGRAM-ID:

BED-113

PROGRAM STRUCTURE NO: 0102

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40
EXPENDITURES (\$1000's)	141,275	121,281	- 19,994	14	32,941	0	- 32,941	100	108,386	138,719	+ 30,333	28
TOTAL COSTS												
POSITIONS	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40
EXPENDITURES (\$1000's)	141,275	121,281	- 19,994	14	32,941	0	- 32,941	100	108,386	138,719	+ 30,333	28
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)					14.9	15.20	+ 0.3	2	14.9	15.67	+ 0.77	5
2. VISITOR SATISFACTION % VERY LIKELY TO RECOMMEND HI					85.2	86.2	+ 1	1	85.2	87.0	+ 1.8	2
3. TOTAL VISITOR DAYS (MILLIONS)					76.1	79.30	+ 3.2	4	76.1	81.26	+ 5.16	7
4. TOTAL VISITOR ARRIVALS (MILLIONS)					8.3	8.80	+ 0.5	6	8.3	8.84	+ 0.54	7
5. TOTAL SCHEDULED AIR SEATS ( MILLIONS)					11.2	12.03	+ 0.83	7	11.2	12.03	+ 0.83	7
6. HAWAII CONVENTION CENTER ROOM NIGHTS					130000	146398	+ 16398	13	130000	150000	+ 20000	15
7. NUMBER OF CRUISE BERTHS					131000	113490	- 17510	13	131000	109000	- 22000	17
PART III: PROGRAM TARGET GROUP												
1. JAPANESE TRAVELERS TO THE US (MILLION)					3.6	3.75	+ 0.15	4	3.6	3.75	+ 0.15	4
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)					40.52	44.42	+ 3.9	10	40.52	44.42	+ 3.9	10
PART IV: PROGRAM ACTIVITY												
1. # SPORTING EVENTS ACTUALLY FUNDED					21	21	+ 0	0	21	21	+ 0	0
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LVING HWN					128	162	+ 34	27	128	162	+ 34	27
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED					12	14	+ 2	17	12	14	+ 2	17
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS					55	55	+ 0	0	55	55	+ 0	0
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE					138000	138000	+ 0	0	138000	138000	+ 0	0
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)					58.3	53.7	- 4.6	8	58.3	57.3	- 1	2

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

**PROGRAM TITLE: TOURISM**

**01 02  
BED 113**

### **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.



## VARIANCE REPORT

PROGRAM TITLE: AGRICULTURE

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	309.00	226.00	- 83.00	27	311.00	233.00	- 78.00	25	311.00	291.00	- 20.00	6
EXPENDITURES (\$1000's)	57,007	37,205	- 19,802	35	12,541	12,052	- 489	4	44,308	44,447	+ 139	0
TOTAL COSTS												
POSITIONS	309.00	226.00	- 83.00	27	311.00	233.00	- 78.00	25	311.00	291.00	- 20.00	6
EXPENDITURES (\$1000's)	57,007	37,205	- 19,802	35	12,541	12,052	- 489	4	44,308	44,447	+ 139	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
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**

**01 03**

### **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

## VARIANCE REPORT

REPORT V61  
12/14/16

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

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	7.00	- 2.00	22	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,857	3,863	- 2,994	44	1,699	1,699	+ 0	0	5,098	5,098	+ 0	0
TOTAL COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	7.00	- 2.00	22	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,857	3,863	- 2,994	44	1,699	1,699	+ 0	0	5,098	5,098	+ 0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LOANS APPROVED					25	17	- 8	32	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)					4500	3567	- 933	21	4500	4500	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS					45000	46906	+ 1906	4	45000	46000	+ 1000	2
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER					1250	1505	+ 255	20	1250	1350	+ 100	8
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS					1000	0	- 1000	100	1000	1000	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS					7500	7000	- 500	7	7500	7000	- 500	7
2. POTENTIAL QUALIFIED AQUACULTURISTS					70	73	+ 3	4	70	73	+ 3	4
3. AGRICULTURE/AQUACULTURE COOPERATIVES					25	25	+ 0	0	25	25	+ 0	0
4. COMMERCIAL BANKS					5	5	+ 0	0	5	5	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF PUBLIC RELATIONS CONTACTS					75	68	- 7	9	75	75	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS					750	810	+ 60	8	750	800	+ 50	7
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION					175	102	- 73	42	175	160	- 15	9
4. AMOUNT COLLECTED BY PROGRAM (000'S)					2.25	2.27	+ 0.02	1	2.25	2.25	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**01 03 01  
AGR 101**

**PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE**

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### **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.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

PRODCVTY IMPRVMT &amp; MGT ASSTNCE FOR AGR

12/14/16

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	181.00	132.00	- 49.00	27	184.00	139.00	- 45.00	24	184.00	168.00	- 16.00	9
EXPENDITURES (\$1000's)	21,320	14,980	- 6,340	30	5,305	5,235	- 70	1	15,916	15,636	- 280	2
TOTAL COSTS												
POSITIONS	181.00	132.00	- 49.00	27	184.00	139.00	- 45.00	24	184.00	168.00	- 16.00	9
EXPENDITURES (\$1000's)	21,320	14,980	- 6,340	30	5,305	5,235	- 70	1	15,916	15,636	- 280	2
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT					.003	.003	+ 0	0	.003	.003	+ 0	0
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI					465	531	+ 66	14	465	500	+ 35	8

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR**

**01 03 02**

### **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

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

PROGRAM-ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	126.00	92.00	- 34.00	27	121.00	94.00	- 27.00	22	121.00	110.00	- 11.00	9
EXPENDITURES (\$1000's)	15,598	9,864	- 5,734	37	3,851	3,851	+ 0	0	11,554	11,554	+ 0	0
TOTAL COSTS												
POSITIONS	126.00	92.00	- 34.00	27	121.00	94.00	- 27.00	22	121.00	110.00	- 11.00	9
EXPENDITURES (\$1000's)	15,598	9,864	- 5,734	37	3,851	3,851	+ 0	0	11,554	11,554	+ 0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0	.003	.003	+ 0	0
2. NUMBER OF PEST INTERCEPTIONS	2500	1069	- 1431	57	2500	1500	- 1000	40	2500	1500	- 1000	40
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	465	531	+ 66	14	465	500	+ 35	8	465	500	+ 35	8
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	600	587	- 13	2	600	600	+ 0	0	600	600	+ 0	0
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	20	20	+ 0	0	20	20	+ 0	0	20	20	+ 0	0
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	75	75	+ 0	0	75	75	+ 0	0	75	75	+ 0	0
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	50	97.5	+ 47.5	95	50	75	+ 25	50	50	75	+ 25	50
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	44.305	48.611	+ 4.306	10	44.305	46	+ 1.695	4	44.305	46	+ 1.695	4
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	6500	7109	+ 609	9	6500	7000	+ 500	8	6500	7000	+ 500	8
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8200	8303	+ 103	1	8200	8200	+ 0	0	8200	8200	+ 0	0
4. NUMBER OF IMPORT PERMIT REQUESTS	969	1147	+ 178	18	969	1000	+ 31	3	969	1000	+ 31	3
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	1300	89	- 1211	93	1300	500	- 800	62	1300	500	- 800	62
6. NUMBER OF CERTIFIED NURSERIES	300	182	- 118	39	300	182	- 118	39	300	182	- 118	39
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	0	- 1	100	1	1	+ 0	0	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	40	+ 0	0	40	40	+ 0	0	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	9	15	+ 6	67	9	9	+ 0	0	9	9	+ 0	0
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	4	- 1	20	5	5	+ 0	0	5	5	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	44.305	46.731	+ 2.426	5	44.305	45	+ 0.695	2	44.305	45	+ 0.695	2
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	5985	- 515	8	6500	6500	+ 0	0	6500	6500	+ 0	0
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	8200	8303	+ 103	1	8200	8200	+ 0	0	8200	8200	+ 0	0
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	950	88	- 862	91	950	350	- 600	63	950	350	- 600	63
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	460	364	- 96	21	460	364	- 96	21	460	364	- 96	21
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	5	8	+ 3	60	5	10	+ 5	100	5	10	+ 5	100
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	8	6	- 2	25	8	8	+ 0	0	8	8	+ 0	0
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	250	64	- 186	74	250	60	- 190	76	250	60	- 190	76

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 02 01  
AGR 122

**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

PROGRAM TITLE:

ANIMAL PEST AND DISEASE CONTROL

PROGRAM-ID:

12/14/16

PROGRAM STRUCTURE NO: 01030202

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)  OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)  TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17				
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%	
	55.00	40.00	- 15.00	27	63.00	45.00	- 18.00	29	63.00	58.00	- 5.00	8	
	5,722	5,116	- 606	11	1,454	1,384	- 70	5	4,362	4,082	- 280	6	
	55.00	40.00	- 15.00	27	63.00	45.00	- 18.00	29	63.00	58.00	- 5.00	8	
	5,722	5,116	- 606	11	1,454	1,384	- 70	5	4,362	4,082	- 280	6	

PART II: MEASURES OF EFFECTIVENESS  1. NUMBER OF RABIES CASES IN THE COMMUNITY 2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED 3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
	0	0	+ 0	0	0	0	+ 0	0
	5	5	+ 0	0	5	5	+ 0	0
	6	6	+ 0	0	6	6	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

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

**01 03 02 02**

### **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.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103020201

RABIES QUARANTINE

AGR-131

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	36.32	27.32	- 9.00	25	36.32	26.32	- 10.00	28	36.32	36.32	+ 0.00	0
EXPENDITURES (\$1000's)	3,628	3,633	+ 5	0	924	924	+ 0	0	2,771	2,771	+ 0	0
TOTAL COSTS												
POSITIONS	36.32	27.32	- 9.00	25	36.32	26.32	- 10.00	28	36.32	36.32	+ 0.00	0
EXPENDITURES (\$1000's)	3,628	3,633	+ 5	0	924	924	+ 0	0	2,771	2,771	+ 0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY					0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED					1	4	+ 3	300	1	2	+ 1	100
PART III: PROGRAM TARGET GROUP												
1. DOGS AND CATS QUARANTINED					1600	1540	- 60	4	1600	1200	- 400	25
2. POPULATION OF HAWAII					1400000	1410000	+ 10000	1	1400000	1440000	+ 40000	3
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS					500	443	- 57	11	500	300	- 200	40
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS					800	1147	+ 347	43	800	600	- 200	25
3. NO. QUAL DOGS & CATS RELEASED AFTER INSP UPON ARRVL					13000	13056	+ 56	0	13000	14500	+ 1500	12
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT					200	127	- 73	37	200	200	+ 0	0
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED					34	31	- 3	9	34	32	- 2	6
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES					2	7	+ 5	250	2	5	+ 3	150
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES					2300	2187	- 113	5	2300	2200	- 100	4
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED					1100	1149	+ 49	4	1100	1200	+ 100	9

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 02 02 01  
AGR 131

**PROGRAM TITLE: RABIES QUARANTINE**

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### **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.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103020202

ANIMAL DISEASE CONTROL

AGR-132

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16					THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17					
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	18.68	12.68	-	6.00	32	26.68	18.68	-	8.00	30	26.68	21.68	-	5.00	19
EXPENDITURES (\$1000's)	2,094	1,483	-	611	29	530	460	-	70	13	1,591	1,311	-	280	18
TOTAL COSTS															
POSITIONS	18.68	12.68	-	6.00	32	26.68	18.68	-	8.00	30	26.68	21.68	-	5.00	19
EXPENDITURES (\$1000's)	2,094	1,483	-	611	29	530	460	-	70	13	1,591	1,311	-	280	18

						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED						5	5	+	0	0	5	5	+	0	0
2. NO. OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE						111	111	+	0	0	111	111	+	0	0
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG						8	8	+	0	0	8	8	+	0	0
4. NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT						6	6	+	0	0	6	6	+	0	0
PART III: PROGRAM TARGET GROUP															
1. LIVESTOCK PRODUCERS						2900	2900	+	0	0	2900	2900	+	0	0
2. AQUACULTURE PRODUCERS						85	75	-	10	12	90	80	-	10	11
3. HUMAN POPULATION						1409000	1400000	-	9000	1	1410000	1410000	+	0	0
PART IV: PROGRAM ACTIVITY															
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY						13000	7465	-	5535	43	13000	7500	-	5500	42
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY						600000	537793	-	62207	10	600000	600000	+	0	0
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY						15000	16158	+	1158	8	15000	16000	+	1000	7
4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY						20000	20137	+	137	1	20000	20000	+	0	0
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV						1500	1622	+	122	8	1500	1600	+	100	7
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS						5	21	+	16	320	5	20	+	15	300
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS						2000	2434	+	434	22	2000	2000	+	0	0
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE						7000	5048	-	1952	28	7000	4000	-	3000	43
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS						4000	7435	+	3435	86	4000	7000	+	3000	75
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED						10	1496	+	1486	14860	10	1500	+	1490	14900

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

01 03 02 02 02  
AGR 132

**PROGRAM TITLE: ANIMAL DISEASE CONTROL**

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

Variances 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.

## VARIANCE REPORT

PROGRAM TITLE:

PRODUCT DEVELOPMENT AND MARKETING FOR AGR

12/14/16

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	52.00	40.00	- 12.00	23	51.00	39.00	- 12.00	24	51.00	47.00	- 4.00	8
EXPENDITURES (\$1000's)	16,828	9,756	- 7,072	42	2,549	2,130	- 419	16	14,328	14,747	+ 419	3
TOTAL COSTS												
POSITIONS	52.00	40.00	- 12.00	23	51.00	39.00	- 12.00	24	51.00	47.00	- 4.00	8
EXPENDITURES (\$1000's)	16,828	9,756	- 7,072	42	2,549	2,130	- 419	16	14,328	14,747	+ 419	3
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED					24	38	+ 14	58	24	30	+ 6	25
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION					6	8	+ 2	33	6	6	+ 0	0
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED					15	30	+ 15	100	15	15	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: PRODUCT DEVELOPMENT AND MARKETING FOR AGR**

**01 03 03**

### **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.



## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

FORESTRY RESOURCE MANAGEMENT &amp; DEVELOPMENT

PROGRAM-ID:

LNR-172

12/14/16

PROGRAM STRUCTURE NO: 01030301

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	19.00	17.00	- 2.00	11	19.00	18.00	- 1.00	5	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,517	6,010	- 5,507	48	850	431	- 419	49	9,229	9,648	+ 419	5
TOTAL COSTS												
POSITIONS	19.00	17.00	- 2.00	11	19.00	18.00	- 1.00	5	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,517	6,010	- 5,507	48	850	431	- 419	49	9,229	9,648	+ 419	5
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL		100	88.3	- 11.7	12	100	100	+ 0	0			
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL		100	123	+ 23	23	100	100	+ 0	0			
3. % BOARD FEET TIMBER HARVESTED COMP TO GOAL		100	2	- 98	98	100	100	+ 0	0			
4. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL		100	103	+ 3	3	100	100	+ 0	0			
5. % FUNDS LEVERAGED COMPARED TO GOAL		100	202	+ 102	102	100	100	+ 0	0			
6. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL		100	.2	- 99.8	100	100	100	+ 0	0			
7. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL		100	30	- 70	70	100	100	+ 0	0			
PART III: PROGRAM TARGET GROUP												
1. FOREST PRODCOT PROCESSRS, RELTD BUSNSS/INVSTRS (#)		150	140	- 10	7	150	150	+ 0	0			
2. FOREST AND OTHER LANDOWNERS (NUMBER)		50	50	+ 0	0	50	50	+ 0	0			
3. WATERSHED PARTNERS (NUMBER)		50	50	+ 0	0	50	50	+ 0	0			
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)		100	95	- 5	5	100	100	+ 0	0			
PART IV: PROGRAM ACTIVITY												
1. PRODUCE & DISTRIBUTE OR SELL 60,000 TREE SEEDLINGS		60000	52980	- 7020	12	60000	60000	+ 0	0			
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS		150	185	+ 35	23	150	150	+ 0	0			
3. PRMOTR HARVST 50,000 BD FT OF TIMBER FRM DEPTL LND		100000	1000	- 99000	99	100000	50000	- 50000	50			
4. PROVDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM		1000	1033	+ 33	3	1000	1000	+ 0	0			
5. LEVERAGE ADDL FUNDS/ASSOC SVCS (\$2MIL) THRU PRGM		2	4,301	+ 2,301	115	2	2	+ 0	0			
6. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS		2000	4.36	- 1995.64	100	2000	2000	+ 0	0			
7. PLACE 6,000 ACRES DEPTL LND UNDER COMM TIMBR MGT		6000	1792	- 4208	70	6000	6000	+ 0	0			

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 03 01  
LNR 172

### 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 estimate 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

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 03 01  
LNR 172

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

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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 fund-raising 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

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

QUALITY AND PRICE ASSURANCE

PROGRAM-ID:

AGR-151

PROGRAM STRUCTURE NO: 01030302

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17					
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%		
PART I: EXPENDITURES & POSITIONS														
RESEARCH & DEVELOPMENT COSTS	POSITIONS	EXPENDITURES (\$1,000's)												
OPERATING COSTS	POSITIONS	EXPENDITURES (\$1000's)												
TOTAL COSTS	POSITIONS	EXPENDITURES (\$1000's)												
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS														
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE					99	94	-	5	5	99	99	+	0	0
2. % CERTIFICATION REQUESTS FULFILLED					100	100	+	0	0	100	100	+	0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT					3	3	+	0	0	3	3	+	0	0
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER					100	100	+	0	0	100	100	+	0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES					95	93	-	2	2	95	95	+	0	0
PART III: PROGRAM TARGET GROUP														
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					5500	5500	+	0	0	5500	5500	+	0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS					540	441	-	99	18	540	500	-	40	7
3. PRODUCERS, PROD-DISTIB & DISTRIBUTORS OF MILK					24	23	-	1	4	24	23	-	1	4
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS					17	15	-	2	12	17	15	-	2	12
PART IV: PROGRAM ACTIVITY														
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM					1000	1001	+	1	0	1000	1000	+	0	0
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES					2000	2251	+	251	13	2000	2000	+	0	0
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED					950	947	-	3	0	950	950	+	0	0
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED					24	23	-	1	4	24	23	-	1	4
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED					24	24	+	0	0	24	24	+	0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED					12	12	+	0	0	12	12	+	0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE					10	10	+	0	0	10	10	+	0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

01 03 03 02  
AGR 151

**PROGRAM TITLE: QUALITY AND PRICE ASSURANCE**

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### **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:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030303

AGRICULTURAL DEVELOPMENT &amp; MARKETING

AGR-171

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	14.00	9.00	-	5.00	36	13.00	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,361	1,691	-	670	28	951	951	+	0	0	2,855	2,855	+	0	0
TOTAL COSTS															
POSITIONS	14.00	9.00	-	5.00	36	13.00	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,361	1,691	-	670	28	951	951	+	0	0	2,855	2,855	+	0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED					24	38	+	14	58	24	30	+	6	25	
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES					24	24	+	0	0	24	30	+	6	25	
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION					6	8	+	2	33	6	6	+	0	0	
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED					15	30	+	15	100	15	15	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					7500	7500	+	0	0	7500	7500	+	0	0	
2. COMMODITY GROUPS					10	14	+	4	40	10	14	+	4	40	
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS					10	14	+	4	40	10	20	+	10	100	
PART IV: PROGRAM ACTIVITY															
1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS					3	4	+	1	33	3	3	+	0	0	
2. COLLECT, COMPILE AND PUBLISH STATISTICS (NASS/HAS)					75	80	+	5	7	75	80	+	5	7	
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES					20	20	+	0	0	20	20	+	0	0	
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS					5	8	+	3	60	5	5	+	0	0	

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 03 03  
AGR 171

**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.

## VARIANCE REPORT

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	67.00	46.00	- 21.00	31	67.00	48.00	- 19.00	28	67.00	67.00	+ 0.00	0
EXPENDITURES (\$1000's)	12,002	8,606	- 3,396	28	2,988	2,988	+ 0	0	8,966	8,966	+ 0	0
TOTAL COSTS												
POSITIONS	67.00	46.00	- 21.00	31	67.00	48.00	- 19.00	28	67.00	67.00	+ 0.00	0
EXPENDITURES (\$1000's)	12,002	8,606	- 3,396	28	2,988	2,988	+ 0	0	8,966	8,966	+ 0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK					2	-2	- 4	200	2	2	+ 0	0
2. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE					300	0	- 300	100	300	300	+ 0	0
3. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)					11500	12133	+ 633	6	11500	12500	+ 1000	9
4. 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: GENERAL SUPPORT FOR AGR**

**01 03 04**

### **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.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030401

AGRICULTURAL RESOURCE MANAGEMENT

AGR-141

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	38.00	22.00	- 16.00	42	37.00	20.00	- 17.00	46	37.00	37.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,167	2,752	- 1,415	34	1,023	1,023	+ 0	0	3,070	3,070	+ 0	0
TOTAL COSTS												
POSITIONS	38.00	22.00	- 16.00	42	37.00	20.00	- 17.00	46	37.00	37.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,167	2,752	- 1,415	34	1,023	1,023	+ 0	0	3,070	3,070	+ 0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
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	16463	- 88204	84	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					420	460	+ 40	10	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	337	- 133	28	470	400	- 70	15
3. NUMBER OF NEW WATER SERVICES INSTALLED					10	7	- 3	30	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	295	- 55	16	350	320	- 30	9
6. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED					20	45	+ 25	125	20	50	+ 30	150

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 04 01  
AGR 141

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

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

Variances were due to vacant positions and 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

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT AND RESEARCH

12/14/16

PROGRAM-ID:

AGR-161

PROGRAM STRUCTURE NO:

01030402

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	4,807	3,428	-	1,379	29	1,122	1,122	+	0	0	3,367	3,367	+	0	0
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	4,807	3,428	-	1,379	29	1,122	1,122	+	0	0	3,367	3,367	+	0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. AGRICULTURAL LANDS DIRECTLY MANAGED BY ADC (ACRES)					20180	20054	-	126	1	20180	20180	+	0	0	
2. AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC (ACRES)					26370	17646	-	8724	33	26370	26370	+	0	0	
3. IRRIG SYS AND INFRASTRUCTURE PROJ MANAGED BY ADC					4	4	+	0	0	4	4	+	0	0	
4. AGRICULTURE RELATED FACILITIES MANAGED BY ADC					4	4	+	0	0	4	4	+	0	0	
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE					8	15	+	7	88	8	8	+	0	0	
6. LAND IN AGRIC CONSERV EASEMNTS ADC HOLDS TITLE TO					108	108	+	0	0	108	108	+	0	0	
7. AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT					3	3	+	0	0	3	3	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE					74224	74298	+	74	0	74224	74224	+	0	0	
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE					11	11	+	0	0	11	11	+	0	0	
3. AG PRCESSING, MRSHALLING, PACKING, WAREHSING FACIL					3	1	-	2	67	3	3	+	0	0	
4. PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS					166	135	-	31	19	166	166	+	0	0	
5. AGRICULTURAL COOPERATIVES					7	6	-	1	14	7	7	+	0	0	
6. LNDOWNRS INTRESTD IN PRSERVING AG LAND OR INFRASTR					4	4	+	0	0	4	4	+	0	0	
7. PRVT GRPS, GOV AGNCIES WRKING AG OR LND/WTR ISSUES					17	17	+	0	0	17	17	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. AGRICULTURAL LANDS MANAGED BY ADC (ACRES)					20200	20296	+	96	0	20200	20200	+	0	0	
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS					9	9	+	0	0	9	9	+	0	0	
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC					3	3	+	0	0	3	3	+	0	0	
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC					1	1	+	0	0	1	1	+	0	0	
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS					6	7	+	1	17	6	6	+	0	0	
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC					166	159	-	7	4	166	166	+	0	0	
7. # ACRES COVRD BY AG CONS EASMNT TITLES HELD BY ADC					108	108	+	0	0	108	108	+	0	0	
8. AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC					3	3	+	0	0	2	2	+	0	0	

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

01 03 04 02  
AGR 161

**PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH**

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### **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.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

PROGRAM-ID:

AGR-192

12/14/16

PROGRAM STRUCTURE NO: 01030403

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	29.00	24.00	-	5.00	17	30.00	28.00	-	2.00	7	30.00	30.00	+	0.00	0
EXPENDITURES (\$1000's)	3,028	2,426	-	602	20	843	843	+	0	0	2,529	2,529	+	0	0
TOTAL COSTS															
POSITIONS	29.00	24.00	-	5.00	17	30.00	28.00	-	2.00	7	30.00	30.00	+	0.00	0
EXPENDITURES (\$1000's)	3,028	2,426	-	602	20	843	843	+	0	0	2,529	2,529	+	0	0
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK					2	-2	-	4	200	2	2	+	0	0	
2. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE					300	0	-	300	100	300	300	+	0	0	
3. % PERSONNEL ACTIONS PROCESSED WITHN PAYROLL CYCLE					95	95	+	0	0	95	95	+	0	0	
4. % OF VENDOR PAYMENTS MADE WITHN 30 DAYS					95	95	+	0	0	95	95	+	0	0	
5. % OF DATA PROCESSING REQUESTS COMPLETED					95	96	+	1	1	95	95	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. TOTAL ACRES IN DIVERSIFIED CROPS AND LIVESTOCK					1121000	1120000	-	1000	0	1121000	1120000	-	1000	0	
2. DIVERSIFIED FARM OPERATORS AND FARM WORKERS (#)					13000	14000	+	1000	8	13000	14000	+	1000	8	
3. INVENTORY OF IMPORTANT AG LANDS (ACRES)					101648	131555	+	29907	29	101648	131555	+	29907	29	
4. EMPLOYEES (NUMBER)					328	331	+	3	1	328	331	+	3	1	
5. DIVISIONS (NUMBER)					6	6	+	0	0	6	6	+	0	0	
6. BRANCHES (NUMBER)					12	12	+	0	0	12	12	+	0	0	
7. ATTACHED AGENCIES (NUMBER)					1	1	+	0	0	1	1	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS					25	30	+	5	20	25	25	+	0	0	
2. NUMBER OF PERSONNEL ACTIONS PROCESSED					2000	1985	-	15	1	2000	2000	+	0	0	
3. NUMBER OF PURCHASE ORDERS PROCESSED					2000	2528	+	528	26	2000	2500	+	500	25	
4. NUMBER OF PETTY CASH CHECKS PROCESSED					300	164	-	136	45	300	225	-	75	25	
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED					600	587	-	13	2	600	600	+	0	0	

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 03 04 03  
AGR 192

### 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

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	16.00	13.00	-	3.00	19	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,168	1,592	-	576	27	1,019	310	-	709	70	1,162	1,911	+	749	64
TOTAL COSTS															
POSITIONS	16.00	13.00	-	3.00	19	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,168	1,592	-	576	27	1,019	310	-	709	70	1,162	1,911	+	749	64

					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS														
1. NUMBER OF LICENSES ISSUED					30	5	-	25	83	30	5	-	25	83
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					700	NO DATA	-	700	100	750	NO DATA	-	750	100
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					55000	78200	+	23200	42	70000	70000	+	0	0
4. TOTAL AQUACULTURE EMPLOYMENT					400	365	-	35	9	400	365	-	35	9



## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: FISHERIES AND AQUACULTURE**

**01 04**

### **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:

FISHERIES MANAGEMENT

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO: 010402

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	12.00	10.00	-	2.00	13.00	10.00	-	3.00	13.00	13.00	+	0.00
EXPENDITURES (\$1000's)	1,709	1,260	-	449	915	206	-	709	850	1,599	+	749
TOTAL COSTS												
POSITIONS	12.00	10.00	-	2.00	13.00	10.00	-	3.00	13.00	13.00	+	0.00
EXPENDITURES (\$1000's)	1,709	1,260	-	449	915	206	-	709	850	1,599	+	749
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LICENSES ISSUED					8	5	-	3	8	5	-	3
2. FISHING RPTS CLCTD & PRCSSED AS % OF TTL RPTS DUE					97	97	+	0	97	97	+	0
3. ONLINE COMMRL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE					35	35	+	0	35	35	+	0
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE					70	70	+	0	70	70	+	0
5. FISHING SUCCESS (FISH/TRIP)					2	2	+	0	2	2	+	0
6. NUMBER OF FISHERY MANAGEMENT AREAS					22	23	+	1	22	24	+	2
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTNT SPECIES					1	1	+	0	1	1	+	0
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)					6	6	+	0	6	6	+	0
PART III: PROGRAM TARGET GROUP												
1. LICENSED COMMERCIAL FISHERS (1000)					3.3	3.8	+	0.5	3.3	3.8	+	0.5
2. COMMERCIAL MARINE DEALERS (HUNDREDS)					2.6	2.4	-	0.2	2.6	2.6	+	0
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)					5	5	+	0	5	5	+	0
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)					6	6	+	0	6	6	+	0
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)					3.8	4.9	+	1.1	3.8	4.9	+	1.1
6. MARINE SPORT FISHERMEN (THOUSANDS)					156	155	-	1	156	155	-	1
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)					146	147	+	1	146	147	+	1
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES					12	12	+	0	12	12	+	0
PART IV: PROGRAM ACTIVITY												
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)					4	4	+	0	4	4	+	0
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)					590	650	+	60	590	650	+	60
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(00'S)					1300	1100	-	200	1300	1100	-	200
4. AQUARIUM PERMITS (HUNDREDS)					1.8	1.6	-	0.2	1.8	1.8	+	0
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS					200	200	+	0	200	200	+	0
6. NO. OF MTGS & CONTACTS WITH OTHER MNGT AGENCIES					13	13	+	0	13	13	+	0
7. FISHERY MANAGEMENT AREAS MANAGED					25	26	+	1	25	27	+	2
8. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION					49	50	+	1	49	51	+	2
9. SURVEYS FOR FISHERMEN (THOUSANDS)					5	5	+	0	5	5.25	+	0.25
10. SURVEYS OF FISHING AREAS					37	37	+	0	37	37	+	0

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 04 02  
LNR 153

### 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.

## VARIANCE REPORT

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	4.00 459	3.00 332	- -	1.00 127	25 28	3.00 104	3.00 104	+ +	0.00 0	0 0	3.00 312	3.00 312	+ +	0.00 0	0 0
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	4.00 459	3.00 332	- -	1.00 127	25 28	3.00 104	3.00 104	+ +	0.00 0	0 0	3.00 312	3.00 312	+ +	0.00 0	0 0
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS															
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)						700	NO DATA	-	700	100	750	NO DATA	-	750	100
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)						55000	78200	+	23200	42	70000	70000	+	0	0
3. TOTAL AQUACULTURE EMPLOYMENT						400	365	-	35	9	400	365	-	35	9
PART III: PROGRAM TARGET GROUP															
1. AQUACULTURE OPERATIONS STATEWIDE						85	83	-	2	2	90	85	-	5	6
PART IV: PROGRAM ACTIVITY															
1. INFORMATION SENT (NUMBER)						175	200	+	25	14	175	200	+	25	14
2. PERMIT ASSISTANCE (NUMBER)						200	200	+	0	0	200	200	+	0	0
3. DISEASE ASSISTANCE (NUMBER OF CASES)						250	250	+	0	0	250	250	+	0	0
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)						4	4	+	0	0	4	4	+	0	0

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 04 03  
AGR 153

**PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM**

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

Variances were due to position vacancies, 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.

## VARIANCE REPORT

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	8.00	8.00	+ 0.00	0	5.00	8.00	+ 3.00	60	5.00	8.00	+ 3.00	60
EXPENDITURES (\$1000's)	95,296	67,522	- 27,774	29	7,696	3,564	- 4,132	54	74,353	76,360	+ 2,007	3
TOTAL COSTS												
POSITIONS	8.00	8.00	+ 0.00	0	5.00	8.00	+ 3.00	60	5.00	8.00	+ 3.00	60
EXPENDITURES (\$1000's)	95,296	67,522	- 27,774	29	7,696	3,564	- 4,132	54	74,353	76,360	+ 2,007	3
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
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 ASSTD 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	6.6	5.2	- 1.4	21

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: TECHNOLOGY**

**01 05**

### **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:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010501

HAWAII STATE ENERGY OFFICE

BED-120

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	5.00	5.00	+	0.00	0	2.00	5.00	+	3.00	150	2.00	5.00	+	3.00	150
EXPENDITURES (\$1000's)	57,265	56,206	-	1,059	2	2,354	1,309	-	1,045	44	54,262	55,307	+	1,045	2
TOTAL COSTS															
POSITIONS	5.00	5.00	+	0.00	0	2.00	5.00	+	3.00	150	2.00	5.00	+	3.00	150
EXPENDITURES (\$1000's)	57,265	56,206	-	1,059	2	2,354	1,309	-	1,045	44	54,262	55,307	+	1,045	2
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. # RE PROJECTS ASSISTED					20	13	-	7	35	20	15	-	5	25	
2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED					48	48	+	0	0	48	48	+	0	0	
3. # EA ACTIVITIES DEV & SUPPORTED					4	4	+	0	0	4	4	+	0	0	
4. TA TO PUBLIC & PRIVATE ENTITIES					856	874	+	18	2	856	876	+	20	2	
5. # PROJECTS/ENERGY SYSTEMS FINANCED					1119	0	-	1119	100	560	0	-	560	100	
PART III: PROGRAM TARGET GROUP															
1. # EMERGING CLEAN ENERGY PRODUCERS					40	45	+	5	13	40	40	+	0	0	
2. # EV INDUSTRY SECTORS					17	17	+	0	0	17	17	+	0	0	
3. # CUSTOMERS/ORGANIZATIONS RECEIVING FINANCING					1119	0	-	1119	100	560	0	-	560	100	
4. # BUS/ORG INTERESTED IN ENERGY ASSURANCE					25	25	+	0	0	25	25	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. % STATEWIDE RPS					21	23.4	+	2.4	11	22	25	+	3	14	
2. # REGISTERED PASSENGER PLUG-IN EVS					456	938	+	482	106	456	874	+	418	92	
3. # PUBLIC CHARGING STATIONS					20	20	+	0	0	20	20	+	0	0	
4. # BUS/ORG PARTICIPATED IN EA ACTIVITIES					100	100	+	0	0	100	100	+	0	0	
5. # ENTITIES PARTICIPATED EE ACTIVITIES					1054	1970	+	916	87	1054	1090	+	36	3	



## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 05 01  
BED 120

**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.

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.

### **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.

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010502

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

BED-143

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	22,344	4,346	- 17,998	81	1,240	393	- 847	68	6,454	7,301	+ 847	13
TOTAL COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	22,344	4,346	- 17,998	81	1,240	393	- 847	68	6,454	7,301	+ 847	13
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS					250	172	- 78	31	250	200	- 50	20
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED					36100	29500	- 6600	18	36100	35000	- 1100	3
PART III: PROGRAM TARGET GROUP												
1. # OF POTENTIAL TECH-BASED COMPANIES					1300	1200	- 100	8	1300	1200	- 100	8
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES					25	15	- 10	40	25	20	- 5	20
PART IV: PROGRAM ACTIVITY												
1. # OF CONTACTS AND RESPONSES					57800	62000	+ 4200	7	57800	65000	+ 7200	12

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 05 02  
BED 143

**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.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII STRATEGIC DEVELOPMENT CORPORATION

12/14/16

PROGRAM-ID:

BED-145

PROGRAM STRUCTURE NO:

010503

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	6,916	2,059	-	4,857	70	1,981	890	-	1,091	55	6,942	5,942	-	1,000	14
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	6,916	2,059	-	4,857	70	1,981	890	-	1,091	55	6,942	5,942	-	1,000	14
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL						0	1500	+	1500	0	0	0	+	0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB						1	1	+	0	0	0	0	+	0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED						5	5	+	0	0	5	5	+	0	0
PART III: PROGRAM TARGET GROUP															
1. ENTREPRENEURIAL START-UP COMPANIES						50	50	+	0	0	50	40	-	10	20
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS						20	20	+	0	0	20	20	+	0	0
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS						5	5	+	0	0	5	5	+	0	0
PART IV: PROGRAM ACTIVITY															
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP						0	0	+	0	0	0	0	+	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF						3	3	+	0	0	3	3	+	0	0
3. ENTREPRENEURIAL TRAINING PROGRAMS						1	1	+	0	0	1	1	+	0	0

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

01 05 03  
BED 145

**PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

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### **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

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,771	4,144	- 3,627	47	1,945	830	- 1,115	57	5,871	6,986	+ 1,115	19
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,771	4,144	- 3,627	47	1,945	830	- 1,115	57	5,871	6,986	+ 1,115	19
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)					6.3	5.1	- 1.2	19	6.6	5.2	- 1.4	21
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)					4500	4500	+ 0	0	4500	4500	+ 0	0
3. TOTAL TENANT REVENUE (\$M)					61	60	- 1	2	65	65	+ 0	0
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)					10	10	+ 0	0	10	10	+ 0	0
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)					99.999	99.999	+ 0	0	99.999	99.999	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. COMMERCIAL TENANTS					30	27	- 3	10	30	30	+ 0	0
2. PRE-COMMERCIAL TENANTS					10	9	- 1	10	11	10	- 1	9
3. RESEARCH/EDUCATION/OTHER TENANTS					15	14	- 1	7	15	15	+ 0	0
4. PUBLIC OUTREACH PARTICIPANTS					4200	6269	+ 2069	49	4500	6000	+ 1500	33
PART IV: PROGRAM ACTIVITY												
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)					420	425	+ 5	1	440	440	+ 0	0
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)					33	30	- 3	9	150	150	+ 0	0
3. TOTAL NUMBER OF NELHA TENANTS					53	50	- 3	6	54	54	+ 0	0
4. PERCENTAGE OF NELHA LAND IN USE					42	40	- 2	5	43	42	- 1	2
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)					120	120	+ 0	0	130	130	+ 0	0
6. BEACH PARK USE (# OF ATTENDEES)					120075	120000	- 75	0	126000	120000	- 6000	5
7. CEMP (# OF REGULATORY AGENCIES)					7	7	+ 0	0	7	7	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 05 04  
BED 146

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

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### **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.

## VARIANCE REPORT

PROGRAM TITLE:

HAWAII GREEN INFRASTRUCTURE AUTHORITY

PROGRAM-ID:

BED-138

12/14/16

PROGRAM STRUCTURE NO: 010505

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,000	767	-	233	23	176	142	-	34	19	824	824	+	0	0
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,000	767	-	233	23	176	142	-	34	19	824	824	+	0	0
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH)						83145	144.2	-	83000.8	100	116403	2636	-	113767	98
2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD (\$M)						102.0	0.386	-	101.614	100	51.0	5.5	-	45.5	89
3. NUMBER OF UNDERSERVED CONSUMERS FINANCED						714	8	-	706	99	357	303	-	54	15
4. NUMBER OF NONPROFITS FINANCED						150	0	-	150	100	75	11	-	64	85
PART III: PROGRAM TARGET GROUP															
1. ENTITIES AND CUST ADPTNG CLEAN ENRGY TECHNOLOGIES						1119	12	-	1107	99	560	61	-	499	89
PART IV: PROGRAM ACTIVITY															
1. TOTAL NUMBER OF BUILDINGS SERVED						1214	12	-	1202	99	607	61	-	546	90
2. NUMBER OF LOANS APPROVED						1119	12	-	1107	99	560	61	-	499	89



## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 05 05  
BED 138

**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 projected 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.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0106

WATER AND LAND DEVELOPMENT

LNR-141

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)  OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)  TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)															
	5.50	3.50	-	2.00	36	5.50	3.50	-	2.00	36	5.50	0.00	-	5.50	100
	1,110	842	-	268	24	249	91	-	158	63	863	1,021	+	158	18
	5.50	3.50	-	2.00	36	5.50	3.50	-	2.00	36	5.50	0.00	-	5.50	100
	1,110	842	-	268	24	249	91	-	158	63	863	1,021	+	158	18
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17					
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)						0	0	+	0	0	0	+	0	0	
2. GROUNDWATER SUPPLY DEVELOPED (MGD)						1	0	-	1	100	1	1	+	0	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)						250	0	-	250	100	250	250	+	0	0
4. STATE LANDS DEVELOPED (ACRES)						10	10	+	0	0	10	10	+	0	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)						3000	1023	-	1977	66	3000	1200	-	1800	60
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)						4	5	+	1	25	4	4	+	0	0
PART III: PROGRAM TARGET GROUP															
1. DEFACTO POPULTN BENEFITNG FR IMPRVMENTS (NO. IN MIL)						1.4	1.4	+	0	0	1.4	1.4	+	0	0
PART IV: PROGRAM ACTIVITY															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)						25	30	+	5	20	25	25	+	0	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)						30	29	-	1	3	30	30	+	0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED						25	43	+	18	72	25	25	+	0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)						20000	18000	-	2000	10	20000	20000	+	0	0
5. CIP EXPENDITURES (\$1,000)						35000	56463	+	21463	61	35000	45000	+	10000	29
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)						0	0	+	0	0	0	0	+	0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)						1	1	+	0	0	1	1	+	0	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD						4	5	+	1	25	4	5	+	1	25

## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 06  
LNR 141

**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.

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0107

SPECIAL COMMUNITY DEVELOPMENT

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16					THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17							
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%		
PART I: EXPENDITURES & POSITIONS																	
RESEARCH & DEVELOPMENT COSTS																	
POSITIONS																	
EXPENDITURES (\$1,000's)																	
OPERATING COSTS																	
POSITIONS	2.00	2.00	+	0.00	0	2.00	1.00	-	1.00	50	2.00	2.00	+	0.00	0		
EXPENDITURES (\$1000's)	1,191	739	-	452	38	302	130	-	172	57	908	1,080	+	172	19		
TOTAL COSTS																	
POSITIONS	2.00	2.00	+	0.00	0	2.00	1.00	-	1.00	50	2.00	2.00	+	0.00	0		
EXPENDITURES (\$1000's)	1,191	739	-	452	38	302	130	-	172	57	908	1,080	+	172	19		
						FISCAL YEAR 2015-16				FISCAL YEAR 2016-17							
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%		
PART II: MEASURES OF EFFECTIVENESS																	
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)						720	150	-		570	79	370	NO DATA	-		370	100
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)						10	8	-		2	20	10	8	-		2	20

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT**

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**01 07**

### **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:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BED-150

## VARIANCE REPORT

REPORT V61

12/14/16

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 1,191	2.00 739	+	0.00 452	0 38	2.00 302	1.00 130	-	1.00 172	50 57	2.00 908	2.00 1,080	+	0.00 172	0 19
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 1,191	2.00 739	+	0.00 452	0 38	2.00 302	1.00 130	-	1.00 172	50 57	2.00 908	2.00 1,080	+	0.00 172	0 19

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

PART III: PROGRAM TARGET GROUP															
1. # OF RESIDENTS IN KAKAAKO	17482	17482	+	0	0	24138	NO DATA	-	24138	100					
2. # OF EMPLOYEES IN KAKAAKO	25330	25330	+	0	0	25330	NO DATA	-	25330	100					
3. # OF BUSINESSES IN KAKAAKO	1266	1266	+	0	0	1266	NO DATA	-	1266	100					
4. # OF LANDUSERS WITHIN KALAELOA	15	15	+	0	0	17	17	+	0	0					
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	3500	3700	+	200	6	4500	4600	+	100	2					

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

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01  
BED 150**

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### **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.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

12/14/16

PROGRAM-ID:

BED-160

PROGRAM STRUCTURE NO: 0108

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	32.00	19.00	- 13.00	41	31.00	17.00	- 14.00	45	31.00	20.00	- 11.00	35
EXPENDITURES (\$1000's)	100,843	19,186	- 81,657	81	24,917	4,050	- 20,867	84	77,222	98,090	+ 20,868	27
<b>TOTAL COSTS</b>												
POSITIONS	32.00	19.00	- 13.00	41	31.00	17.00	- 14.00	45	31.00	20.00	- 11.00	35
EXPENDITURES (\$1000's)	100,843	19,186	- 81,657	81	24,917	4,050	- 20,867	84	77,222	98,090	+ 20,868	27
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF HOMEBUYERS ASSISTED					450	814	+ 364	81	675	600	- 75	11
2. # OF NEW RENTAL UNITS					613	713	+ 100	16	799	407	- 392	49
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV					121	470	+ 349	288	150	150	+ 0	0
4. # OF LEASE RENTS RENEGOTIATED					0	8	+ 8	0	67	73	+ 6	9
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE					2	5	+ 3	150	2	0	- 2	100
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD					2200	2200	+ 0	0	2200	2200	+ 0	0
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT					0	NO DATA	+ 0	0	0	NO DATA	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE					250	1447	+ 1197	479	250	459	+ 209	84
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING					150	751	+ 601	401	150	300	+ 150	100
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)					20	39.1	+ 19.1	96	20	20	+ 0	0
4. FACILITATE DEVELOPMENT OF REAL PROPERTY					704	1069	+ 365	52	380	62	- 318	84
5. ASSIST FIRST-TIME HOMEBUYERS					450	814	+ 364	81	675	600	- 75	11
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO					0	0	+ 0	0	0	0	+ 0	0
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION					0	8	+ 8	0	0	8	+ 8	0



## VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017

01 08  
BED 160

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.

## STATE OF HAWAII

PROGRAM TITLE:

OFFICE OF AEROSPACE

PROGRAM-ID:

BED-128

PROGRAM STRUCTURE NO: 0109

## VARIANCE REPORT

REPORT V61

12/14/16

	FISCAL YEAR 2015-16				THREE MONTHS ENDED 09-30-16				NINE MONTHS ENDING 06-30-17						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	904	791	-	113	13	40	40	+	0	0	1,135	1,052	-	83	7
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	904	791	-	113	13	40	40	+	0	0	1,135	1,052	-	83	7
					FISCAL YEAR 2015-16				FISCAL YEAR 2016-17						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED					100	25	-	75	75	100	70	-	30	30	
2. FEDERAL COOPERATIVE AGREEMENTS INAUGURATED					3	3	+	0	0	3	3	+	0	0	
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED					5	5	+	0	0	5	5	+	0	0	
4. INTERNATIONAL ALLIANCES INITIATED/MAINTAINED					4	4	+	0	0	4	4	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS					75	75	+	0	0	75	75	+	0	0	
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS					9	9	+	0	0	9	9	+	0	0	
3. OVERSEAS AEROSPACE AGENCIES/COMPANIES/CORPORATIONS					25	23	-	2	8	25	25	+	0	0	
4. OVERSEAS EDUCATION AND RESEARCH AGENCIES/INSTITUTI					25	24	-	1	4	25	25	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. PACIFIC INTERNATIONAL SPACE ALLIANCE (ANNUAL MEETI					1	0	-	1	100	1	0	-	1	100	
2. PISCES* FUNDING GENERATED THROUGH STATE LEGISLATUR					3.0	0	-	3	100	3.0	0	-	3	100	
3. COMMERCIAL SPACE TRANSPORTATION (FAA GRANT APPLICA					1	1	+	0	0	1	1	+	0	0	
4. NEXT-GENERATION AVIATION (UAS/OTHER ALLIANCES/APPL					3	3	+	0	0	3	3	+	0	0	
5. REAL WORLD DESIGN CHALLENGE (NUMBER OF TEAMS COORD					15	14	-	1	7	15	15	+	0	0	
6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS					4	1	-	3	75	4	4	+	0	0	
7. HAWAII STARLIGHT RESERVE COMMITTEE MEETINGS					4	0	-	4	100	4	0	-	4	100	
8. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION					25	25	+	0	0	25	25	+	0	0	
9. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEBS					5	5	+	0	0	5	5	+	0	0	

## **VARIANCE REPORT NARRATIVE FY 2016 AND FY 2017**

**PROGRAM TITLE: OFFICE OF AEROSPACE**

**01 09  
BED 128**

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### **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.