

**Report on Non-General Fund Information**  
for Submittal to the 2017 Legislature

Department: Commerce and Consumer Affairs  
 Prog ID(s): CCA-102  
 Name of Fund: State Broadband Data and Development Grant Program  
 Legal Authority: non-appropriated 1/, CFDA: 11.558 American Recovery and Reinvestment Act-SBDD-Hawaii Department of Commerce Affairs (Award no. 15-50-M09057)

Contact Name: Cathy Takase  
 Phone: 586-5481  
 Fund type (MOF): Federal Stimulus Funds (V)  
 Appropriation Acct. No.: S-XX-201-R

**Intended Purpose:**

The grant is to develop an on-line database that can be used by consumers to identify the availability, speed, and location of broadband services throughout Hawaii.

**Source of Revenues:**

Federal grant from the U.S. Department of Commerce

**Current Program Activities/Allowable Expenses:**

The initial grant includes \$1,449,940 for broadband data collection and mapping activities over a two-year period and \$500,000 for broadband planning activities. The overall award period is January 1, 2010 - December 31, 2011 for broadband mapping activities and January 1, 2010 - December 31, 2014 for broadband planning activities, if any. The project end-date has been subsequently extended to January 31, 2015.

Subsequently, additional federal funding in the amount of \$2,400,000 was awarded on September 28, 2010 to complete the project to map broadband availability and engage in broadband planning activities for five years.

**Purpose of Proposed Ceiling Increase (if applicable):**

Not applicable.

**Variances:**

Variances in the revenues and expenditures each year reflect different projects completed by the Department to map broadband availability and promote and foster broadband use. The grant was terminated on January 31, 2015 and was fully closed out. Thus, there are no future revenues or expenditures.

Financial Data							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)	(estimated)
Appropriation Ceiling							
Beginning Cash Balance	130	206	175	42,716	0	0	0
Revenues 2/	432,663	944,260	698,869	0	0	0	0
Expenditures	432,587	944,291	656,328	42,716	0	0	0
Transfers							
List each by JV# and date							
Net Total Transfers	0	0	0	0	0	0	0
Ending Cash Balance	206	175	42,716	0	0	0	0
Encumbrances		0	42,716				
Unencumbered Cash Balance	206	175	0	0	0	0	0

**Additional Information:**

Amount Req. for Bond Conveyance							
Amount from Bond Proceeds							
Amount Held in CODs, Escrow Accounts, or Other Investments							

1/ Governor's approval to apply and expend federal grant (federal stimulus funds) were secured on September 17, 2010 and October 18, 2010 .

2/ Revenue Projections based on Rev Est to B&F August 2016.

**Report on Non-General Fund Information**  
for Submittal to the 2017 Legislature

Department: Commerce and Consumer Affairs  
 Prog ID(s): CCA-102  
 Name of Fund: Compliance Resolution Fund - Cable Television  
 Legal Authority: Chapter 440G, HRS, Act 199, SLH 2010

Contact Name: Admin. Services  
 Phone: 586-2830  
 Fund type (MOF): Special Funds (B)  
 Appropriation Acct. No.: S-XX-302-R

**Intended Purpose:**

To foster the development of responsive and reliable cable communications services for the people of Hawaii, by promoting the public interest in authorizations by the State regarding cable franchises; regulate basic cable rates and service to ensure compliance with applicable State and Federal law; expand and operate the statewide Institutional Network; and continue the availability of public, education and government cable access. Additional responsibilities due to Act 199 tasked CATV to implement activities to create ubiquitous access to high speed broadband at affordable prices throughout the State.

**Source of Revenues:**

Franchise Fees (HAR 16-132) paid by cable tv operators.

**Current Program Activities/Allowable Expenses:**

- Issues and enforces franchises for cable communications services.
- Promulgates and enforces rules and regulations governing the practices, procedures, quality and quantity of services including rates, and customer and technical operations of cable communications companies.
- Plans and encourages the development of new, improved and more effective utilization of cable communications services, equipment, and facilities including the State's Institutional Network (INET), and public, educational, and government (PEG) access resources and facilities, which will enhance communications services available to Hawaii's citizens.
- Support public and private efforts to enhance or facilitate deployment; making recommendations to establish affordable, accessible broadband services to un-served and underserved areas; increase usage and demand by facilitating deployment of expanded applications such as telework, telemedicine, e-learning; and assist in implementing recommendations in the Hawaii Broadband Task Force Report of December 2008, and the goals of the Governor's Hawaii Broadband Initiative of August 2011.

**Purpose of Proposed Ceiling Increase (if applicable):**

Fringe benefits

Pursuant to Finance Memorandum No. 16-12, the State's fringe benefit assessment rate for non-general fund programs increases to 60% for FY 18 and FY 19 due primarily to the projected costs for the prefunding of other post-employment benefits. The Department requires the requested budget increase to effectively fund all authorized positions.

**Variances:**

Variance in revenues from FY14 to FY15 is due to the increase in franchise fees collected from cable operators from about 4.64% to the 5% limit allowed pursuant to federal law which was implemented in FY15. Variance in expenditures from FY 15 to FY 16 is due to vacancies. Variance in expenditures from FY16 to FY17 and future years relate to: (1) anticipated management audits and other cable related matters using expert consulting service contracts for work related to the Legislature and to assist in anticipated large proceedings (e.g., franchise renewals and PEG designations); and (2) increased broadband activities required of the Department. In addition, FY17 expenditures also include FY16 encumbrances for expert services.

Financial Data							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)	(estimated)
Appropriation Ceiling	2,110,809	2,391,537	2,391,537	2,534,951	2,559,971	2,609,370	2,609,370
Beginning Cash Balance	3,336,867	3,477,137	4,076,170	5,289,972	6,755,529	6,855,209	6,623,396
Revenues 1/	2,046,102	2,102,851	2,772,685	2,873,488	2,733,000	2,733,000	2,733,000
Expenditures	1,524,055	1,068,949	1,168,374	1,048,549	2,307,309	2,609,370	2,609,370
Transfers							
List each by JV# and date							
JS1232 9/8/15				(89,845)			
JS3248 12/5/15				(89,845)			
JS4334 2/12/16				(89,845)			
JS5512 4/18/16				(89,847)			
Net Total Transfers	(381,777)	(434,869)	(390,509)	(359,382)	(326,011)	(355,443)	(354,222)
Ending Cash Balance	3,477,137	4,076,170	5,289,972	6,755,529	6,855,209	6,623,396	6,392,804
Encumbrances	273,382	708,919	513,198	814,413			
Unencumbered Cash Balance	3,203,755	3,367,251	4,776,774	5,941,116	6,855,209	6,623,396	6,392,804

**Additional Information:**

Amount Req. for Bond Conveyance							
Amount from Bond Proceeds							
Amount Held in CODs, Escrow Accounts, or Other Investments							

1/ Revenue projections based on Rev Est to B&F August 2016.

**Report on Non-General Fund Information**  
for Submittal to the 2017 Legislature

Department: Commerce and Consumer Affairs  
 Prog ID(s): CCA-102  
 Name of Fund: Funds held outside the State Treasury by Time Warner  
 Legal Authority: Decision & Order No. 346, Section IV.I.4

Contact Name: Glen Chock  
 Phone: 586-2620  
 Fund type (MOF): Funds held outside of State Treasury  
 Appropriation Acct. No.: T-15-907

**Intended Purpose:**

Franchise fees over the cap amount that is paid by Oceanic Time Warner Cable, LLC (Oceanic) to Olelo are provided to DCCA for INET/Broadband purposes.

**Source of Revenues:**

Franchise fees (HAR 16-132) paid by cable tv operators.

**Current Program Activities/Allowable Expenses:**

Expenses related to expansion and upgrade of the Institutional Network (INET); and any other expenses/activities relating to broadband.

**Purpose of Proposed Ceiling Increase (if applicable):**

Increase ceiling to provide funds to support projects and programs to (1) strengthen and extend the State's INET for state and county government; and (2) facilitate the expansion of broadband access to unserved and underserved areas across the State through a pilot WiFi project.

**Variances:**

Variance in revenues each year arise due to changes in Oceanic's gross revenues, which are based on the number of customers and cable packages that customers subscribe to. The variance for FY15 expenditure reflects the payment made by the Department to DLIR for a grant to Hawaii Public Television, authorized by the 2014 Legislature as reflected in the appropriation ceiling increase for FY15. Expenditure variances in FY18 and FY19 are due to anticipated program activities to extend the State's INET for state and county government, and to expand access to broadband through the Department's pilot WiFi project in unserved and underserved areas in the State, upon Legislative approval of ceiling increase requests for FY18 and FY19.

Financial Data							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)	(estimated)
Appropriation Ceiling			2,000,000	0	0	3,144,640	2,620,676
Beginning Cash Balance	4,619,445	6,313,011	7,742,119	6,763,426	7,569,895	8,369,895	6,000,255
Revenues	1,693,566	1,429,108	1,021,307	806,469	800,000	775,000	750,000
Expenditures			2,000,000	0	0	3,144,640	2,620,676
Transfers							
List each by JV# and date			0				
Net Total Transfers			0				
Ending Cash Balance	6,313,011	7,742,119	6,763,426	7,569,895	8,369,895	6,000,255	4,129,579
Encumbrances							
Unencumbered Cash Balance	6,313,011	7,742,119	6,763,426	7,569,895	8,369,895	6,000,255	4,129,579

Additional Information:

Amount Req. for Bond Conveyance							
Amount from Bond Proceeds							
Amount Held in CODs, Escrow Accounts, or Other Investments							

**Report on Non-General Fund Information**  
for Submittal to the 2017 Legislature

Department:	<u>Commerce and Consumer Affairs</u>	Contact Name:	<u>Admin. Services</u>
Prog ID(s):	<u>CCA-103</u>	Phone:	<u>586-2830</u>
Name of Fund:	<u>CRF-PUC Spcl Fnd Allocation-Consumer Advocacy</u>	Fund type (MOF):	<u>Special Funds (B)</u>
Legal Authority:	<u>Section 269-33, HRS</u>	Appropriation Acct. No.:	<u>S-XX-303-R</u>

**Intended Purpose:**

To fund the operations of the Division of Consumer Advocacy.

**Source of Revenues:**

Public utility fees paid to the public utilities commission pursuant to HRS §269-30, and placed in the public utilities commission special fund. Pursuant to HRS §269-33, on a quarterly basis, an amount is allocated in accordance with legislative appropriations to the DCA and deposited in the compliance resolution fund.

**Current Program Activities/Allowable Expenses:**

To represent, advance and protect the interests of consumers of regulated utility and transportation services. The division is a party to every proceeding before the Hawaii Public Utilities Commission. The division participates in, among other things, reviews of utility and transportation companies' requests to increase rates, service reliability investigations, energy utility integrated resource plans, and capital improvement projects for utilities. In addition, the division strives to promote effective competition and consumer protection through contested cases and rule making proceedings regarding telecommunications and electric power infrastructure development.

**Purpose of Proposed Ceiling Increase (if applicable):**

N/A.

**Variations:**

**Revenue variance:** The reason for the variance in revenues is caused by new procedures, whereby monies from the PUC are reflected as transfers in the relevant quarter, as opposed to prior years where the monies were recorded in aggregate as revenues. Otherwise, there is no significant variances in revenues

**Expenditures variance:** In FY2016, the major proceeding was Docket No. 2015-0022, wherein the proposed merger/acquisition involving NextEra Energy and the Hawaiian Electric Companies was being investigated. As a result of this proceeding, the Division hired various consultants to help analyze the transaction and possible resulting governance structure, if the requested relief were granted. The overall increase in spending due to 2015-0022 was offset by certain projects being put in abeyance until the merger proceeding was completed. Due to these other projects not moving forward in FY 2016 as originally expected, the Division was not required to spend as much money on consultants and other docket related costs in FY 2016. With the termination of 2015-0022, the proceedings that were delayed are now becoming active again.

Financial Data							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)	(estimated)
Appropriation Ceiling	2,938,787	3,031,508	3,830,936	4,159,141	4,241,213	4,230,174	4,230,174
Beginning Cash Balance	4,275,160	4,695,037	5,399,924	6,423,685	7,476,675	7,427,766	6,860,503
Revenues 1/	2,715,111	3,092,514	3,943,435	42,101	20,000	20,000	20,000
Expenditures	1,758,522	1,835,200	2,290,353	2,574,933	3,767,841	4,241,213	4,241,213
Transfers							
List each by JV# and date							
JS0713 8/17/15				1,039,785			
JS1810 10/5/15				1,045,251			
JS3944 1/25/16				1,045,215			
JS6739 6/16/16				1,045,216			
JS1232 9/8/15				(147,411)			
JS3248 12/5/15				(147,411)			
JS4334 2/12/16				(147,411)			
JS5512 4/18/16				(147,412)			
Net Total Transfers	(536,712)	(552,427)	(629,321)	3,585,822	3,698,932	3,653,950	3,655,928
Ending Cash Balance	4,695,037	5,399,924	6,423,685	7,476,675	7,427,766	6,860,503	6,295,218
Encumbrances	844,196	1,251,510	1,882,450	1,735,797			
Unencumbered Cash Balance	3,850,841	4,148,414	4,541,235	5,740,878	7,427,766	6,860,503	6,295,218

**Additional Information:**

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Amount Held in CODs, Escrow Accounts, or Other Investments							

1/ Revenue projections based on Rev Est to B&F August 2016.