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## **DETAILS OF VARIANCES**



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## **ECONOMIC DEVELOPMENT**

**VARIANCE REPORT**

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	438.50	339.00	- 99.50	23	489.00	379.00	- 110.00	22	489.00	453.00	- 36.00	7
EXPENDITURES (\$1000's)	397,172	229,147	- 168,025	42	76,106	24,274	- 51,832	68	260,862	264,307	+ 3,445	1
TOTAL COSTS												
POSITIONS	438.50	339.00	- 99.50	23	489.00	379.00	- 110.00	22	489.00	453.00	- 36.00	7
EXPENDITURES (\$1000's)	397,172	229,147	- 168,025	42	76,106	24,274	- 51,832	68	260,862	264,307	+ 3,445	1
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. GROSS STATE PRODUCT (2009 CONSTANT \$ IN MILLIONS)	72948	74862	+ 1914	3	74261	75947	+ 1686	2				
2. REAL PERSONAL INCOME (2009 CONSTANT \$ IN MILLIONS)	55823	55721	- 102	0	57247	56529	- 718	1				
3. UNEMPLOYMENT RATE (% , TENTHS)	3.3	3	- 0.3	9	3.5	3.2	- 0.3	9				
4. TOTAL EMPLOYMENT (THOUSANDS)	671	672	+ 1	0	681	679	- 2	0				
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	84469	87999	+ 3530	4	87680	90858	+ 3178	4				
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)	74221	75892	+ 1671	2	77709	78433	+ 724	1				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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**01**

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

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

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

See Lowest Level Programs for additional information.

PROGRAM TITLE: BUSINESS DEVELOPMENT

12/9/17

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0101

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	63.00	63.00	+ 0.00	0	64.00	64.00	+ 0.00	0	64.00	64.00	+ 0.00	0
EXPENDITURES (\$1000's)	9,130	6,961	- 2,169	24	1,712	1,408	- 304	18	8,988	6,961	- 2,027	23
TOTAL COSTS												
POSITIONS	63.00	63.00	+ 0.00	0	64.00	64.00	+ 0.00	0	64.00	64.00	+ 0.00	0
EXPENDITURES (\$1000's)	9,130	6,961	- 2,169	24	1,712	1,408	- 304	18	8,988	6,961	- 2,027	23
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	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. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	25	241	+ 216	864	25	261	+ 236	944				
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	-12	- 15	500	3	3	+ 0	0				
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	14.9	16.4	+ 1.5	10	14.9	17.1	+ 2.2	15				

**VARIANCE REPORT NARRATIVE  
FY 2017 AND FY 2018**

**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.

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

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	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	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,193	1,371	- 1,822	57	322	322	+ 0	0	3,618	1,790	- 1,828	51
<b>TOTAL COSTS</b>												
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)	3,193	1,371	- 1,822	57	322	322	+ 0	0	3,618	1,790	- 1,828	51
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
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	16000	15000	- 1000	6	16000	15000	- 1000	6				
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	25	25	+ 0	0	25	25	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	250	250	+ 0	0	250	250	+ 0	0				
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	200	+ 0	0	200	200	+ 0	0				
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT	25	25	+ 0	0	30	28	- 2	7				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	50	50	+ 0	0	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 2017 AND FY 2018

**PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT**

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**01 01 01  
BED 100**

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

Minimal spending on Hawaii Community-Based Development Revolving Fund and no spending on State Disaster Revolving Fund. We expect no significant expenditures in the rest of the year for these appropriations. Also, estimated expenditures does not include restrictions on general funds.

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

No significant variances.

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

No significant variances.

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

No significant variances.



### VARIANCE REPORT

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,340	1,335	- 5	0	308	239	- 69	22	1,699	1,500	- 199	12
<b>TOTAL COSTS</b>												
POSITIONS	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,340	1,335	- 5	0	308	239	- 69	22	1,699	1,500	- 199	12
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	150	3.6	- 146.4	98	150	3.7	- 146.3	98				
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	200	52.1	- 147.9	74	200	52.2	- 147.8	74				
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	15	14.4	- 0.6	4	15	15	+ 0	0				
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	25	241	+ 216	864	25	261	+ 236	944				
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	135	416.9	+ 281.9	209	135	451	+ 316	234				
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	4.5	36.5	+ 32	711	5	28	+ 23	460				
7. \$ AMT OF ESTIMATED REBATE - ACT 88/89	52	44	- 8	15	53	43	- 10	19				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	24	20	- 4	17	24	21	- 3	13				
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	6	354	+ 348	5800	6	350	+ 344	5733				
3. \$ AMT OF PRODUCTION SPEND ON NEIGHBOR ISLANDS	35	19	- 16	46	45	20	- 25	56				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	140	438	+ 298	213	140	450	+ 310	221				
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	1500	13	- 1487	99	1500	12	- 1488	99				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 01 02  
BED 105

### **PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION**

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

Contracts and expenditures were delayed in the first quarter, expected to catch up in subsequent quarters. Will be materially short on the federal expenditures for the balance of the year.

Item 1. 400/438  
Item 2. 12/12

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

The planned numbers for both fiscal periods were not correct. The correct numbers are as follows:

Item 1. 3.5/3.6  
Item 2. 52/52  
Item 3. 15/15  
Item 4. 240/241  
Item 5. 400/416  
Item 6. 25/26  
Item 7. 42/42  
Item 6. More movie productions than anticipated in FY 17

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

The planned numbers for both fiscal periods were not correct. The correct numbers are as follows:

Item 1. 19/20  
Item 2. 350/350  
Item 3. 17/19

Higher actual in taxes generated from film tax production in first three months.

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

The planned numbers for both fiscal periods were not correct. The correct numbers are as follows:

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,157	1,997	- 160	7	570	380	- 190	33	1,709	1,709	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,157	1,997	- 160	7	570	380	- 190	33	1,709	1,709	+ 0	0
	<b>FISCAL YEAR 2016-17</b>				<b>FISCAL YEAR 2017-18</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>± CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>± CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	-12	- 15	500	3	3	+ 0	0	3	3	+ 0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	-18	- 21	700	3	3	+ 0	0	3	3	+ 0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	-8	- 14	233	6	6	+ 0	0	6	6	+ 0	0
4. # OF NEW FIRMS USING FTZ PROGRAM	30	17	- 13	43	30	30	+ 0	0	30	30	+ 0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	-40	- 45	900	5	5	+ 0	0	5	5	+ 0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	-16	- 76	127	60	60	+ 0	0	60	60	+ 0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NO DATA	- 4	100	4	NO DATA	- 4	100	4	NO DATA	- 4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FIRMS USING FTZ PROGRAM (NO.)	250	382	+ 132	53	250	250	+ 0	0	250	250	+ 0	0
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	458	- 42	8	500	500	+ 0	0	500	500	+ 0	0
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	65	- 5	7	70	65	- 5	7	70	65	- 5	7
<b>PART IV: PROGRAM ACTIVITY</b>												
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1266	- 484	28	1750	1750	+ 0	0	1750	1750	+ 0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	5738	- 1862	25	7600	7600	+ 0	0	7600	7600	+ 0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	49	- 11	18	60	60	+ 0	0	60	60	+ 0	0
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	18	- 57	76	75	75	+ 0	0	75	75	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 01 03  
BED 107

### PROGRAM TITLE: FOREIGN TRADE ZONE

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

The variance in expenditures in the first quarter of FY 17 is primarily due to vacancies in staff positions.

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

Item 1. Variance is the result of the uncertain trade conditions under the new federal administration.

Item 2. Variance is the result of the depressed world wide oil prices in 2017.

Items 3 and 4. Variances are the result of the uncertain trade conditions under the new federal administration.

Item 5. Variance is a direct result of the world wide decline in oil prices and decline in world trade activity.

Item 6. Variance is the result of the uncertain trade conditions under the new federal administration and the decline in world trade activity.

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

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

Item 1. The increase in use of the FTZ program by additional firms is a result of the current slow economic growth and the need for cost savings benefits related to FTZ use.

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

Item 1. Variance is the result of lower value products transiting through Hawaii's FTZ as well as a slowdown in trade activity worldwide.

Item 2. Variance is a direct result of the decline in prices in the world oil

market.

Item 3. Variance is a result of lower value products transiting through Pier 2 as well as a slowdown in trade activity worldwide.

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.

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	25.00	25.00	+ 0.00	0	26.00	26.00	+ 0.00	0	26.00	26.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,440	2,258	- 182	7	512	467	- 45	9	1,962	1,962	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	25.00	25.00	+ 0.00	0	26.00	26.00	+ 0.00	0	26.00	26.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,440	2,258	- 182	7	512	467	- 45	9	1,962	1,962	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF PROCUREMENT VIOLATIONS	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	+ 0	0	95	95	+ 0	0	95	95	+ 0	0
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	1.7	- 0.3	15	2.0	2.0	+ 0	0	2.0	2.0	+ 0	0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	100	+ 2	2	98	98	+ 0	0	98	98	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	302	317.49	+ 15.49	5	302	322.49	+ 20.49	7				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	201	+ 51	34	150	200	+ 50	33				
2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT	2	0	- 2	100	2	0	- 2	100				
3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT	50	0	- 50	100	50	0	- 50	100				
4. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1100	1256	+ 156	14	1100	1200	+ 100	9				
5. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	0	- 5	100	5	5	+ 0	0				
6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	720	- 780	52	1500	1000	- 500	33				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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 2017-18 where expenditures were less than planned due to delays in implementation of various initiatives. Will be caught up in the subsequent quarters net of restrictions.

### **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 4. Processed more summary warrant vouchers than anticipated as more transactions processed in the first three months.

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  
 12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1000's)</b>												
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1000's)</b>												
	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40
	141,327	120,300	- 21,027	15	35,342	3,600	- 31,742	90	106,027	104,900	- 1,127	1
	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40	5.00	3.00	- 2.00	40
	141,327	120,300	- 21,027	15	35,342	3,600	- 31,742	90	106,027	104,900	- 1,127	1
					FISCAL YEAR 2016-17				FISCAL YEAR 2017-18			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)					14.9	16.4	+ 1.5	10	14.9	17.1	+ 2.2	15
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE					NO DATA	86.1	+ 86.1	0	NO DATA	85.2	+ 85.2	0
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)					12170	NO DATA	- 12170	100	12750	NO DATA	- 12750	100
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII					NO DATA	36	+ 36	0	NO DATA	35	+ 35	0
5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. JAPANESE TRAVELERS TO THE US (MILLION)					3.6	3.58	- 0.02	1	3.6	3.72	+ 0.12	3
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)					40.52	43.92	+ 3.4	8	40.52	43.92	+ 3.4	8
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # SPORTING EVENTS ACTUALLY FUNDED					21	19	- 2	10	21	16	- 5	24
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LVING HWN					128	134	+ 6	5	128	131	+ 3	2
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED					12	13	+ 1	8	12	13	+ 1	8
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS					55	168	+ 113	205	55	174	+ 119	216
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE					138000	94289	- 43711	32	138000	94300	- 43700	32
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)					58.3	52.6	- 5.7	10	58.3	52.7	- 5.6	10

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 02  
BED 113

### PROGRAM TITLE: TOURISM

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

Expenditure of funds is primarily limited to the amount of Transient Accommodations Tax (TAT) and Convention Center revenue collected. TAT was capped at \$108.5 million effective FY 16 (pursuant to Act 121, SLH 2015). Delays in encumbering contracts resulted in lower than planned expenditures in the first quarter expected to catch up later in year.

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

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

Item 1. Variance is positive and reflects growth in both daily visitor spending and visitor arrival volumes.

Item 3. FY 17 data is not available. GDP is calculated by READ. FY 18 is anticipated to be higher than FY 17.

Item 5. FY 17 data is not available. This survey is still being fielded.

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

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

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

Item 1. Proposed sporting events are evaluated as part of Hawaii Tourism Authority's (HTA) sports strategy, with greater focus on high scoring events and enhancing events that are in line with our strategy vs. increased number of events.

Item 4. Actual and estimated speeches and presentations significantly vary from Planned and reflect the inclusion of Brand Managers and Research staff vs only HTA Leadership.

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

Item 6. Actual FY 17 expenditures decreased from Planned due to the HTA Board allocating funds for specific use in a significant economic downturn, further additional marketing opportunities also did not materialize and increased efficiencies. Estimated FY 18 expenditures are expected to decrease from Planned similarly due to the HTA Board's allocation for a significant economic downturn.



VARIANCE REPORT

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	311.00	225.00	- 86.00	28	316.00	230.00	- 86.00	27	316.00	283.00	- 33.00	10
EXPENDITURES (\$1000's)	56,849	42,271	- 14,578	26	13,578	12,856	- 722	5	50,169	50,392	+ 223	0
TOTAL COSTS												
POSITIONS	311.00	225.00	- 86.00	28	316.00	230.00	- 86.00	27	316.00	283.00	- 33.00	10
EXPENDITURES (\$1000's)	56,849	42,271	- 14,578	26	13,578	12,856	- 722	5	50,169	50,392	+ 223	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	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	500	661	+ 161	32	510	510	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: AGRICULTURE**

**01 03**

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

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.

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	9.00	6.00	- 3.00	33	9.00	7.00	- 2.00	22	9.00	8.00	- 1.00	11
<b>EXPENDITURES (\$1000's)</b>	6,797	5,070	- 1,727	25	2,085	2,085	+ 0	0	6,256	6,256	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	9.00	6.00	- 3.00	33	9.00	7.00	- 2.00	22	9.00	8.00	- 1.00	11
<b>EXPENDITURES (\$1000's)</b>	6,797	5,070	- 1,727	25	2,085	2,085	+ 0	0	6,256	6,256	+ 0	0
	<b>FISCAL YEAR 2016-17</b>				<b>FISCAL YEAR 2017-18</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>± CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>± CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF LOANS APPROVED	25	17	- 8	32	25	25	+ 0	0	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)	4500	3314	- 1186	26	4500	4500	+ 0	0	4500	4500	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS	45000	14262	- 30738	68	45000	45000	+ 0	0	45000	45000	+ 0	0
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER	1250	1135	- 115	9	1250	1250	+ 0	0	1250	1250	+ 0	0
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	1000	0	- 1000	100	1000	1000	+ 0	0	1000	1000	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	7500	7500	+ 0	0	7500	7500	+ 0	0	7500	7500	+ 0	0
2. POTENTIAL QUALIFIED AQUACULTURISTS	70	70	+ 0	0	70	70	+ 0	0	70	70	+ 0	0
3. AGRICULTURE/AQUACULTURE COOPERATIVES	25	25	+ 0	0	25	25	+ 0	0	25	25	+ 0	0
4. COMMERCIAL BANKS	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF PUBLIC RELATIONS CONTACTS	75	55	- 20	27	75	75	+ 0	0	75	75	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS	750	723	- 27	4	750	750	+ 0	0	750	750	+ 0	0
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION	175	78	- 97	55	175	175	+ 0	0	175	175	+ 0	0
4. AMOUNT COLLECTED BY PROGRAM (000'S)	2.25	3.13	+ 0.88	39	2.25	2.25	+ 0	0	2.25	2.25	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 01  
AGR 101

### PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

#### PART I - EXPENDITURES AND POSITIONS

Variances in FY 17 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 limited available funding.

Item 2. The dollar amount of loans approved was below the planned amount due to the lower number of loans approved and as the majority of the loans were operating loans, which are generally smaller than capital improvement and land acquisition loans.

Item 3. The annual acreage cultivated by farmers was below the planned amount, as the number of large acre ranches in the portfolio declined.

Item 5. The amount of financing provided by other credit sources continues to be a challenge due to the reluctance on the part of commercial lenders to fund perceived higher risk industries.

#### PART III - PROGRAM TARGET GROUPS

No significant variances.

#### PART IV - PROGRAM ACTIVITIES

Item 1. The number of public relation contacts were below planned amount, as outreach was reduced to not create excessive demand due to limited funding and staffing.

Item 3. Number of loan inquiries received by the division was below the planned amount and was attributed to aging farmers not wanting to increase debt, the limited number of new farmers entering the industry and reduced outreach conducted by the division.

Item 4. Amount collected by the program was above the projected amount, as the division concentrated its efforts on collections and delinquent accounts due to limited funding available for loans. It should be noted that the amount is in the millions, rather than the thousands indicated in the report.

VARIANCE REPORT

PROGRAM TITLE: PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

12/9/17

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	184.00	131.00	- 53.00	29	184.00	136.00	- 48.00	26	184.00	167.00	- 17.00	9
EXPENDITURES (\$1000's)	21,221	16,395	- 4,826	23	5,497	5,497	+ 0	0	16,489	16,489	+ 0	0
TOTAL COSTS												
POSITIONS	184.00	131.00	- 53.00	29	184.00	136.00	- 48.00	26	184.00	167.00	- 17.00	9
EXPENDITURES (\$1000's)	21,221	16,395	- 4,826	23	5,497	5,497	+ 0	0	16,489	16,489	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	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	500	661	+ 161	32	510	510	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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

**01 03 02**

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

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.

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

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	121.00	92.00	- 29.00	24	121.00	97.00	- 24.00	20	121.00	110.00	- 11.00	9
EXPENDITURES (\$1000's)	15,405	11,382	- 4,023	26	3,908	3,908	+ 0	0	11,723	11,723	+ 0	0
TOTAL COSTS												
POSITIONS	121.00	92.00	- 29.00	24	121.00	97.00	- 24.00	20	121.00	110.00	- 11.00	9
EXPENDITURES (\$1000's)	15,405	11,382	- 4,023	26	3,908	3,908	+ 0	0	11,723	11,723	+ 0	0

	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0
2. NUMBER OF PEST INTERCEPTIONS	1500	1212	- 288	19	1700	1500	- 200	12
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	500	661	+ 161	32	510	510	+ 0	0
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	600	701	+ 101	17	600	600	+ 0	0
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	20	40	+ 20	100	20	40	+ 20	100
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	30	24	- 6	20	30	24	- 6	20
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	75	95	+ 20	27	80	95	+ 15	19

<b>PART III: PROGRAM TARGET GROUP</b>								
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	46	51.2	+ 5.2	11	46	48	+ 2	4
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	7000	7371	+ 371	5	7000	7100	+ 100	1
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8200	7695	- 505	6	8200	8100	- 100	1
4. NUMBER OF IMPORT PERMIT REQUESTS	1000	822	- 178	18	1000	1000	+ 0	0
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	500	266	- 234	47	520	500	- 20	4
6. NUMBER OF CERTIFIED NURSERIES	182	181	- 1	1	180	181	+ 1	1
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	1	+ 0	0	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	40	+ 0	0	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	30	42	+ 12	40	30	30	+ 0	0
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	5	+ 0	0	5	5	+ 0	0

<b>PART IV: PROGRAM ACTIVITY</b>								
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	45	44.6	- 0.4	1	45	45	+ 0	0
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	6413	- 87	1	6500	6500	+ 0	0
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	8200	7726	- 474	6	8200	8100	- 100	1
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	350	101	- 249	71	400	400	+ 0	0
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	364	362	- 2	1	360	362	+ 2	1
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	15	15	+ 0	0	20	20	+ 0	0
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	8	8	+ 0	0	8	8	+ 0	0
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	35	27	- 8	23	35	35	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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 4. Increase due to an increase in the number of prohibited fish/invertebrates detected during inspections.

Item 5. Percentage of Chemical/Mechanical (C/M) Control Projects Under a High Level of Control increased because the Section filled three Pest Control Technician positions on Hawaii, Maui, and Kauai. The additional staff allowed the Noxious Weed Specialists and Entomologist to cover more ground and tend to projects that were put on the side when the Section was short staffed. The manpower for the monitoring and eradication program on Oahu for Little Fire Ants was supplemented by two Oahu-based staff from the Hawaii Ant Lab. In addition, there has been greater participation and buy-in from nursery managers where C/M Control projects are conducted due to increased education and management techniques.

Item 6. Number of pests under high level of biocontrol has decreased due to climate change issues, especially with island systems, the biocontrol losses efficacy over time (decades). Climate change has been exacerbating pest issues and as a result, some pests are making a resurgence.

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. Decreased number of permit applications for restricted commodities.

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

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

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

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

Item 8. Decrease due to U.S. Department of Agriculture (USDA) taking over some of the testing and analysis. Number of submissions is dependent upon USDA/Customs and Border Protection agencies and commercial distributors.



	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	63.00	39.00	- 24.00	38	63.00	39.00	- 24.00	38	63.00	57.00	- 6.00	10
EXPENDITURES (\$1000's)	5,816	5,013	- 803	14	1,589	1,589	+ 0	0	4,766	4,766	+ 0	0
TOTAL COSTS												
POSITIONS	63.00	39.00	- 24.00	38	63.00	39.00	- 24.00	38	63.00	57.00	- 6.00	10
EXPENDITURES (\$1000's)	5,816	5,013	- 803	14	1,589	1,589	+ 0	0	4,766	4,766	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	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	0	0	+ 0	0
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
3. NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0	6	6	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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

**01 03 02 02**

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

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: RABIES QUARANTINE  
 PROGRAM-ID: AGR-131  
 PROGRAM STRUCTURE NO: 0103020201

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>												
	36.32	27.32	- 9.00	25	36.32	27.32	- 9.00	25	36.32	36.32	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>												
	3,695	3,540	- 155	4	1,039	1,039	+ 0	0	3,115	3,115	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>												
	36.32	27.32	- 9.00	25	36.32	27.32	- 9.00	25	36.32	36.32	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>												
	3,695	3,540	- 155	4	1,039	1,039	+ 0	0	3,115	3,115	+ 0	0
					FISCAL YEAR 2016-17				FISCAL YEAR 2017-18			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF RABIES CASES IN THE COMMUNITY					0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED					2	3	+ 1	50	3	3	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. DOGS AND CATS QUARANTINED					800	1310	+ 510	64	800	800	+ 0	0
2. POPULATION OF HAWAII					1410000	1454295	+ 44295	3	1410000	1450000	+ 40000	3
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS					500	428	- 72	14	250	250	+ 0	0
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS					800	1239	+ 439	55	750	750	+ 0	0
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL					13000	14878	+ 1878	14	13000	15000	+ 2000	15
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT					200	181	- 19	10	200	200	+ 0	0
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED					31	32	+ 1	3	31	32	+ 1	3
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES					2	8	+ 6	300	2	9	+ 7	350
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES					2200	2436	+ 236	11	1600	2200	+ 600	38
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESD					1200	1229	+ 29	2	1300	1300	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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 United States.

#### 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 & 3. The increased amounts of animals entering the State and qualifying for direct airport release decreased the number of animals in Item 1 and increased amounts of animals in Items 2 and 3.

Item 4. The decrease in numbers of animals transiting through the State is unknown.

Items 6 & 7. The increase in external parasite sampling is due to an increase in the 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.

VARIANCE REPORT

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	26.68	11.68	- 15.00	56	26.68	11.68	- 15.00	56	26.68	20.68	- 6.00	22
EXPENDITURES (\$1000's)	2,121	1,473	- 648	31	550	550	+ 0	0	1,651	1,651	+ 0	0
TOTAL COSTS												
POSITIONS	26.68	11.68	- 15.00	56	26.68	11.68	- 15.00	56	26.68	20.68	- 6.00	22
EXPENDITURES (\$1000's)	2,121	1,473	- 648	31	550	550	+ 0	0	1,651	1,651	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	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	2800	2576	- 224	8	2800	2600	- 200	7				
2. AQUACULTURE PRODUCERS	90	85	- 5	6	95	90	- 5	5				
3. HUMAN POPULATION	1410000	1442949	+ 32949	2	1450000	1450000	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY	7500	5956	- 1544	21	7000	6000	- 1000	14				
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY	600000	520850	- 79150	13	600000	700000	+ 100000	17				
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY	15000	16947	+ 1947	13	16000	17000	+ 1000	6				
4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY	20000	19422	- 578	3	20000	20000	+ 0	0				
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV	1500	2681	+ 1181	79	1500	2500	+ 1000	67				
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS	20	18	- 2	10	20	20	+ 0	0				
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS	2000	2937	+ 937	47	2000	3000	+ 1000	50				
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE	4500	4701	+ 201	4	4500	4800	+ 300	7				
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	7000	7391	+ 391	6	7000	7500	+ 500	7				
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED	1500	1808	+ 308	21	1500	1850	+ 350	23				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 02 02 02  
AGR 132

### **PROGRAM TITLE: ANIMAL DISEASE CONTROL**

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

Variances in 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**

No significant variances.

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

Item 1. Variance in actual numbers is due to a reduced number of livestock entering the State, particularly market hogs and goats. Variance in planned numbers is due to the import trend for market hogs and goats to continue as local production replaces imports.

Item 2. Variance in actual numbers is due to a reduction in imported day-old chicks and hatching eggs entering the State. Increase in estimated numbers is due to an expected start of a new poultry operation on Oahu, which will require the importation of day-old chicks or hatching eggs to populate and grow egg layers for the new operation.

Item 3. An increase in actual and planned are due to the expected increase in the number of pet dogs and cats entering the State.

Item 5. Increases are due to the number of disease investigations that occurred and are expected to occur with spill over infections of swine brucellosis and pseudorabies from feral to domestic swineherds.

Item 6. Variance reduction in actual is insignificant for this category.

Item 7. Increases due to the increased number of laboratory tests conducted in association with foreign animal disease investigations and investigations of swine brucellosis and pseudorabies outbreaks in

domestic swineherds.

Item 10. Increases in actual is due to an increase in the number of breeding shrimp exports to foreign countries. Increase in the planned is due to an expected strong export market for breeding shrimp and the development of an export market for oyster progeny to Mainland production centers.

**VARIANCE REPORT**

PROGRAM TITLE: PRODUCT DEVELOPMENT AND MARKETING FOR AGR

12/9/17

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	51.00	37.00	- 14.00	27	56.00	39.00	- 17.00	30	56.00	49.00	- 7.00	13
EXPENDITURES (\$1000's)	16,877	9,705	- 7,172	42	2,875	2,153	- 722	25	18,061	18,284	+ 223	1
TOTAL COSTS												
POSITIONS	51.00	37.00	- 14.00	27	56.00	39.00	- 17.00	30	56.00	49.00	- 7.00	13
EXPENDITURES (\$1000's)	16,877	9,705	- 7,172	42	2,875	2,153	- 722	25	18,061	18,284	+ 223	1
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	24	33	+ 9	38	24	28	+ 4	17				
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	6	11	+ 5	83	6	6	+ 0	0				
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	20	35	+ 15	75	20	20	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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

**01 03 03**

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

Details of the position and expenditures variances are best examined at the lowest program level.

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

See Lowest Level Programs for additional information.



VARIANCE REPORT

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	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	19.00	17.00	- 2.00	11	21.00	19.00	- 2.00	10	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,079	4,586	- 5,493	54	1,402	680	- 722	51	13,643	14,365	+ 722	5
<b>TOTAL COSTS</b>												
POSITIONS	19.00	17.00	- 2.00	11	21.00	19.00	- 2.00	10	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,079	4,586	- 5,493	54	1,402	680	- 722	51	13,643	14,365	+ 722	5
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL	100	82	- 18	18	100	100	+ 0	0	100	100	+ 0	0
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL	100	41	- 59	59	100	100	+ 0	0	100	100	+ 0	0
3. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL	100	114	+ 14	14	100	100	+ 0	0	100	100	+ 0	0
4. % FUNDS LEVERAGED COMPARED TO GOAL	100	115	+ 15	15	100	100	+ 0	0	100	100	+ 0	0
5. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL	100	289	+ 189	189	100	100	+ 0	0	100	100	+ 0	0
6. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL	100	78	- 22	22	100	100	+ 0	0	100	100	+ 0	0
7. % REV FROM NON-TRADTNL FOREST PROD COMPARD TO GOAL	100	128	+ 28	28	100	100	+ 0	0	100	100	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FOREST PRODCR PROCESSRS, RELTD BUSNSS/INVSTRS (#)	150	158	+ 8	5	150	150	+ 0	0	150	150	+ 0	0
2. FOREST AND OTHER LANDOWNERS (NUMBER)	50	53	+ 3	6	50	50	+ 0	0	50	50	+ 0	0
3. WATERSHED PARTNERS (NUMBER)	50	46	- 4	8	50	50	+ 0	0	50	50	+ 0	0
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)	100	95	- 5	5	100	95	- 5	5	100	95	- 5	5
<b>PART IV: PROGRAM ACTIVITY</b>												
1. PRODUCE & DISTRIBUTE OR SELL 35,000 TREE SEEDLINGS	60000	49316	- 10684	18	60000	60000	+ 0	0	60000	60000	+ 0	0
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS	150	62	- 88	59	150	150	+ 0	0	150	150	+ 0	0
3. PROVDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM	1000	1139	+ 139	14	1000	1000	+ 0	0	1000	1000	+ 0	0
4. LEVERAGE ADDL FUNDS/ASSOC SVCS (\$2MIL) THRU PRGM	2	2.29	+ 0.29	15	2	2	+ 0	0	2	2	+ 0	0
5. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS	2	5775	+ 5773	288650	2000	2000	+ 0	0	2000	2000	+ 0	0
6. PLACE 1,000 ACRES DEPTL LNDS UNDER COMM TIMBR MGT	6000	6500	+ 500	8	6000	6500	+ 500	8	6000	6500	+ 500	8
7. CREATE \$50,000 REV FR NON-TRADTNL FOREST PRODUCTS	50000	63856	+ 13856	28	50000	50000	+ 0	0	50000	50000	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 03 01  
LNR 172

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

#### PART I - EXPENDITURES AND POSITIONS

The number of positions filled for FY 17 and 1st quarter of FY 18 was less than budgeted due to vacancies attributed to staff promotions, retirements and resignations. All vacancies are being recruited for FY 18 and Division expects 100% recruitment force by the fourth quarter of FY 18.

The program expenditures were 54% below the allowed and budgeted ceiling. This variance is due to the anticipated federal grants from the U.S. Forest Service for land acquisition projects for Hoomau and Haloa Aina in the amount of \$7 million that were not awarded in FY 17. In addition, the program did not generate the projected revenues in S-347 from commercial forestry projects due to implementation delays. There were also additional funds provided by Act 084, SLH 2015, that was not included in the base budget

Funds actually expended in the first quarter of FY 18 were less than the budgeted due to delay in contract and purchase order encumbrances.

#### PART II - MEASURES OF EFFECTIVENESS

1. The Department was 18% 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.
2. The Department was 59% below the estimated target. This variance is attributed to limited funding available to direct to reforestation activities in the forest reserves.
3. The Department was 14% above the target. This variance is attributed to the completion of two new forest reserve management plans that involved community engagement and outreach.
4. The Department was 15% above the target. This variance is attributed to the awarded of three competitive grant projects from the U.S Forest Service, including grant funding support for the acquisition of a conservation easement in South Kona on Hawaii County.

5. The Department was 189% above the target due to the issuance of an executive order adding the Pu'u Mali area to the Mauna Kea Forest Reserve totaling an addition of approximately 4,700 acres.

6. The Department was 22% below the target due to delays in project planning due to environmental review and additional community and stakeholder outreach and engagement at the Waiakea Timber Management Area.

7. The Department was 28% above the target. This variance is attributed to increase in camping revenue in the forest reserve system and sale of non-timber forest products.

#### PART III - PROGRAM TARGET GROUPS

No significant variances.

#### PART IV - PROGRAM ACTIVITIES

1. The Department distributed 49,316 seedlings during FY 17, which is 18% below our target. This variance can be attributed to the need to improve our State nursery facilities to improve efficiency and survival of seedlings.
2. The Department reforested an estimate 62 acres during FY 17, which is 59% decrease from our target. This variance is attributed to limited funding available to direct to reforestation activities in the forest reserves.
3. The Department engaged and provided technical assistance to at least 1,139 community organizations, private landowners or forest industry groups during FY 17, which is 14% increase from our target. This variance is attributed to the completion of two new forest reserve management plans that involved community engagement and outreach.
4. The Department leveraged \$2,290,000 in additional funding support

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 03 01  
LNR 172

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

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primary from the U.S. Forest Service during FY 17, which is a 15% increase over our target. The Department was very successful in acquiring federal grant support during fiscal year 2017, but the variance is largely related to the federal award of \$2 million for a conservation easement acquisition project at Ho'omau Ranch in South Kona of Hawaii County.

5. The Department secured 5,775 acres of new land through executive order into the forest reserve system during FY 17, which is 189% higher than the target. This variance is attributed to the addition of over 4,700 acres of land at Pu'u Mali to the Mauna Kea Forest Reserve. The Department actively worked on acquisition projects of approximately 6,700 acres over FY 17, all of which are in various stages of fund raising and due diligence.

7. The Department created \$63,856 in revenue from non-traditional forest products during FY 17, which is 28% increase for our target. This variance is attributed to increase in camping revenue in the forest reserve system and sale of non-timber forest products.

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

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	19.00	13.00	-	6.00	32	22.00	13.00	-	9.00	41	22.00	18.00	-	4.00	18
<b>EXPENDITURES (\$1000's)</b>	2,992	2,003	-	989	33	767	767	+	0	0	2,301	2,301	+	0	0
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	19.00	13.00	-	6.00	32	22.00	13.00	-	9.00	41	22.00	18.00	-	4.00	18
<b>EXPENDITURES (\$1000's)</b>	2,992	2,003	-	989	33	767	767	+	0	0	2,301	2,301	+	0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE	99	99	+	0	0	99	99	+	0	0	99	99	+	0	0
2. % CERTIFICATION REQUESTS FULFILLED	100	100	+	0	0	100	100	+	0	0	100	100	+	0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT	3	3	+	0	0	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	100	100	+	0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES	95	87	-	8	8	95	95	+	0	0	95	95	+	0	0
<b>PART III: PROGRAM TARGET GROUP</b>															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	5500	5500	+	0	0	5500	5500	+	0	0	5500	5500	+	0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	441	454	+	13	3	441	441	+	0	0	441	441	+	0	0
3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK	23	22	-	1	4	23	23	+	0	0	23	23	+	0	0
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS	15	14	-	1	7	15	15	+	0	0	15	15	+	0	0
<b>PART IV: PROGRAM ACTIVITY</b>															
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM	1000	913	-	87	9	1000	1000	+	0	0	1000	1000	+	0	0
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES	2000	2868	+	868	43	2000	2800	+	800	40	2000	2800	+	800	40
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED	950	949	-	1	0	950	950	+	0	0	950	950	+	0	0
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED	24	22	-	2	8	24	24	+	0	0	24	24	+	0	0
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED	24	24	+	0	0	24	24	+	0	0	24	24	+	0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED	12	12	+	0	0	12	12	+	0	0	12	12	+	0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	10	40	+	30	300	10	40	+	30	300	10	40	+	30	300

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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**

No significant variances.

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

Item 2. Increased number of lots inspected due to statute amendment on individual egg marking requirement, allowing for more enforcement activity by staff.

Item 7. Increased number of hours of education due to increased outreach activities on implementation of the federal Food Safety Modernization Act (FSMA) Produce Safety Rules.

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

12/9/17

PROGRAM-ID: AGR-171

PROGRAM STRUCTURE NO: 01030303

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	13.00	7.00	-	6.00	46	13.00	7.00	-	6.00	46	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	3,806	3,116	-	690	18	706	706	+	0	0	2,117	1,618	-	499	24
TOTAL COSTS															
POSITIONS	13.00	7.00	-	6.00	46	13.00	7.00	-	6.00	46	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	3,806	3,116	-	690	18	706	706	+	0	0	2,117	1,618	-	499	24
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	24	33	+	9	38	24	28	+	4	17					
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES	24	60	+	36	150	24	40	+	16	67					
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	6	11	+	5	83	6	6	+	0	0					
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	20	35	+	15	75	20	20	+	0	0					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	7500	7000	-	500	7	7500	7000	-	500	7					
2. COMMODITY GROUPS	10	12	+	2	20	10	10	+	0	0					
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS	10	18	+	8	80	10	10	+	0	0					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS	3	3	+	0	0	3	2	-	1	33					
2. COLLECT, COMPILE AND PUBLISH STATISTICS (NASS/HAS)	75	75	+	0	0	75	75	+	0	0					
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES	20	20	+	0	0	20	20	+	0	0					
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS	5	9	+	4	80	5	5	+	0	0					

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 03 03  
AGR 171

### PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

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

Variances were due to position vacancies and expenditure restrictions.

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

Item 1. Marketing Activities Created, Conducted or Managed: funding provided by the Agricultural Development Special Fund resulted in activities for the Seal of Quality Program and the EAT LOCAL campaigns; collaboration with the Western United States Agricultural Trade Association (WUSATA) and the State Trade and Export Program (STEP) supported trade related activities - these sources of funding led to the 38% higher number in activities created, conducted or managed.

Item 2. Producer Groups Contacted Through Outreach Activities: the number of contacts increased, in part, due to comments from federal partners that feedback from many stakeholders which is important in determining priority categories for funding; and the Administration priorities are important for policy; however, public outreach is necessary to determine how to implement the policies. Increases were via attending commodity group meetings, seminars, and conventions that were funded by the Division as part of grant/contract management.

Item 3. The additional Requests for Proposals was a result of federal funding through the STEP and Specialty Crop Block Grant Program (SCBGP) awards, as well as provisos in the budget for specific activities.

Item 4. The actual figure reflects new contracts executed in FY 17. The number of contracts generated was higher than planned due to contracts funded through the Agricultural Development Special Fund (5) and projects selected for awards for the Sponsorship and Product Promotion Program (14). The SCBGP funded 14 contracts and two contracts were funded with general funds.

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

Item 2. The variance was due to increased outreach to commodity groups to promote Division programs and encourage participation and

collaboration. This includes outreach to the Hawaii Avocado Association, Hawaii Tropical Flower and Foliage Association, and Kauai Taro Growers Association.

Item 3. The variance was due to increased outreach to commodity associations, cooperatives and federations such as the Hawaii Organic Farmers Association, Hawaii Farmers Union United, Hawaii Floriculture and Nursery Association, Hawaii Forest Industry Association and the Hawaii Ulu Producers Cooperative.

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

Item 4. The variance is due to trade shows, in collaboration with federal agencies, that included: Foodex and the International Food and Ingredients in Japan; the American Spice Traders in Texas; and the National Restaurant Association in Illinois.

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

**VARIANCE REPORT**

REPORT V61  
12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	67.00	51.00	- 16.00	24	67.00	48.00	- 19.00	28	67.00	59.00	- 8.00	12
EXPENDITURES (\$1000's)	11,954	11,101	- 853	7	3,121	3,121	+ 0	0	9,363	9,363	+ 0	0
TOTAL COSTS												
POSITIONS	67.00	51.00	- 16.00	24	67.00	48.00	- 19.00	28	67.00	59.00	- 8.00	12
EXPENDITURES (\$1000's)	11,954	11,101	- 853	7	3,121	3,121	+ 0	0	9,363	9,363	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE	300	0	- 300	100	300	300	+ 0	0				
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12500	12472	- 28	0	12500	12500	+ 0	0				



## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: GENERAL SUPPORT FOR AGR**

**01 03 04**

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

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.

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT  
PROGRAM-ID: AGR-141  
PROGRAM STRUCTURE NO: 01030401

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	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	37.00	24.00	- 13.00	35	37.00	24.00	- 13.00	35	37.00	30.00	- 7.00	19
EXPENDITURES (\$1000's)	4,093	3,575	- 518	13	1,058	1,058	+ 0	0	3,175	3,175	+ 0	0
<b>TOTAL COSTS</b>												
POSITIONS	37.00	24.00	- 13.00	35	37.00	24.00	- 13.00	35	37.00	30.00	- 7.00	19
EXPENDITURES (\$1000's)	4,093	3,575	- 518	13	1,058	1,058	+ 0	0	3,175	3,175	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12500	12472	- 28	0	12500	12500	+ 0	0				
2. AGRICULTURAL LANDS LEASED (ACRES)	15000	13640	- 1360	9	15000	14200	- 800	5				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS	625	602	- 23	4	625	610	- 15	2				
2. FARMS LEASED ON DEPT OF AG LANDS	475	430	- 45	9	475	460	- 15	3				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS	77	71	- 6	8	77	73	- 4	5				
2. NUMBER OF NEW WATER SERVICES INSTALLED	10	3	- 7	70	10	10	+ 0	0				
3. PIPELINE AND DITCHES MAINTAINED (MILES)	100	100	+ 0	0	100	100	+ 0	0				
4. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	320	330	+ 10	3	320	330	+ 10	3				
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED	20	21	+ 1	5	20	21	+ 1	5				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

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**01 03 04 01  
AGR 141**

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

Variances were due to vacant positions and lower than expected special fund expenditures.

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

No significant variances.

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

No significant variances.

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

Item 2. Prospective customers declined meter installation due to cost.

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	4,489	3,938	-	551	12	1,205	1,205	+	0	0	3,616	3,616	+	0	0
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	4,489	3,938	-	551	12	1,205	1,205	+	0	0	3,616	3,616	+	0	0
				FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
				PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. AGRICULTURAL LANDS DIRECTLY MANAGED BY ADC (ACRES)	20793	20701	-	92	0	21759	22093	+	334	2					
2. AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC (ACRES)	17646	17846	+	200	1	17846	18346	+	500	3					
3. IRRIG SYS AND INFRASTRUCTURE PROJ MANAGED BY ADC	4	4	+	0	0	4	4	+	0	0					
4. AGRICULTURE RELATED FACILITIES MANAGED BY ADC	1	1	+	0	0	2	2	+	0	0					
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE	16	16	+	0	0	16	16	+	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					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE	74503	74503	+	0	0	75561	75899	+	338	0					
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE	11	12	+	1	9	11	12	+	1	9					
3. AG PRCESSING, MRSHALLING, PACKING, WAREHSING FACIL	3	3	+	0	0	3	3	+	0	0					
4. PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS	146	146	+	0	0	156	152	-	4	3					
5. AGRICULTURAL COOPERATIVES	6	6	+	0	0	6	6	+	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	19	18	-	1	5	19	19	+	0	0					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. AGRICULTURAL LANDS MANAGED BY ADC (ACRES)	20400	20387	-	13	0	20600	20592	-	8	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	2	-	1	33	3	2	-	1	33					
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC	1	2	+	1	100	1	2	+	1	100					
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS	7	7	+	0	0	8	8	+	0	0					
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	166	166	+	0	0	174	179	+	5	3					
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	3	3	+	0	0					

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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**

No significant variances.

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

No significant variances.

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

Item 3. One project was terminated due to lower-than-targeted testing results.

Item 4:

FY 17 Actual: The Agribusiness Development Corporation (ADC) was legislatively appropriated a grant-in-aid to manage.

FY 18: The ADC was legislatively appropriated four additional grants to manage.

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

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	30.00	27.00	- 3.00	10	30.00	24.00	- 6.00	20	30.00	29.00	- 1.00	3
<b>EXPENDITURES (\$1000's)</b>	3,372	3,588	+ 216	6	858	858	+ 0	0	2,572	2,572	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	30.00	27.00	- 3.00	10	30.00	24.00	- 6.00	20	30.00	29.00	- 1.00	3
<b>EXPENDITURES (\$1000's)</b>	3,372	3,588	+ 216	6	858	858	+ 0	0	2,572	2,572	+ 0	0
	<b>FISCAL YEAR 2016-17</b>				<b>FISCAL YEAR 2017-18</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>± CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>± CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE	300	0	- 300	100	300	300	+ 0					
2. % PERSONNEL ACTIONS PROCESSED WITHN PAYROLL CYCLE	95	91	- 4	4	95	95	+ 0					
3. % OF VENDOR PAYMENTS MADE WITHN 30 DAYS	95	95	+ 0	0	95	95	+ 0					
4. % OF DATA PROCESSING REQUESTS COMPLETED	95	99	+ 4	4	95	99	+ 4					
<b>PART III: PROGRAM TARGET GROUP</b>												
1. INVENTORY OF IMPORTANT AG LANDS (ACRES)	131555	131555	+ 0	0	131555	131555	+ 0					
2. EMPLOYEES (NUMBER)	332	338	+ 6	2	334	339	+ 5					
3. DIVISIONS (NUMBER)	6	6	+ 0	0	6	6	+ 0					
4. BRANCHES (NUMBER)	12	12	+ 0	0	12	12	+ 0					
5. ATTACHED AGENCIES (NUMBER)	1	1	+ 0	0	1	1	+ 0					
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS	25	25	+ 0	0	25	25	+ 0					
2. NUMBER OF PERSONNEL ACTIONS PROCESSED	2000	1850	- 150	8	2000	2000	+ 0					
3. NUMBER OF PURCHASE ORDERS PROCESSED	2500	2776	+ 276	11	2500	2700	+ 200					
4. NUMBER OF PETTY CASH CHECKS PROCESSED	225	126	- 99	44	225	200	- 25					
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	600	650	+ 50	8	600	650	+ 50					

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 03 04 03  
AGR 192

**PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE**

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

The variances in positions are due to lack of qualified applicants to fill positions.

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

Item 1. Actual acreage reclassified for FY 17 is current only to December 31, 2016, and provided by the Land Use Commission, Department of Business, Economic Development and Tourism, "2016 State of Hawaii Data Book" (Table 6.03). No large landowners have received approval by the Land Use Commission to reclassify agricultural lands in the 2016 calendar year. The Department has no direct control over agricultural land reclassifications.

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

No significant variances.

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

Item 3. The actual data for FY 17 is more than the planned data by 11% 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.

Item 4. The actual number of petty cash checks processed for FY 17 is less than the planned number by 44% 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 purchasing card (pCard). Also, because of the increase in the threshold for cash purchases to \$50.00, issuance of petty cash checks was decreased.

The estimated number of petty cash checks to be processed for FY 18 is less than the planned number by 11% due to the anticipation that more purchases will be made using the pCard and purchase order.

VARIANCE REPORT

PROGRAM TITLE: FISHERIES AND AQUACULTURE

12/9/17

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0104

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	16.00	14.00	- 2.00	13	16.00	14.00	- 2.00	13	16.00	15.00	- 1.00	6
EXPENDITURES (\$1000's)	2,181	1,754	- 427	20	545	273	- 272	50	1,917	2,189	+ 272	14
TOTAL COSTS												
POSITIONS	16.00	14.00	- 2.00	13	16.00	14.00	- 2.00	13	16.00	15.00	- 1.00	6
EXPENDITURES (\$1000's)	2,181	1,754	- 427	20	545	273	- 272	50	1,917	2,189	+ 272	14
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LICENSES ISSUED	5	4	- 1	20	5	5	+ 0	0				
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	718	NO DATA	- 718	100	735	NO DATA	- 735	100				
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	81900	76234	- 5666	7	85995	80000	- 5995	7				
4. TOTAL AQUACULTURE EMPLOYMENT	400	400	+ 0	0	400	415	+ 15	4				



## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: FISHERIES AND AQUACULTURE**

**01 04**

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

Details of the position and expenditure variances are best examined at the lowest program level.

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

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	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	13.00	11.00	- 2.00	15	13.00	11.00	- 2.00	15	13.00	12.00	- 1.00	8
EXPENDITURES (\$1000's)	1,765	1,395	- 370	21	435	163	- 272	63	1,589	1,861	+ 272	17
<b>TOTAL COSTS</b>												
POSITIONS	13.00	11.00	- 2.00	15	13.00	11.00	- 2.00	15	13.00	12.00	- 1.00	8
EXPENDITURES (\$1000's)	1,765	1,395	- 370	21	435	163	- 272	63	1,589	1,861	+ 272	17
	<b>FISCAL YEAR 2016-17</b>				<b>FISCAL YEAR 2017-18</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>+ CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>+ CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF LICENSES ISSUED	5	4	- 1	20	5	5	+ 0	0	5	5	+ 0	0
2. FISHING RPRTS CLLCTD & PRCSSD AS % OF TTL RPTS DUE	97	97	+ 0	0	97	97	+ 0	0	97	97	+ 0	0
3. ONLNE COMMRCIAL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE	35	39.8	+ 4.8	14	35	40	+ 5	14	35	40	+ 5	14
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE	70	72	+ 2	3	70	72	+ 2	3	70	72	+ 2	3
5. FISHING SUCCESS (FISH/TRIP)	2	2	+ 0	0	2	2	+ 0	0	2	2	+ 0	0
6. NUMBER OF FISHERY MANAGEMENT AREAS	24	24	+ 0	0	25	24	- 1	4	25	24	- 1	4
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTNT SPECIES	1	1	+ 0	0	1	0	- 1	100	1	0	- 1	100
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)	6	5.3	- 0.7	12	6	4.7	- 1.3	22	6	4.7	- 1.3	22
<b>PART III: PROGRAM TARGET GROUP</b>												
1. LICENSED COMMERCIAL FISHERS (1000)	3.8	3.7	- 0.1	3	3.8	4	+ 0.2	5	3.8	4	+ 0.2	5
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	2.6	2.6	+ 0	0	2.6	2.6	+ 0	0	2.6	2.6	+ 0	0
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	3	- 2	40	5	3	- 2	40	5	3	- 2	40
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	6	+ 0	0	6	6	+ 0	0	6	6	+ 0	0
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)	4.9	4.7	- 0.2	4	5	4.6	- 0.4	8	5	4.6	- 0.4	8
6. MARINE SPORT FISHERMEN (THOUSANDS)	155	155	+ 0	0	156	156	+ 0	0	156	156	+ 0	0
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)	147	147	+ 0	0	148	148	+ 0	0	148	148	+ 0	0
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES	12	12	+ 0	0	12	12	+ 0	0	12	12	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	4	+ 0	0	4	4	+ 0	0	4	4	+ 0	0
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)	650	629	- 21	3	650	650	+ 0	0	650	650	+ 0	0
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(00'S)	1100	1137	+ 37	3	1100	1140	+ 40	4	1100	1140	+ 40	4
4. AQUARIUM PERMITS (HUNDREDS)	1.8	2.3	+ 0.5	28	1.8	1.8	+ 0	0	1.8	1.8	+ 0	0
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	200	+ 0	0	200	200	+ 0	0	200	200	+ 0	0
6. NO. OF MTGS & CONTACTS WITH OTHER MNGT AGENCIES	13	13	+ 0	0	13	13	+ 0	0	13	13	+ 0	0
7. FISHERY MANAGEMENT AREAS MANAGED	27	27	+ 0	0	28	27	- 1	4	28	27	- 1	4
8. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION	51	51	+ 0	0	52	51	- 1	2	52	51	- 1	2
9. SURVEYS FOR FISHERMEN (THOUSANDS)	5.25	4.25	- 1	19	5	3.55	- 1.45	29	5	3.55	- 1.45	29
10. SURVEYS OF FISHING AREAS	37	37	+ 0	0	37	37	+ 0	0	37	37	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 04 02  
LNR 153

### PROGRAM TITLE: FISHERIES MANAGEMENT

#### PART I - EXPENDITURES AND POSITIONS

FY 17: The Program Manager position was vacant last year as the applicant selected declined the position. In addition, actual expenditures reflect a significant (\$370K) scale down on spending for Federal-funded projects requiring State matching funds.

FY 18: The Program Manager position remained vacant during the 1st quarter, but recruitment is underway and an applicant has been recently selected. Office assistant position remained vacant due to a lack of special funds for the position. Expenditures were down slightly (47K) during the 1st quarter and is expected to increase over the remaining nine remaining months.

#### PART II - MEASURES OF EFFECTIVENESS

Item 1: The planned establishment of administrative rules to implement commercial marine vessel licenses and primary marine dealer licenses did not occur because the Division is still drafting the rules. These two licenses were expected to increase the number of licenses issued.

Item 3: The on-line commercial fishing report adoption rate is increasing because more licensees are gradually e-filing their fishing report. The web portal system facilitates report filing and to comply with the report requirement submission deadline.

Item 7: Although a new rule to manage fishery resources along the northeastern coastline of Molokai was planned for this year, the process is expected to take longer than planned.

Item 8: The number of fishermen interviews decreased last fiscal year due to cuts in staff hours. The number of interviews is expected to decrease further as interview hours are reduced even more this year due to lower commercial marine license revenues.

#### PART III - PROGRAM TARGET GROUPS

Item 3: Businesses with chain store operations are not applying for or renewing commercial fisheries business type licenses. Some of these businesses had multiple business license types for regulated species and they discontinued this purchasing practice.

Item 5: The decrease last year and expected further decrease this year in licensed freshwater sport fishermen is due to less rainbow trout stocked and caught at the Kokee Public Fishing Area because of reduced number of trout eggs received from California Fish and Game hatcheries affected by drought conditions

#### PART IV - PROGRAM ACTIVITIES

Item 4: There was an increase in aquarium permits due to a Legislative Bill to cease the issuance of new aquarium permits and to allow existing aquarium permits to be renewed or transferred for up to five years. The Legislature passed this bill, but it was later vetoed by the Governor. The Hawaii Supreme Court ruled in September 2017, that an aquarium marine collector is required to prepare either an environmental assessment or environmental impact statement as part of his aquarium permit application in order to comply with the Hawaii Environmental Protection Assessment Act. This court action ceased the issuance of new aquarium permits and renewal of the permits. The case has been remanded to the Circuit Court for further instructions on compliance with the Hawaii Environmental Policy Act requirement.

Item 9: (same as Part II, Item 8)

VARIANCE REPORT

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	416	359	- 57	14	110	110	+ 0	0	328	328	+ 0	0
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)	416	359	- 57	14	110	110	+ 0	0	328	328	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	718	NO DATA	- 718	100	735	NO DATA	- 735	100				
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	81900	76234	- 5666	7	85995	80000	- 5995	7				
3. TOTAL AQUACULTURE EMPLOYMENT	400	400	+ 0	0	400	415	+ 15	4				
PART III: PROGRAM TARGET GROUP												
1. AQUACULTURE OPERATIONS STATEWIDE	90	85	- 5	6	95	90	- 5	5				
PART IV: PROGRAM ACTIVITY												
1. INFORMATION SENT (NUMBER)	175	175	+ 0	0	175	180	+ 5	3				
2. PERMIT ASSISTANCE (NUMBER)	200	185	- 15	8	200	190	- 10	5				
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 2017 AND FY 2018

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. The 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.

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

No significant variances.

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

No significant variances.

**VARIANCE REPORT**

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	5.00	8.00	+ 3.00	60	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	82,049	26,679	- 55,370	67	20,850	3,097	- 17,753	85	73,341	78,252	+ 4,911	7
TOTAL COSTS												
POSITIONS	5.00	8.00	+ 3.00	60	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	82,049	26,679	- 55,370	67	20,850	3,097	- 17,753	85	73,341	78,252	+ 4,911	7
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCREASE IN NUMBER OF COMPANIES FUNDED	5	5	+ 0	0	5	3	- 2	40				
2. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	250	220	- 30	12	275	275	+ 0	0				
3. TOTAL TENANT REVENUE (\$M)	65	56	- 9	14	68	60	- 8	12				
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	6.3	4.8	- 1.5	24	6.0	5.4	- 0.6	10				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: TECHNOLOGY**

**01 05**

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

Details of the position and expenditure variances are best examined at the lowest program level.

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

See Lowest Level Programs for additional information.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	2.00	5.00	+ 3.00	150	5.00	5.00	+ 0.00	0	5.00	5.00	+ 0.00	0
EXPENDITURES (\$1000's)	56,616	11,996	- 44,620	79	17,010	1,269	- 15,741	93	51,029	66,700	+ 15,671	31
TOTAL COSTS												
POSITIONS	2.00	5.00	+ 3.00	150	5.00	5.00	+ 0.00	0	5.00	5.00	+ 0.00	0
EXPENDITURES (\$1000's)	56,616	11,996	- 44,620	79	17,010	1,269	- 15,741	93	51,029	66,700	+ 15,671	31
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # STATEWIDE RPS	25	26	+ 1	4	27	27	+ 0	0				
2. # REGISTERED PASSENGER PLUG-IN EVS	874	1390	+ 516	59	874	1676	+ 802	92				
3. # BUS/ORG PARTICIPATED IN EA OUTREACH, MARKETING	100	100	+ 0	0	100	100	+ 0	0				
4. # ENTITIES PARTICIPATED IN EE ACTIVITIES	1054	1274	+ 220	21	1154	1024	- 130	11				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # EMERGING CLEAN ENERGY PRODUCERS	40	32	- 8	20	40	40	+ 0	0				
2. # CLEAN TRANSPORTATION STAKEHOLDERS	50	50	+ 0	0	50	50	+ 0	0				
3. # BUS/ORG INTERESTED IN EA	25	25	+ 0	0	25	25	+ 0	0				
4. # ENERGY STAKEHOLDERS AND POLICY MAKERS	0	48	+ 48	0	25	25	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # RE PROJECTS ASSISTED	15	6	- 9	60	15	15	+ 0	0				
2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED	24	24	+ 0	0	24	24	+ 0	0				
3. # CLEAN TRANSPORTATION TACTIC IMPLEMENTATIONS	12	12	+ 0	0	12	12	+ 0	0				
4. # ANALYSES PERFORMED IN SUPPORT OF HI CLEAN ENERGY	8	8	+ 0	0	8	8	+ 0	0				
5. # EA ACTIVITIES DEV & SUPPORTED	4	4	+ 0	0	4	4	+ 0	0				
6. TA TO PUBLIC & PRIVATE ENTITIES	873	1049	+ 176	20	875	1535	+ 660	75				
7. MAINTAIN AAA BOND RATING FOR GEMS BONDS	8	8	+ 0	0	8	8	+ 0	0				
8. # ENERGY SYSTEM VISUALIZATIONS	0	0	+ 0	0	1	1	+ 0	0				



## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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BED 120

### PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

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

Positions: For FY 17, the variance is due to a Legislative error in the budgeted position count.

Expenditures: FY 17 expenditures were less than budgeted because of the following: 1) Due to a delay between loan approvals and actual loan funding, based on achievement of project installation milestones and project completion, Green Energy Market Securitization (GEMS) loan activity was lower than expected in FY 17. However, we anticipate increased loan funding during FY 18, based on approved projects currently in progress as well as prospective projects in the pipeline; and 2) there were no expenditures from the Renewable Energy Facility Siting Fund \$750 thousand ceiling.

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

Item 2. Electric vehicles have experienced significant growth over the past several years in terms of registrations and year-over-year growth rates.

Item 4. Attendance and interest in energy efficiency events were greater than expected and projected.

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

Item 1. The Hawaiian Electric Companies have not commenced new large scale renewable energy procurements; hence, the lower than anticipated number of emerging clean energy producers.

Item 4. Multiple meetings with stakeholders were held by contractor and staff to develop a Clean Energy Innovation Strategic plan. This project was not planned until late FY 16.

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

Item 1. The projects assisted represent those from current Renewable Energy Projects Directory and do not include technical assistance

provided to developers of projects under consideration.

Item 6. The number of public and private entities requesting technical assistance was greater than anticipated.

PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION

12/9/17

PROGRAM-ID: BED-143

PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0	3.00	3.00	+	0.00	0
EXPENDITURES (\$1000's)	7,694	6,439	-	1,255	16	0	559	+	559	0	10,408	4,659	-	5,749	55
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)	7,694	6,439	-	1,255	16	0	559	+	559	0	10,408	4,659	-	5,749	55
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	250	220	-	30	12	275	275	+	0	0					
2. MKTG.# OF INDIVIDUALS OR COMPANIES ASSISTED	36100	43300	+	7200	20	36200	40000	+	3800	10					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. # OF POTENTIAL TECH-BASED COMPANIES	1300	1000	-	300	23	1350	1200	-	150	11					
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	25	19	-	6	24	25	25	+	0	0					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. # OF CONTACTS AND RESPONSES	57800	75000	+	17200	30	57900	60000	+	2100	4					

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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**PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

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

FY 17 Expenditures were lower than budgeted primarily due to: 1) Budgeted appropriation for High Technology Development Corporation's special funds include excess capacity for flexibility should an opportunity arise - actual operating income and expenses are much lower; 2) Budgeted appropriation in the current year for the federal-funded grants are placeholders for payroll expenses - actual payroll expenses charged to initial year of the grant; and 3) not expending funds for the Hawaii technology loan program.

FY 18 Expenditures are also lower than budgeted for the same reasons stated above and also because of the 10% restriction of general funds in the budget execution policy is not expected to be released.

### **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 under-utilized and vacancy remains low throughout the Kihei area.

Item 2. 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 (HSBIR) grant program was lowered after a decrease in the appropriation funding of the HSBIR grant.

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 18, as a push to fill Maui Research and Technology Center in Maui with discounted pricing, seems to have increased interest.

### **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 Maui Research and Technology Center has garnered interest as an alternative to leasing space.

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

12/9/17

PROGRAM-ID: BED-145

PROGRAM STRUCTURE NO: 010503

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	8,923	1,935	- 6,988	78	1,732	208	- 1,524	88	5,198	1,750	- 3,448	66
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)	8,923	1,935	- 6,988	78	1,732	208	- 1,524	88	5,198	1,750	- 3,448	66
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	0	2000	+ 2000	0	0	0	+ 0	0	0	0	+ 0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	0	1	+ 1	0	0	0	+ 0	0	0	0	+ 0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED	5	5	+ 0	0	5	3	- 2	40				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ENTREPRENEURIAL START-UP COMPANIES	40	40	+ 0	0	40	20	- 20	50				
2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDS	20	20	+ 0	0	20	20	+ 0	0				
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	5	5	+ 0	0	5	5	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	0	0	+ 0	0	0	0	+ 0	0				
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	3	3	+ 0	0	3	2	- 1	33				
3. ENTREPRENEURIAL TRAINING PROGRAMS	1	1	+ 0	0	1	0	- 1	100				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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**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.

Items 2 and 3. In FY 18, A planned Startup Weekend in Honolulu was canceled. This accounted for the lack of entrepreneurial training programs. HSDC does not expect this event to be held in FY 18. HSDC is also reducing the number of events it sponsors due to lack of funding.

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

Item 1. 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 able to restructure Reef Fund I to redeploy capital to a new Reef Fund II. The Fund and HSDC were a co-recipients of the Department of Commerce's Regional Innovation Strategies grant that will be used to market this fund to investors and raise matching capital.

Item 3. We expect fewer companies funded as our accelerator investment funds are nearly fully invested and our other funds are maturing and not investing in as many new companies. They are mostly looking to invest in their existing portfolio companies as those companies grow.

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

No significant variances for FY 17.

In FY 18, the number of active HSDC funds will be lower as some are fully invested and HSDC has not received new funding to launch new investment funds. As a result, the number of target entrepreneurial companies will be less.

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

No significant variances for FY 17.

PROGRAM TITLE:

NATURAL ENERGY LAB OF HAWAII AUTHORITY

12/9/17

PROGRAM-ID:

BED-146

PROGRAM STRUCTURE NO: 010504

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	7,816	5,397	- 2,419	31	1,954	923	- 1,031	53	5,860	4,297	- 1,563	27
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	7,816	5,397	- 2,419	31	1,954	923	- 1,031	53	5,860	4,297	- 1,563	27
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	6.3	4.8	- 1.5	24	6	5.4	- 0.6	10				
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	4500	4500	+ 0	0	4500	4500	+ 0	0				
3. TOTAL TENANT REVENUE (\$M)	65	56	- 9	14	68	60	- 8	12				
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	10	4	- 6	60	10	5	- 5	50				
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	+ 0	0	99.999	99.999	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. COMMERCIAL TENANTS	30	22	- 8	27	30	23	- 7	23				
2. PRE-COMMERCIAL TENANTS	10	12	+ 2	20	12	13	+ 1	8				
3. RESEARCH/EDUCATION/OTHER TENANTS	15	10	- 5	33	15	11	- 4	27				
4. PUBLIC OUTREACH PARTICIPANTS	6000	6000	+ 0	0	6000	6000	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	440	453	+ 13	3	460	466	+ 6	1				
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)	150	1100	+ 950	633	150	1133	+ 983	655				
3. TOTAL NUMBER OF NELHA TENANTS	54	44	- 10	19	55	43	- 12	22				
4. PERCENTAGE OF NELHA LAND IN USE	42	42	+ 0	0	45	43	- 2	4				
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)	130	130	+ 0	0	140	135	- 5	4				
6. BEACH PARK USE (# OF ATTENDEES)	120000	120000	+ 0	0	133000	133000	+ 0	0				
7. CEMP (# OF REGULATORY AGENCIES)	7	7	+ 0	0	7	7	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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

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

Variance for FY 17 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 17 than anticipated.

FY 18 first quarter variance due to timing of utility payments and contracting. FY 18 estimate expenditures lower than appropriation due to limits of revenues and cash on hand.

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

Item 1. Revenues lower mainly due to the collection issues with a few tenants and not as many tenants taking occupancy in new incubator facility as anticipated in FY 17. Working to resolve the delinquency issue. Volume of Seawater used much lower than anticipated.

Item 3. The loss of four tenants in FY 17 and some companies having less than expected revenues resulted in lower revenues.

Item 4. Estimations on tenant capital improvements less than anticipated.

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

Items 1. Anticipated filling in more vacant offices during this fiscal year.

Items 2 and 3. Numbers fell short of projections.

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

Item 2. Amount pumped exceeded estimates. NELHA pumps approximately 22,000 gallons per minute, which equals 11 billion gallons per year.

Item 3. NELHA lost four tenants in FY 17.

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY  
 PROGRAM-ID: BED-138  
 PROGRAM STRUCTURE NO: 010505

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,000	912	- 88	9	154	138	- 16	10	846	846	+ 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	912	- 88	9	154	138	- 16	10	846	846	+ 0	0
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH)	2636	48617	+ 45981	1744	22086	50000	+ 27914	126				
2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD (\$K)	5500	4682	- 818	15	44500	30000	- 14500	33				
3. NUMBER OF RESIDENTIAL CONSUMERS FINANCED	50	57	+ 7	14	514	96	- 418	81				
4. NUMBER OF COMMERCIAL ENTITIES FINANCED	11	6	- 5	45	34	30	- 4	12				
PART III: PROGRAM TARGET GROUP												
1. ENTITIES AND CUST ADPTNG CLEAN ENRGY TECHNOLGIES	61	63	+ 2	3	548	126	- 422	77				
PART IV: PROGRAM ACTIVITY												
1. TOTAL NUMBER OF BUILDINGS SERVED	61	123	+ 62	102	333	135	- 198	59				
2. NUMBER OF LOANS APPROVED	61	63	+ 2	3	548	126	- 422	77				



## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 05 05  
BED 138

**PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

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

Actual expenditures in FY 2017 were slightly less than budgeted amount primarily due to vacancies during the year.

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

FY 17:

Item 1. With the successful launch of its new Commercial Loan Products, attracting borrowers to finance nonprofit, small business and multi-family rental projects, the Program exceeded its projected clean energy production target.

Item 2. Additionally, while the total GEMS capital deployed at June 30,2017, aggregated \$4.7 million, below the projected \$5.5 million goal, actual loans approved aggregated \$5.3 million (slightly below target). There is a natural delay in actual funding due to the permitting, installation and completion of certain project milestones prior to funding.

Item 3. Total number of consumers financed exceeded target, due to an new financing requirements making it more likely for consumers to obtain a loan through the GEMS program.

Item 4. Commercial entities financed was low due to a low number of inquiries.

FY 18:

Item 1. We believe that we can achieve the goal 50,000 MWH production from projects financed based the prior months.

Item 2. \$30.0 million in GEMS Capital deployed, based on current inquires and future projections.

Item 3. A goal of 96 consumers loans financed, due to the current energy restriction requirements.

Item 4. 30 non-profit, small business and/or multi-family rental projects

financed, based on current inquires and prior results.

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

Item 1. Entities and customers adopting clean energy technologies were right on target. We estimate 126 entities and customers adopting clean energy technologies during FY 18.

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

Item 1. Number of buildings served exceeded goals due to an increase in loans given. We believe that in increase to 135 buildings is attainable due to current inquires.

Item 2. Future loans should double to 126 based on current applications and inquiries.

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

12/9/17

PROGRAM-ID: LNR-141

PROGRAM STRUCTURE NO: 0106

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1000's)</b>												
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1000's)</b>												
	5.50	4.00	- 1.50	27	28.00	17.00	- 11.00	39	28.00	28.00	+ 0.00	0
	1,112	843	- 269	24	734	424	- 310	42	2,406	3,108	+ 702	29
	5.50	4.00	- 1.50	27	28.00	17.00	- 11.00	39	28.00	28.00	+ 0.00	0
	1,112	843	- 269	24	734	424	- 310	42	2,406	3,108	+ 702	29
					FISCAL YEAR 2016-17				FISCAL YEAR 2017-18			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1.	SURFACE WATER SUPPLY DEVELOPED (MGD)				0	0	+ 0	0	0	0	+ 0	0
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)				1200	1203	+ 3	0	1200	1200	+ 0	0
6.	ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)				4	4	+ 0	0	4	4	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1.	DEFACTO POPULTN BENEFNG FR IMPRVMTS (NO. IN MIL)				1.4	1.4	+ 0	0	1.4	1.4	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1.	PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)				25	30	+ 5	20	25	25	+ 0	0
2.	PROJECTS DESIGNED (NUMBER OF PROJECTS)				30	30	+ 0	0	30	30	+ 0	0
3.	ENGINEERING CONSULTANT CONTRACTS ADMINISTERED				25	40	+ 15	60	30	30	+ 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)				45000	52898	+ 7898	18	40000	45000	+ 5000	13
6.	ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)				0	0	+ 0	0	0	0	+ 0	0
7.	GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)				1	0	- 1	100	1	1	+ 0	0
8.	ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD				5	5	+ 0	0	5	5	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 06  
LNR 141

### PROGRAM TITLE: WATER AND LAND DEVELOPMENT

#### PART I - EXPENDITURES AND POSITIONS

FY 17 and FY 18 position variance due to budgeted unfilled positions under recruitment. The increase to the number of positions in FY 18 is due to the conversion of Capital Improvements Program (CIP) staff positions from the CIP budget to the operating budget.

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 the CIP staff.

beyond. FY 17 expenditures include \$7.1 million for various rockfall or flood mitigation projects, \$7.3 million for the Central Maui Regional Sports Complex, and \$3.2 million for various watershed protection projects.

Item 7: No geothermal resource permit applications were received in FY 17.

#### PART II - MEASURES OF EFFECTIVENESS

Items 1 and 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 water credits by State agencies.

#### PART III - PROGRAM TARGET GROUPS

No significant variance.

#### PART IV - PROGRAM ACTIVITIES

Items 1 and 3: FY 17 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 staff separations or retirements. Vacancies were under recruitment in FY 17 and FY 18.

Item 5: FY 17 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$72 million is encumbered in consultant and/or construction contracts for expenditure in FY 18 and

VARIANCE REPORT

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

12/9/17

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0107

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,210	723	- 487	40	343	200	- 143	42	1,876	1,814	- 62	3
TOTAL COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,210	723	- 487	40	343	200	- 143	42	1,876	1,814	- 62	3
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)		370	1277	+ 907	245	538	538	+ 0	0			
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)		8	8	+ 0	0	10	8	- 2	20			

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

**PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT**

**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.

# VARIANCE REPORT

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	2.00	2.00	+	0.00	0	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	1,210	723	-	487	40	343	200	-	143	42	1,876	1,814	-	62	3
TOTAL COSTS															
POSITIONS	2.00	2.00	+	0.00	0	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	1,210	723	-	487	40	343	200	-	143	42	1,876	1,814	-	62	3

  

	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
<b>PART II: MEASURES OF EFFECTIVENESS</b>										
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	370	1277	+	907	245	538	538	+	0	0
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	2838.2	3662.8	+	824.6	29	6915	6915	+	0	0
3. # OF NEW HOUSING UNITS IN KAKAAKO	1949	2403	+	454	23	632	632	+	0	0
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	+	0	0	0	0	+	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	90	90	+	0	0	90	90	+	0	0
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	8	8	+	0	0	10	8	-	2	20
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	55	60	+	5	9	60	60	+	0	0

  

<b>PART III: PROGRAM TARGET GROUP</b>										
1. # OF RESIDENTS IN KAKAAKO	24138	24138	+	0	0	25718	25718	+	0	0
2. # OF EMPLOYEES IN KAKAAKO	25330	25330	+	0	0	25330	25330	+	0	0
3. # OF BUSINESSES IN KAKAAKO	1266	1266	+	0	0	1266	1266	+	0	0
4. # OF LANDUSERS WITHIN KALAELOA	17	17	+	0	0	17	17	+	0	0
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	4600	4800	+	200	4	5000	5000	+	0	0

  

<b>PART IV: PROGRAM ACTIVITY</b>										
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	175	134	-	41	23	125	125	+	0	0
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	60	60	+	0	0	60	60	+	0	0
5. NEW PLANNING IN KALAELOA (\$M)	21.5	21.5	+	0	0	20	20	+	0	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	4	0	-	4	100	0	0	+	0	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	21.5	0	-	21.5	100	2	0	-	2	100

## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

01 07 01  
BED 150

**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

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

Projected variance for the three quarters ending June 30, 2018 is in the 10% mandated restriction on general fund appropriations.

Kakaako and Kalaeloa's administrative expenses were less than budgeted. The budget includes provisions for service contracts which are anticipated to commence in the second and third quarters.

General funding for 19 staff positions are projected to start in the third quarter when the current CIP funding for these positions are exhausted.

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

Items 1, 2 and 3. Increases is due to completion of projects.

Item 6. Lower than planned volume expected in FY 18.

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

No significant variances.

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

Items 1, 6 and 7. Less development permits in FY 16-17.

Item 7. No development anticipated in FY 18.

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

12/9/17

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	31.00	20.00	- 11.00	35	31.00	22.00	- 9.00	29	31.00	31.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	102,139	28,514	- 73,625	72	2,787	2,207	- 580	21	15,061	15,641	+ 580	4
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	31.00	20.00	- 11.00	35	31.00	22.00	- 9.00	29	31.00	31.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	102,139	28,514	- 73,625	72	2,787	2,207	- 580	21	15,061	15,641	+ 580	4
	<b>FISCAL YEAR 2016-17</b>				<b>FISCAL YEAR 2017-18</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>± CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>± CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF HOMEBUYERS ASSISTED	600	652	+ 52	9	783	450	- 333	43				
2. # OF NEW RENTAL UNITS	407	753	+ 346	85	470	841	+ 371	79				
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	150	280	+ 130	87	150	267	+ 117	78				
4. # OF LEASE RENTS RENEGOTIATED	73	62	- 11	15	2	9	+ 7	350				
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	0	0	+ 0	0	2	10	+ 8	400				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HSEHLS 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	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	459	840	+ 381	83	250	463	+ 213	85				
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	300	745	+ 445	148	150	597	+ 447	298				
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	20	40	+ 20	100	20	85	+ 65	325				
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	62	0	- 62	100	180	0	- 180	100				
5. ASSIST FIRST-TIME HOMEBUYERS	600	652	+ 52	9	783	450	- 333	43				
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	+ 0	0	0	0	+ 0	0				
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	8	8	+ 0	0	0	2	+ 2	0				



## VARIANCE REPORT NARRATIVE FY 2017 AND FY 2018

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 17 was primarily the result of Rental Housing Revolving Fund loan advances being lower than anticipated.

In the first quarter of FY 18, actual expenditures for all appropriations were slightly delayed but will be offset by a catch-up during the next three quarters.

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

Item 1. There was an insignificant variance in the number of home buyers assisted for FY17. The negative variance for FY18 represents two projects which have been delayed one year.

Item 2. The positive variance in the number of new rental units in FY 17 was caused by the delay in construction completions from FY 16 to FY 17. For FY 18, the increase in availability of 9% Low Income Housing Tax Credit funds coupled with greater than anticipated Hula Mae MF bond activity results in the estimated positive variance.

Item 3. The positive variance in the number of existing affordable rental housing preserved in FY 17 was due to FY16 project delays which forced completions in FY 17. The estimated positive variance for FY 18 is due to project completions delayed from FY 17 to FY 18.

Item 4. The delay in renegotiated lease rents from FY 17 to FY 18 caused the negative variance in FY 17. This delay in FY 17 is expected to result in a positive variance in FY 18.

Item 5. The number of lease conversions in FY 18 is expected to be higher than previously planned.

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

No significant variances.

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

Item 1. The positive variances for FYs 17 and 18 in the number of loan originations are due to a higher than anticipated volume of applicants.

Item 2. The positive variances in tax credits allocated in FYs 17 and 18 are due to higher than anticipated number of applications.

Item 3. The positive variances in the amount of tax-exempt revenue bonds issued in FYs 17 and 18 are due to higher than anticipated number of applications.

Item 4. The negative variance in the facilitation of real property development in FY 17 is due to one project seeking 201H from the City. For FY 18, the negative variance is due to a delay in one project seeking legislative appropriation.

Item 5. The negative variance in the number of home buyers expected to be assisted in FY 18 represents two projects which have been delayed one year.

Item 7. The positive variance anticipated in FY 18 in the number of applications processed for leasehold conversion is due to the receipt of applications not previously planned.

PROGRAM TITLE:

OFFICE OF AEROSPACE

12/9/17

PROGRAM-ID:

BED-128

PROGRAM STRUCTURE NO:

0109

	FISCAL YEAR 2016-17				THREE MONTHS ENDED 09-30-17				NINE MONTHS ENDING 06-30-18						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0			
EXPENDITURES (\$1000's)	1,175	1,102	-	73	6	215	209	-	6	3	1,077	1,050	-	27	3
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)	1,175	1,102	-	73	6	215	209	-	6	3	1,077	1,050	-	27	3
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED	100	6	-	94	94	100	60	-	40	40					
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					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS	75	74	-	1	1	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					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. PACIFIC INTERNATIONAL SPACE ALLIANCE (ANNUAL MEETI	1	1	+	0	0	1	1	+	0	0					
2. PISCES* FUNDING GENERATED THROUGH STATE LEGISLATUR	3.0	3	+	0	0	3.0	3	+	0	0					
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	0	-	15	100	15	0	-	15	100					
6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS	4	3	-	1	25	4	4	+	0	0					
7. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION	25	23	-	2	8	25	25	+	0	0					
8. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEBS	5	5	+	0	0	5	5	+	0	0					

**VARIANCE REPORT NARRATIVE  
FY 2017 AND FY 2018**

**PROGRAM TITLE: OFFICE OF AEROSPACE**

**01 09  
BED 128**

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**PART I - EXPENDITURES AND POSITIONS**

No significant variances.

**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 5. Real World Design Challenge did not occur.

Item 6. Meeting did not occur.