



DETAILS OF VARIANCES



ECONOMIC DEVELOPMENT

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	489.00	367.00	- 122.00	25	496.00	383.51	- 112.49	23	496.00	449.68	- 46.32	9
EXPENDITURES (\$1000's)	336,968	206,589	- 130,379	39	79,947	26,310	- 53,637	67	251,485	227,373	- 24,112	10
TOTAL COSTS												
POSITIONS	489.00	367.00	- 122.00	25	496.00	383.51	- 112.49	23	496.00	449.68	- 46.32	9
EXPENDITURES (\$1000's)	336,968	206,589	- 130,379	39	79,947	26,310	- 53,637	67	251,485	227,373	- 24,112	10
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2009 CONSTANT \$ IN MILLIONS)					74261	79663	+ 5402	7	75486	80524	+ 5038	7
2. REAL PERSONAL INCOME (2009 CONSTANT \$ IN MILLIONS)					57247	60387	+ 3140	5	58678	61293	+ 2615	4
3. UNEMPLOYMENT RATE (% TENTHS)					3.5	2.4	- 1.1	31	3.6	2.3	- 1.3	36
4. TOTAL EMPLOYMENT (THOUSANDS)					681	670	- 11	2	689	677	- 12	2
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)					87680	89725	+ 2045	2	91100	92537	+ 1437	2
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)					77709	76598	- 1111	1	81401	79288	- 2113	3

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: ECONOMIC DEVELOPMENT

01

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

PROGRAM TITLE: BUSINESS DEVELOPMENT

12/10/18

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0101

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	64.00	54.00	- 10.00	16	64.00	54.00	- 10.00	16	64.00	64.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,700	8,624	- 2,076	19	2,097	1,404	- 693	33	9,409	7,485	- 1,924	20
TOTAL COSTS												
POSITIONS	64.00	54.00	- 10.00	16	64.00	54.00	- 10.00	16	64.00	64.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,700	8,624	- 2,076	19	2,097	1,404	- 693	33	9,409	7,485	- 1,924	20
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					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	70	+ 45	180	25	69	+ 44	176
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)					3	29	+ 26	867	3	3	+ 0	0
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)					14.9	17.7	+ 2.8	19	14.9	18.2	+ 3.3	22

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: BUSINESS DEVELOPMENT

01 01

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.

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,940	2,262	- 1,678	43	774	356	- 418	54	4,273	2,625	- 1,648	39
TOTAL COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,940	2,262	- 1,678	43	774	356	- 418	54	4,273	2,625	- 1,648	39
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION					10	10	+ 0	0	10	10	+ 0	0
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO					16000	16900	+ 900	6	17500	18000	+ 500	3
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM					25	28	+ 3	12	25	30	+ 5	20
PART III: PROGRAM TARGET GROUP												
1. # OF FIRMS ENROLLED IN ENTERPRIZE ZONE PROGRAM					250	224	- 26	10	250	225	- 25	10
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					30	50	+ 20	67	30	40	+ 10	33
PART IV: PROGRAM ACTIVITY												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES					50	25	- 25	50	50	25	- 25	50
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 2018 AND FY 2019

PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

**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. Federal grant was \$450,000, rather than the ceiling of \$700,000. 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

Item 3. The number of new firms enrolled in the Enterprise Zone Program was more than anticipated.

PART III - PROGRAM TARGET GROUPS

Items 1 and 3. The number of firms enrolled in the Enterprise Zone Program remains lower than our target. However, the number of small- and medium-sized enterprises continue to increase each year.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of international business activities was not as much as anticipated.

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	11.00	8.00	-	3.00	27	11.00	8.00	-	3.00	27	11.00	11.00	+	0.00	0
EXPENDITURES (\$1000's)	2,007	1,978	-	29	1	270	226	-	44	16	1,687	1,281	-	406	24
TOTAL COSTS															
POSITIONS	11.00	8.00	-	3.00	27	11.00	8.00	-	3.00	27	11.00	11.00	+	0.00	0
EXPENDITURES (\$1000's)	2,007	1,978	-	29	1	270	226	-	44	16	1,687	1,281	-	406	24
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)					150	3.6	-	146.4	98	150	3.6	-	146.4	98	
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII					200	54	-	146	73	200	55	-	145	73	
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS					15	15	+	0	0	15	19	+	4	27	
4. \$ AMONUT OF DIRECT EXPEN - FILM/TV PROD (MIL)					25	70	+	45	180	25	69	+	44	176	
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)					135	570.9	+	435.9	323	135	508	+	373	276	
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)					5	36.3	+	31.3	626	5	32.3	+	27.3	546	
7. \$ AMT OF ESTIMATED REBATE - ACT 88/89					53	56.5	+	3.5	7	54	55.0	+	1	2	
PART III: PROGRAM TARGET GROUP															
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89					24	108	+	84	350	24	120	+	96	400	
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS					6	81	+	75	1250	6	94	+	88	1467	
3. \$ AMT OF PRODUCTION SPEND ON NEIGHBOR ISLANDS					45	70	+	25	56	45	69	+	24	53	
PART IV: PROGRAM ACTIVITY															
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY					140	3800	+	3660	2614	140	3800	+	3660	2614	
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT					1500	20	-	1480	99	1500	25	-	1475	98	

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PART I - EXPENDITURES AND POSITIONS

The actual filled position count as of June 30, 2018 and September 30, 2018, were down 27% but were filled with 89-day staff. We expect to fill these positions during this fiscal year. The shortage of expenditures relate to not having any federal grants this fiscal year.

PART II - MEASURES OF EFFECTIVENESS

Program refocused measures of effectiveness in 2016-17, adding in measurement of the greater creative economy as a whole, and entrepreneurial program results in addition to the existing film focused metrics.

NOTE: Some of the baseline numbers in the Variance Report were not updated by the program and therefore are not correct. Baseline numbers have been updated in the current biennium budget, but the changes are not showing up in this version. They should read:

1. 3 not 150.
2. 50 not 200.
3. Okay.
4. 250 not 25. The amount of film expenditure has been less than anticipated due to the volatile nature of the film industry.
5. 400 not 135. Due to higher quality films being produced and supported, the amount of direct economic impact was more than anticipated.
6. 35 not 5.

PART III - PROGRAM TARGET GROUPS

Tracking metrics of +/- workforce development efforts; reach of film and Creative Industries Division program initiatives statewide and neighbor

islands.

NOTE: Some of the baseline numbers in the Variance Report were not updated by the program and therefore are not correct. Baseline numbers have been updated in the current biennium budget, but the changes are not showing up in this version. They should read:

1. 90 not 24. The amount of workforce development due to Acts 88 and 89 was more successful than anticipated.
2. 75 not 6. Film companies showed a higher amount of interest than anticipated and there were more that participated than planned.
3. Okay. Neighbor island productions were more popular than anticipated and bigger budget films were made here.

PART IV - PROGRAM ACTIVITIES

Refined to focus on film production permitting volume per year and number of locally developed media and music content projects that are export or investment ready.

NOTE: Some of the baseline numbers in the Variance Report were not updated by the program and therefore are not correct. Baseline numbers have been updated in the current biennium budget, but the changes are not showing up in this version. They should read:

1. 2800 not 140. Due to Hawaii's continued desirability for film projects, the number of film project permits has been increasing.
2. 10 not 1500. Due to Hawaii's continued desirability for film projects, the number of creative content project development for export has been increasing.

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	17.00	12.00	-	5.00	29	17.00	12.00	-	5.00	29	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,279	2,121	-	158	7	520	297	-	223	43	1,759	1,982	+	223	13
TOTAL COSTS															
POSITIONS	17.00	12.00	-	5.00	29	17.00	12.00	-	5.00	29	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,279	2,121	-	158	7	520	297	-	223	43	1,759	1,982	+	223	13

	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	29	+	26	867	3	3	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	-7	-	10	333	3	3	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	18	+	12	200	6	6	+	0	0
4. # OF NEW FIRMS USING FTZ PROGRAM	30	65	+	35	117	30	30	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	13	+	8	160	5	5	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	-4	-	64	107	60	60	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NO DATA	-	4	100	4	NO DATA	-	4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	52	+	52	0	0	50	+	50	0

PART III: PROGRAM TARGET GROUP												
1. FIRMS USING FTZ PROGRAM (NO.)	250	464	+	214	86	250	464	+	214	86		
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	462	-	38	8	500	462	-	38	8		
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	65	-	5	7	70	65	-	5	7		

PART IV: PROGRAM ACTIVITY												
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1628	-	122	7	1750	1628	-	122	7		
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	5345	-	2255	30	7600	5345	-	2255	30		
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	57	-	3	5	60	57	-	3	5		
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	NO DATA	-	0	0	0	NO DATA	-	0	0		
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	19	-	56	75	75	19	-	56	75		

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 01 03
BED 107

PROGRAM TITLE: FOREIGN TRADE ZONE

PART I - EXPENDITURES AND POSITIONS

The first quarter of FY 18 expenditures variance is due to staff position vacancies and the delayed purchase of two forklifts to the second quarter.

The Foreign-Trade Zone (FTZ) was not able to fill these positions with qualified candidates in FY 18

Expenditures in the first quarter were lower than anticipated, but we expect to increase expenditures in the subsequent quarters.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Variance is the result of a higher volume than anticipated in the previous year.

Item 2. Variance is the result of the uncertain trade conditions under the new federal administration.

Items 3 and 4. Variances are the result of higher than anticipated firms using the FTZ in the previous year.

Item 5. Variance is a result of the world wide increase in oil prices.

Item 6. Variance is the result of the uncertain trade conditions under the new federal administration.

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

Item 8. Revenues generally exceed expenses by about \$50,000 per annum.

PART III - PROGRAM TARGET GROUPS

Item 1. In 2018, we increased the estimated number of firms expected to use the FTZ to reflect current usage. We raised the number due to uncertain trade conditions.

PART IV - PROGRAM ACTIVITIES

Item 2. Variances in 2018 and 2019 are a result of reduced oil processing in Hawaii.

Item 5. Variances in 2018 and 2019 are 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

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19							
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%				
OPERATING COSTS																
POSITIONS	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8	26.00	26.00	+	0.00	0	
EXPENDITURES (\$1000's)	2,474	2,263	-	211	9	533	525	-	8	2	1,690	1,597	-	93	6	
TOTAL COSTS																
POSITIONS	26.00	24.00	-	2.00	8	26.00	24.00	-	2.00	8	26.00	26.00	+	0.00	0	
EXPENDITURES (\$1000's)	2,474	2,263	-	211	9	533	525	-	8	2	1,690	1,597	-	93	6	
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19							
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS																
1. # OF PROCUREMENT VIOLATIONS					0	0	+	0	0	0	0	+	0	0		
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED					95	95	+	0	0	95	95	+	0	0		
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)					2.0	2	+	0	0	2.0	2	+	0	0		
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE					98	100	+	2	2	98	98	+	0	0		
PART III: PROGRAM TARGET GROUP																
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)					302	330	+	28	9	302	329	+	27	9		
PART IV: PROGRAM ACTIVITY																
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED					150	150	+	0	0	150	150	+	0	0		
2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT					2	2	+	0	0	2	2	+	0	0		
3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT					50	50	+	0	0	50	50	+	0	0		
4. # OF SUMMARY WARRANT VOUCHERS PROCESSED					1100	1365	+	265	24	1100	1375	+	275	25		
5. # OF FORMAL GRIEVANCES FILED ANNUALLY					5	0	-	5	100	5	5	+	0	0		
6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY					1500	1370	-	130	9	1500	1500	+	0	0		

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

**01 01 04
BED 142**

PART I - EXPENDITURES AND POSITIONS

Prior expenditures less than budgeted due mostly to holdbacks.

Two positions vacant; anticipate filling the positions later in the year.

No significant variances, except for first quarter 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

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Items 4 and 5. The number of summary warrant vouchers have been increasing over the past year over the expectation level and number of grievances filed were zero in the previous fiscal year.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	5.00	3.00	- 2.00	40	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	141,369	117,837	- 23,532	17	35,349	719	- 34,630	98	106,020	111,963	+ 5,943	6
TOTAL COSTS												
POSITIONS	5.00	3.00	- 2.00	40	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	141,369	117,837	- 23,532	17	35,349	719	- 34,630	98	106,020	111,963	+ 5,943	6
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)		14.9	17.7	+ 2.8	19	14.9	18.2	+ 3.3	22			
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE		NO DATA	63	+ 63	0	NO DATA	61	+ 61	0			
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)		12750	13915	+ 1165	9	12750	14000	+ 1250	10			
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII		NO DATA	50	+ 50	0	NO DATA	49	+ 49	0			
5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER		NO DATA	24.2	+ 24.2	0	NO DATA	26	+ 26	0			
PART III: PROGRAM TARGET GROUP												
1. JAPANESE TRAVELERS TO THE US (MILLION)		3.6	3.77	+ 0.17	5	3.6	3.54	- 0.06	2			
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)		40.52	35.14	- 5.38	13	40.52	38.33	- 2.19	5			
PART IV: PROGRAM ACTIVITY												
1. # SPORTING EVENTS ACTUALLY FUNDED		21	19	- 2	10	21	16	- 5	24			
2. # PROD ENRICH PROJ FUNDED (INCL NAT RES & LIVING 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	57.62	- 0.68	1	58.3	50.0	- 8.3	14			

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: TOURISM

01 02
BED 113

PART I - EXPENDITURES AND POSITIONS

The 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). TAT was capped at \$95.5 million effective FY 19 (pursuant to Act 86, SLH 2018). Delays in encumbering contracts resulted in lower than planned expenditures in the first quarter; expected to catch up later in the year.

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

PART II - MEASURES OF EFFECTIVENESS

Item 1. Air and cruise data; does not include supplemental business spending. Variance is positive and reflects growth in both daily visitor spending and visitor arrival volumes.

Item 3. The Gross Domestic Product is calculated by the Research and Economic Analysis Division (Databook Table 7.34). CY 16 is the most recent data available. FY 18 and FY 19 are anticipated to be higher than CY 16.

Item 5. FY 18 data is not available. This survey is still being fielded.

PART III - PROGRAM TARGET GROUPS

Item 1. Outbound travel from Japan has been declining in recent years.

Item 2. While travel to overseas countries (38.3 million) increased 9%, to Canada (14.3 million) up 3% and travel to Mexico (35.1 million), singly the largest outbound market, was up 12%, it remains below the target level.

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 versus 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 versus only HTA Leadership.

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

Item 6. Estimated FY 19 expenditures are expected to decrease from planned due to a shift in focus to destination management from destination marketing, and due to the convention center fund having sufficient funds to pay for its marketing costs.

VARIANCE REPORT

PROGRAM TITLE: AGRICULTURE

12/10/18

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	316.00	247.00	- 69.00	22	326.00	243.51	- 82.49	25	326.00	279.68	- 46.32	14
EXPENDITURES (\$1000's)	63,747	40,880	- 22,867	36	14,260	12,891	- 1,369	10	41,664	43,033	+ 1,369	3
TOTAL COSTS												
POSITIONS	316.00	247.00	- 69.00	22	326.00	243.51	- 82.49	25	326.00	279.68	- 46.32	14
EXPENDITURES (\$1000's)	63,747	40,880	- 22,867	36	14,260	12,891	- 1,369	10	41,664	43,033	+ 1,369	3
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					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	900	- 100	10
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI					510	600	+ 90	18	520	520	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

12/10/18

PROGRAM-ID: AGR-101

PROGRAM STRUCTURE NO: 010301

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	7.00	- 2.00	22	9.00	6.00	- 3.00	33	9.00	7.00	- 2.00	22
EXPENDITURES (\$1000's)	8,341	4,154	- 4,187	50	1,813	1,813	+ 0	0	5,438	5,438	+ 0	0
TOTAL COSTS												
POSITIONS	9.00	7.00	- 2.00	22	9.00	6.00	- 3.00	33	9.00	7.00	- 2.00	22
EXPENDITURES (\$1000's)	8,341	4,154	- 4,187	50	1,813	1,813	+ 0	0	5,438	5,438	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LOANS APPROVED					25	14	- 11	44	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)					4500	1525	- 2975	66	4500	4500	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS					45000	9723	- 35277	78	45000	4200	- 40800	91
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER					1250	931	- 319	26	1250	1200	- 50	4
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS					1000	0	- 1000	100	1000	900	- 100	10
PART III: PROGRAM TARGET GROUP												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS					7500	7000	- 500	7	7500	7000	- 500	7
2. POTENTIAL QUALIFIED AQUACULTURISTS					70	70	+ 0	0	70	70	+ 0	0
3. AGRICULTURE/AQUACULTURE COOPERATIVES					25	24	- 1	4	25	24	- 1	4
4. COMMERCIAL BANKS					5	5	+ 0	0	5	5	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF PUBLIC RELATIONS CONTACTS					75	44	- 31	41	75	75	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS					750	502	- 248	33	750	750	+ 0	0
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION					175	187	+ 12	7	175	160	- 15	9
4. AMOUNT COLLECTED BY PROGRAM (000'S)					2.25	3.502	+ 1.252	56	2.25	2.25	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 03 01
AGR 101

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

Variances in FY 18 expenditures were due to position vacancies and the lower dollar amount in loans granted. Variances in positions are due to lack of qualified applicants for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The number of loans approved was below the planned amount due to lower demand; however, the program approved a greater number of new farmer loans indicating that the industry is transitioning from older farmer retiring debt to new farmers who are starting out on a smaller scale due to limited borrowing capacity.

Item 2. The dollar amount of loans approved was below the planned amount due to the lower number of loans approved and the number of new farmer loans which has lower loan limits.

Item 3. The annual acreage cultivated by borrowers was below the planned amount due to the lack of large scale ranches and farms in the program's loan portfolio.

Item 4. The amount of employees or laborers utilized by borrowers decreased mainly due to the tight labor market which made finding employees difficult.

Item 5. Amount of financing provided by other credit sources continues to be difficult due to the perceived higher risk associated with farming and lack of familiarity with the industry.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of public relation contacts were below the planned

amount due to lack sufficient staffing to conduct outreach.

Item 2. The number of servicing contact were below the planned amount due to staff vacancies and staff turnover.

Item 4. Amount collected by the program was above the projected amount due to the larger loan portfolio and the focus on the collections and working with delinquent borrowers. It should be noted that the amount collected should be millions rather than the thousands indicated in the report.

PROGRAM TITLE:

PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

12/10/18

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	184.00	144.00	- 40.00	22	182.00	142.51	- 39.49	22	182.00	159.68	- 22.32	12
EXPENDITURES (\$1000's)	21,986	17,512	- 4,474	20	5,377	5,377	+ 0	0	16,133	16,133	+ 0	0
TOTAL COSTS												
POSITIONS	184.00	144.00	- 40.00	22	182.00	142.51	- 39.49	22	182.00	159.68	- 22.32	12
EXPENDITURES (\$1000's)	21,986	17,512	- 4,474	20	5,377	5,377	+ 0	0	16,133	16,133	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					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					510	606	+ 96	19	520	520	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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.

VARIANCE REPORT

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	121.00	99.00	- 22.00	18	120.00	100.00	- 20.00	17	120.00	110.00	- 10.00	8
EXPENDITURES (\$1000's)	15,631	12,400	- 3,231	21	3,840	3,840	+ 0	0	11,522	11,522	+ 0	0
TOTAL COSTS												
POSITIONS	121.00	99.00	- 22.00	18	120.00	100.00	- 20.00	17	120.00	110.00	- 10.00	8
EXPENDITURES (\$1000's)	15,631	12,400	- 3,231	21	3,840	3,840	+ 0	0	11,522	11,522	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0	.003	.003	+ 0	0
2. NUMBER OF PEST INTERCEPTIONS	1700	1205	- 495	29	1900	1500	- 400	21				
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	510	606	+ 96	19	520	520	+ 0	0				
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	600	612	+ 12	2	600	600	+ 0	0				
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	20	20	+ 0	0	20	12	- 8	40				
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	30	25	- 5	17	50	25	- 25	50				
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	80	95	+ 15	19	85	85	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	46	47.1	+ 1.1	2	46	46	+ 0	0				
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	7000	7365	+ 365	5	7000	7000	+ 0	0				
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8200	8429	+ 229	3	8200	8200	+ 0	0				
4. NUMBER OF IMPORT PERMIT REQUESTS	1000	1169	+ 169	17	1000	1000	+ 0	0				
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	520	488	- 32	6	540	500	- 40	7				
6. NUMBER OF CERTIFIED NURSERIES	180	144	- 36	20	178	140	- 38	21				
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	38	+ 8	27	30	35	+ 5	17				
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	5	+ 0	0	10	5	- 5	50				
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	45	43.4	- 1.6	4	45	45	+ 0	0				
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	5889.9	- 610.1	9	6500	6500	+ 0	0				
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	8200	8429	+ 229	3	8200	8200	+ 0	0				
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	400	188	- 212	53	450	300	- 150	33				
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	360	312	- 48	13	356	280	- 76	21				
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	20	20	+ 0	0	20	15	- 5	25				
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	8	7	- 1	13	8	7	- 1	13				
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	35	50	+ 15	43	35	35	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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. Variances in positions are due to lack of qualified applicants for vacant positions.

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 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 4. Increased number of permit requests is due to new regulations on Rapid Ohia Death, as well as a slight increase in requests for restricted commodities.

Item 6. Certified Nursery participants have chosen to opt out of the program to focus on local sales as opposed to export to the U.S. Mainland.

Item 9. Enhanced diagnostics and identification support from collaborating agencies have increased the number of new infestations of insects and other pests detected per year. In addition to improved diagnostic capacity, pathways seem to be changing. Parcel mail services appear to

be fostering the movement of some insect and disease pests.

PART IV - PROGRAM ACTIVITIES

Item 4. Due to retirement, the Land Vertebrate Specialist (LVS) position is currently vacant. The LVS oversees the largest number of post entry inspections. The department has actively recruited for this position and no qualified individuals have yet been identified.

Item 5. Certified nursery inspections are done semi-annually. A small percentage of nurseries required follow up inspections to correct minor deficiencies to maintain program compliance

Item 7. Staff working in containment has been reduced to two people limiting the number of projects. Facility limitations also impact the kinds of projects that we can engage in.

Item 8. Increase in number of seed tests. Number of submissions is dependent upon USDA/Customs and Border Protection agencies and commercial distributors.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	63.00	45.00	- 18.00	29	62.00	42.51	- 19.49	31	62.00	49.68	- 12.32	20
EXPENDITURES (\$1000's)	6,355	5,112	- 1,243	20	1,537	1,537	+ 0	0	4,611	4,611	+ 0	0
TOTAL COSTS												
POSITIONS	63.00	45.00	- 18.00	29	62.00	42.51	- 19.49	31	62.00	49.68	- 12.32	20
EXPENDITURES (\$1000's)	6,355	5,112	- 1,243	20	1,537	1,537	+ 0	0	4,611	4,611	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					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
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED		5	5	+	0	5	5	0	5	5	+	0
3. NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT		6	6	+	0	6	6	0	6	6	+	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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

PROGRAM TITLE:

RABIES QUARANTINE

PROGRAM-ID:

AGR-131

PROGRAM STRUCTURE NO: 0103020201

VARIANCE REPORT

REPORT V61

12/10/18

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	36.32	27.83	-	8.49	23	36.32	27.83	-	8.49	23	36.32	30.00	-	6.32	17
EXPENDITURES (\$1000's)	4,154	3,797	-	357	9	1,001	1,001	+	0	0	3,003	3,003	+	0	0
TOTAL COSTS															
POSITIONS	36.32	27.83	-	8.49	23	36.32	27.83	-	8.49	23	36.32	30.00	-	6.32	17
EXPENDITURES (\$1000's)	4,154	3,797	-	357	9	1,001	1,001	+	0	0	3,003	3,003	+	0	0
						FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF RABIES CASES IN THE COMMUNITY						0	0	+	0	0	0	0	+	0	0
2. NUMBER OF ALIEN PESTS DETECTED						3	2	-	1	33	3	3	+	0	0
PART III: PROGRAM TARGET GROUP															
1. DOGS AND CATS QUARANTINED						800	1574	+	774	97	800	500	-	300	38
2. POPULATION OF HAWAII						1410000	1427238	+	17238	1	1410000	1450000	+	40000	3
PART IV: PROGRAM ACTIVITY															
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS						250	567	+	317	127	50	200	+	150	300
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS						750	2358	+	1608	214	750	400	-	350	47
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL						13000	13614	+	614	5	14400	14400	+	0	0
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT						200	174	-	26	13	200	200	+	0	0
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED						31	31	+	0	0	31	32	+	1	3
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES						2	8	+	6	300	2	10	+	8	400
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES						1600	1383	-	217	14	1400	1400	+	0	0
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESD						1300	1195	-	105	8	1400	1400	+	0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 03 02 02 01
AGR 131

PROGRAM TITLE: RABIES QUARANTINE

PART I - EXPENDITURES AND POSITIONS

Variances in positions filled due to inability to find qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 2. Although FY 18 decrease is 33%, the variance of one case is not significant.

PART III - PROGRAM TARGET GROUPS

Item 1. The increased amount of animals quarantined is primarily due to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the 5- Day Or Less program not released on arrival. A decrease is expected in FY 19 due to recent administrative rule change affecting import requirements.

PART IV - PROGRAM ACTIVITIES

Items 1, 2. The FY 18 increase in the amount of animals quarantined is due primarily to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the 5- Day Or Less program not released on arrival. In addition, a higher number of animals arrived without any preparations done for the 5- Day or Less program resulting in quarantine for 120 days. A decrease in these categories is expected in FY 19 due to recent administrative rule change affecting import requirements.

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

Items 6. The increase in external parasite sampling is due to an increase in the number of animals entering the State with ectoparasites.

Item 7. The decrease in the number of animals sampled for internal parasites is likely due to shorter confinement periods in FY 18.

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	26.68	17.17	-	9.51	36	25.68	14.68	-	11.00	43	25.68	19.68	-	6.00	23
EXPENDITURES (\$1000's)	2,201	1,315	-	886	40	536	536	+	0	0	1,608	1,608	+	0	0
TOTAL COSTS															
POSITIONS	26.68	17.17	-	9.51	36	25.68	14.68	-	11.00	43	25.68	19.68	-	6.00	23
EXPENDITURES (\$1000's)	2,201	1,315	-	886	40	536	536	+	0	0	1,608	1,608	+	0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19						
					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	2800	+	0	0	2800	2800	+	0	0	
2. AQUACULTURE PRODUCERS					95	95	+	0	0	100	95	-	5	5	
3. HUMAN POPULATION					1450000	1426000	-	24000	2	1450000	1450000	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY					7000	1489	-	5511	79	6000	2000	-	4000	67	
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY					600000	489670	-	110330	18	700000	700000	+	0	0	
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY					16000	17809	+	1809	11	17000	17500	+	500	3	
4. NO. POLTRY,OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY					20000	14194	-	5806	29	20000	20000	+	0	0	
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV					1500	1865	+	365	24	1500	1800	+	300	20	
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS					20	5	-	15	75	20	10	-	10	50	
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS					2000	1701	-	299	15	2000	1800	-	200	10	
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE					4500	4110	-	390	9	4500	4500	+	0	0	
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS					7000	7011	+	11	0	7000	6000	-	1000	14	
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED					1500	1963	+	463	31	1500	2000	+	500	33	

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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. Variances in positions due to difficulties in finding qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. Decrease in actual FY 18 and estimated FY19 is due to the reduction in the number of market hogs entering the State for direct slaughter. It is not expected for importers to resume practice of importing market hogs for direct slaughter in FY 19.

Item 2. Reduction due to decreased market for day-old chicks due to increased prices associated with disease outbreaks and de-population of flocks in continental U.S. states that raise demand for replacement chicks. It is anticipated that opening of large poultry layer operation in Calendar Year 2017 will increase the number of day-old chicks imported in FY 19.

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 4. Decrease associated with disease outbreaks in poultry in continental US states that restricted movement of poultry and other birds, especially from the State of California.

Item 5. Increase very close to estimate projected for FY 18 and planned for FY 19 on the previous variance report. Number of field investigations required more samples to be tested to rule out causes associated with

significant clinical signs of disease when initial tests failed to reveal causative agents.

Item 6. Decrease in actual FY 18 and estimated FY 19 is due to a reduction in Swine testing positive for pseudorabies and swine brucellosis on farm and slaughter surveillance testing.

Item 7. Decrease in actual samples due to reduction in number of market hogs entering State for direct slaughter. It is not expected for importers to resume practice of importing market hogs for direct slaughter.

Item 10. Increase due to an increased in the number of brood shrimp exported internationally, particularly to India in FY 18. The trend is expected to continue in FY 19.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	56.00	45.00	- 11.00	20	64.00	44.00	- 20.00	31	64.00	57.00	- 7.00	11
EXPENDITURES (\$1000's)	20,936	9,087	- 11,849	57	3,672	2,303	- 1,369	37	9,899	11,268	+ 1,369	14
TOTAL COSTS												
POSITIONS	56.00	45.00	- 11.00	20	64.00	44.00	- 20.00	31	64.00	57.00	- 7.00	11
EXPENDITURES (\$1000's)	20,936	9,087	- 11,849	57	3,672	2,303	- 1,369	37	9,899	11,268	+ 1,369	14
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED					24	27	+ 3	13	24	20	- 4	17
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION					6	6	+ 0	0	6	4	- 2	33
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED					20	27	+ 7	35	20	20	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: PRODUCT DEVELOPMENT AND MARKETING FOR AGR

01 03 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.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

12/10/18

PROGRAM-ID: LNR-172

PROGRAM STRUCTURE NO: 01030301

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	21.00 15,045	21.00 5,340	+ 0.00 - 9,705	0 65	28.00 2,038	21.00 669	- 7.00 - 1,369	25 67	28.00 4,998	28.00 6,367	+ 0.00 + 1,369	0 27
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	21.00 15,045	21.00 5,340	+ 0.00 - 9,705	0 65	28.00 2,038	21.00 669	- 7.00 - 1,369	25 67	28.00 4,998	28.00 6,367	+ 0.00 + 1,369	0 27

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL	100	106	+ 6	6	100	108	+ 8	8
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL	100	734	+ 634	634	100	100	+ 0	0
3. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL	100	211	+ 111	111	100	200	+ 100	100
4. % FUNDS LEVERAGED COMPARED TO GOAL	100	475	+ 375	375	100	100	+ 0	0
5. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL	100	14	- 86	86	100	100	+ 0	0
6. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL	100	313	+ 213	213	100	100	+ 0	0
7. % REV FROM NON-TRADTNL FOREST PROD COMPARD TO GOAL	100	143	+ 43	43	100	140	+ 40	40

PART III: PROGRAM TARGET GROUP	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
1. FOREST PRODCT PROCESSRS, RELTD BUSNSS/INVSTRS (#)	150	321	+ 171	114	150	150	+ 0	0
2. FOREST AND OTHER LANDOWNERS (NUMBER)	50	1330	+ 1280	2560	50	50	+ 0	0
3. WATERSHED PARTNERS (NUMBER)	50	52	+ 2	4	50	50	+ 0	0
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)	100	412	+ 312	312	100	100	+ 0	0

PART IV: PROGRAM ACTIVITY	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
1. PRODUCE & DISTRIBUTE OR SELL 35,000 TREE SEEDLINGS	60000	64119	+ 4119	7	60000	65000	+ 5000	8
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS	150	2101	+ 1951	1301	150	150	+ 0	0
3. PROVDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM	1000	2115	+ 1115	112	1000	2000	+ 1000	100
4. LEVERAGE ADDL FUNDS/ASSOC SVCS (\$2MIL) THRU PRGM	2	9.5	+ 7.5	375	2	2	+ 0	0
5. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS	2000	271	- 1729	86	2000	2000	+ 0	0
6. PLACE 1,000 ACRES DEPTL LNDS UNDER COMM TIMBR MGT	6000	18810	+ 12810	214	6000	6000	+ 0	0
7. CREATE \$50,000 REV FR NON-TRADTNL FOREST PRODUCTS	50000	71925	+ 21925	44	50000	70000	+ 20000	40

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The number of positions filled for 1st quarter of FY 19 was less than budgeted due to various positions that were converted from temporary to permanent. All vacancies are being recruited for FY 19 and the Division expects 100% recruitment force by the fourth quarter of FY 19.

The program expenditures were 65% below the allowed and budgeted ceiling for FY 18. This variance is due to the anticipated federal grants from the U.S. Forest Service for land acquisition projects for Kamehamehenui and Haloa Aina in the amount of \$8 million that were just awarded in FY 19. In addition, the program did not generate the projected revenues in S-347 from commercial forestry projects due to implementation delays.

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

PART II - MEASURES OF EFFECTIVENESS

1. The Department exceeded its estimated target for seedlings distributed compared to its goal.
2. The Department was 634% above the estimated target for trees planted or reforested. This variance is primarily attributed to the completion of two large scale reforestation projects on Maui and Hawaii Island forest reserves. These areas were able to naturally regenerate once grazing animals were removed from the forest.
3. The Department was 111% above the target for landowners, organizations or communities assisted. This variance is attributed to the recent hiring of an Urban and Community Forester position that has done a substantial amount of community engagement and outreach. Also, the Department conducted statewide community and public hearings for the proposed updates to the forest reserve rules.
4. The Department was 375% above the target for funds leveraged. This

variance is attributed to the award of two large land acquisition projects from the U.S. Forest Service (USFS) and U.S. Fish and Wildlife Service (USFWS) totaling grant awards of \$7.5 million. Excluding the land acquisition grant awards, the Department would otherwise have met the estimated goal for funds leveraged.

5. The Department was 86% below the target of acres acquired due to a delay in a project acquisition from due diligence completions for the Heleman Wilderness Area. The acquisition is scheduled to close in October/November 2018. Additionally, the Department is still processing several executive orders for addition to the Forest Reserve System.

6. The Department was 213% above the target for lands under commercial timber management due to an unanticipated forest product sale associated with a water catchment refurbishment project at Puu Waawaa Forest Reserve. As a significant area had to be cleared for the water catchment, the Department was able to provide the cleared timber resources for sale on the local market.

7. The Department was 43% above the target for revenue from non-traditional forest products. This variance is attributed to an increase in camping revenue in the Forest Reserve System.

PART III - PROGRAM TARGET GROUPS

1. The Department was 114% above the target due to efforts to increase commercial timber management and non-timber forest products.
2. The Department was 2560% above the target due to the technical assistance provided to large number of private forest landowners reached through landowner workshops and increased targeted outreach to landowners regarding our forestry assistance programs.
4. The Department was 312% above the target for target groups due to the recent hiring of an Urban and Community Forester position that has done a substantial amount of community engagement and outreach and engaged community volunteer organizations.

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

PART IV - PROGRAM ACTIVITIES

1. The Department distributed 64,119 seedlings during FY 18, which is 7% above our target.

2. The Department reforested an estimated 2,101 acres during FY 18, which is 1301% above from our target. This variance is primarily attributed to the completion of two large scale reforestation projects on Maui and Hawaii Island forest reserves. These areas were able to natural regenerate once grazing animals were removed from the forest.

3. The Department engaged and provided technical assistance to at least 464 community organizations, 1,330 private landowners and 321 forest industry groups during FY 18, which is 112% increase from our target. This variance is attributed to the recent hiring of an Urban and Community Forester position that has done a substantial amount of community engagement and outreach. Also, the Department conducted statewide community and public hearings for the proposed updates to the forest reserve rules.

4. The Department leveraged over \$9.5 million in additional funding support primary from the USFS and USFWS during FY 18, which is a 375% increase over our target. The Department was very successful in securing federal grant support during FY 18, but the variance is largely related to two federal acquisition awards equalling \$7.5 million for a conservation easement acquisition project at Haloa Aina in South Kona, Hawaii County, and Kamehamehenui fee acquisition in Central Maui for a proposed addition to the Forest Reserve System.

5. The Department secured 271 acres of land through an executive order into the Forest Reserve System during FY 18, which is 86% lower than the target. This variance is attributed to a delay in an acquisition project from due diligence issues for the Helemano Wilderness Area. The acquisition is scheduled to close in October/November 2018. Additionally, the Department is still processing several executive orders for addition to the Forest Reserve System. The Department actively worked on acquisition projects of approximately 13,644 acres over FY 18, all of

which are in various stages of fund raising and due diligence.

6. The department placed 18,810 acres of department land under commercial timber management during FY 18, which is a 214% increase over our target. This variance is largely attributed to the completion of an environmental compliance for the Waiakea Timber Management Area.

7. The Department created \$71,925 in revenue from non-traditional forest products during fiscal year 2018, which is 43% increase over our target. This variance is attributed to increase in camping revenue in the Forest Reserve System.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	22.00	17.00	- 5.00	23	23.00	16.00	- 7.00	30	23.00	20.00	- 3.00	13
EXPENDITURES (\$1000's)	3,068	1,681	- 1,387	45	761	761	+ 0	0	2,281	2,281	+ 0	0
TOTAL COSTS												
POSITIONS	22.00	17.00	- 5.00	23	23.00	16.00	- 7.00	30	23.00	20.00	- 3.00	13
EXPENDITURES (\$1000's)	3,068	1,681	- 1,387	45	761	761	+ 0	0	2,281	2,281	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE					99	92	- 7	7	99	99	+ 0	0
2. % CERTIFICATION REQUESTS FULFILLED					100	100	+ 0	0	100	100	+ 0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT					3	3	+ 0	0	3	3	+ 0	0
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER					100	100	+ 0	0	100	100	+ 0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES					95	100	+ 5	5	95	95	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					5500	5500	+ 0	0	5500	5500	+ 0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS					441	445	+ 4	1	441	441	+ 0	0
3. PRODUCERS, PROD-DISTIB & DISTRIBUTORS OF MILK					23	22	- 1	4	23	22	- 1	4
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS					15	12	- 3	20	15	12	- 3	20
PART IV: PROGRAM ACTIVITY												
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM					1000	859	- 141	14	1000	1000	+ 0	0
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES					2000	6958	+ 4958	248	2000	2000	+ 0	0
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED					950	936	- 14	1	950	936	- 14	1
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED					24	24	+ 0	0	24	24	+ 0	0
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED					24	24	+ 0	0	24	24	+ 0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED					12	12	+ 0	0	12	12	+ 0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE					10	19	+ 9	90	10	10	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 03 03 02
AGR 151

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PART I - EXPENDITURES AND POSITIONS

Variances were due to position vacancies and lower than expected special, revolving and federal fund expenditures. Position variances due to lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 4. Decreased in producers and distributors importing animal feed products is possibly due to shipping costs.

PART IV - PROGRAM ACTIVITIES

Item 1. Decreased number due to decreased certificates issued for coffee, eggs, fresh fruits and vegetables due to decline in number of requests.

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.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

12/10/18

PROGRAM-ID: AGR-171

PROGRAM STRUCTURE NO: 01030303

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
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	9.00	-	4.00	31
EXPENDITURES (\$1000's)	2,823	2,066	-	757	27	873	873	+	0	0	2,620	2,620	+	0	0
TOTAL COSTS															
POSITIONS	13.00	7.00	-	6.00	46	13.00	7.00	-	6.00	46	13.00	9.00	-	4.00	31
EXPENDITURES (\$1000's)	2,823	2,066	-	757	27	873	873	+	0	0	2,620	2,620	+	0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED					24	27	+	3	13	24	20	-	4	17	
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES					24	56	+	32	133	24	40	+	16	67	
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION					6	6	+	0	0	6	4	-	2	33	
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED					20	27	+	7	35	20	20	+	0	0	
PART III: PROGRAM TARGET GROUP															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					7500	7000	-	500	7	7500	7000	-	500	7	
2. COMMODITY GROUPS					10	10	+	0	0	10	10	+	0	0	
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS					10	10	+	0	0	10	10	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS					3	3	+	0	0	3	3	+	0	0	
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	8	+	3	60	5	5	+	0	0	

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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. Position variances due to the lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The number of activities that Agricultural Development Division (ADD) created, conducted or managed increased by 13% primarily due to international trade activities in collaboration with the Western United States Agricultural Trade Association (WUSATA) to maintain markets impacted by the potential trade tariffs. WUSATA activities are federally-funded through the Market Access Program. In FY 18, Hawaii managed or comanaged nine WUSATA activities as compared to five in FY 17.

The number of activities estimated for FY 19 is projected to decrease, as participation and interest in international trade activities from Hawaii companies is predicted to decrease. ADD expects to replace these activities with increased focus on domestic and local activities, however, those rely on funding that is not assured.

Item 2. The increase is due to the increased in the number of activities conducted by producer groups, increased awareness of the activities (invitations to attend) and staff availability to attend. That producer groups are more organized and conducting more workshops, seminars, demonstrations and sending the information to ADD contributed to the increase.

The increase is projected to increase in FY 19; however, not at the levels of FY 18 due to the devastation from the natural disasters and the resulting damage to agriculture that may shift the industry/producer groups into a rebuild mode.

Item 4. The 35% increase, which is an increased of seven agreements, is due to more projects funded via State and federal programs. Hawaii was awarded \$75K more funding from The Specialty Crop Block Grant

Program (SCBGP) that allowed three additional projects to be funded, with additional agreements from trade shows, EAT LOCAL marketing campaigns and promotions.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 4. The increase is due to trade show activities in collaboration with WUSATA (see Part II, Item 1) that included Gulfood in Dubai, Food and Hotel Asia in Singapore, and in collaboration with the National Association of State Departments of Agriculture, first time participation in the National Restaurant Association Show in Chicago, IL (Agricultural Development Special Fund).

VARIANCE REPORT

PROGRAM TITLE: GENERAL SUPPORT FOR AGR

12/10/18

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010304

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	67.00	51.00	- 16.00	24	71.00	51.00	- 20.00	28	71.00	56.00	- 15.00	21
EXPENDITURES (\$1000's)	12,484	10,127	- 2,357	19	3,398	3,398	+ 0	0	10,194	10,194	+ 0	0
TOTAL COSTS												
POSITIONS	67.00	51.00	- 16.00	24	71.00	51.00	- 20.00	28	71.00	56.00	- 15.00	21
EXPENDITURES (\$1000's)	12,484	10,127	- 2,357	19	3,398	3,398	+ 0	0	10,194	10,194	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE					300	262	- 38	13	300	300	+ 0	0
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)					12500	12306	- 194	2	12500	12400	- 100	1

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: GENERAL SUPPORT FOR AGR

01 03 04

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

12/10/18

PROGRAM-ID: AGR-141

PROGRAM STRUCTURE NO: 01030401

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	37.00	23.00	-	14.00	38	39.00	23.00	-	16.00	41	39.00	25.00	-	14.00	36
EXPENDITURES (\$1000's)	4,233	3,143	-	1,090	26	1,108	1,108	+	0	0	3,325	3,325	+	0	0
TOTAL COSTS															
POSITIONS	37.00	23.00	-	14.00	38	39.00	23.00	-	16.00	41	39.00	25.00	-	14.00	36
EXPENDITURES (\$1000's)	4,233	3,143	-	1,090	26	1,108	1,108	+	0	0	3,325	3,325	+	0	0
						FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)						12500	12306	-	194	2	12500	12400	-	100	1
2. AGRICULTURAL LANDS LEASED (ACRES)						15000	14447	-	553	4	20000	15500	-	4500	23
PART III: PROGRAM TARGET GROUP															
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS						625	610	-	15	2	625	625	+	0	0
2. FARMS LEASED ON DEPT OF AG LANDS						475	357	-	118	25	475	400	-	75	16
PART IV: PROGRAM ACTIVITY															
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS						77	76	-	1	1	77	72	-	5	6
2. NUMBER OF NEW WATER SERVICES INSTALLED						10	4	-	6	60	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	300	-	20	6	320	320	+	0	0
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED						20	27	+	7	35	20	45	+	25	125

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT

**01 03 04 01
AGR 141**

PART I - EXPENDITURES AND POSITIONS

Variances were due to vacant positions and lower than expected special and revolving fund expenditures. Position variances due to lack of qualified candidates for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 2. Fewer leases were transferred than anticipated from the Department of Land and Natural Resources for the Non-Agricultural Park Lands program. This is expected to continue in FY 19.

PART IV - PROGRAM ACTIVITIES

Item 2. FY 18 - Prospective customers declined meter installation due to cost.

Item 5. FY 18 - Severe storms prompted additional reservoir inspections. For FY 19 a reservoir construction project anticipated to begin which will require more inspections.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61
12/10/18

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

FISCAL YEAR 2017-18					THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
BUDGETED ACTUAL ± CHANGE %					BUDGETED ACTUAL ± CHANGE %				BUDGETED ESTIMATED ± CHANGE %			
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
TOTAL COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

**01 03 04 02
AGR 161**

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH

PART I - EXPENDITURES AND POSITIONS

Variances were due to lower than anticipated revolving fund expenditures.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Actual FY 18 and estimated FY 19: Increased in acreage is due to purchase/sale negotiations closing sooner than anticipated.

Item 4. Actual FY 18 and estimated FY 19: Decreased is due to the need to complete master planning before building facilities.

PART III - PROGRAM TARGET GROUPS

Item 1. Actual FY 18 and estimated FY 19: Increase is due to acquisition of more former plantation lands that will be used for diversified agriculture.

Item 3. Actual FY 18 and estimated FY 19: Decrease is due to the need to complete master planning before building facilities.

PART IV - PROGRAM ACTIVITIES

Item 1. Actual and estimated FY 19: Increased in acreage is due to newly acquired land.

Item 5. Actual FY 18: Decrease is due to inability to award a contract due to lack of funding. Estimated FY 19: Increased is due to addition of a new feed mill project.

Item 6. Actual FY 18 and estimated FY 19: Decreased in number of producers is due to a landowner selling a portion of the land to new owners who removed small farmers from the property.

VARIANCE REPORT

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

12/10/18

PROGRAM-ID: AGR-192

PROGRAM STRUCTURE NO: 01030403

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	30.00	28.00	- 2.00	7	32.00	28.00	- 4.00	13	32.00	31.00	- 1.00	3
EXPENDITURES (\$1000's)	3,430	3,238	- 192	6	910	910	+ 0	0	2,728	2,728	+ 0	0
TOTAL COSTS												
POSITIONS	30.00	28.00	- 2.00	7	32.00	28.00	- 4.00	13	32.00	31.00	- 1.00	3
EXPENDITURES (\$1000's)	3,430	3,238	- 192	6	910	910	+ 0	0	2,728	2,728	+ 0	0
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE					300	262	- 38	13	300	300	+ 0	0
2. % PERSONNEL ACTIONS PROCESSED WITHIN PAYROLL CYCLE					95	91	- 4	4	95	95	+ 0	0
3. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS					95	95	+ 0	0	95	95	+ 0	0
4. % OF DATA PROCESSING REQUESTS COMPLETED					95	98	+ 3	3	95	95	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. INVENTORY OF IMPORTANT AG LANDS (ACRES)					131555	134330	+ 2775	2	131555	135500	+ 3945	3
2. EMPLOYEES (NUMBER)					334	338	+ 4	1	336	342	+ 6	2
3. DIVISIONS (NUMBER)					6	6	+ 0	0	6	6	+ 0	0
4. BRANCHES (NUMBER)					12	12	+ 0	0	12	12	+ 0	0
5. ATTACHED AGENCIES (NUMBER)					1	1	+ 0	0	1	1	+ 0	0
PART IV: PROGRAM ACTIVITY												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS					25	25	+ 0	0	25	25	+ 0	0
2. NUMBER OF PERSONNEL ACTIONS PROCESSED					2000	1980	- 20	1	2000	1800	- 200	10
3. NUMBER OF PURCHASE ORDERS PROCESSED					2500	2667	+ 167	7	2500	2700	+ 200	8
4. NUMBER OF PETTY CASH CHECKS PROCESSED					225	131	- 94	42	225	175	- 50	22
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED					600	587	- 13	2	600	600	+ 0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

**01 03 04 03
AGR 192**

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 18 is current only to December 31, 2017, 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 2017 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 4. The actual number of petty cash checks processed for FY 18 is less than the planned number by 42% because most expenditures were more than the petty cash disbursement limit, in which a purchase order was processed. Another reason for the decrease is that more purchases were made using the p-card. Also, because of the increased 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 19 is less than the planned number by 22% due to the anticipation that more purchases will be made using the p-card and purchase order.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	16.00	12.00	-	4.00	25	17.00	12.00	-	5.00	29	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,462	1,677	-	785	32	880	257	-	623	71	1,422	2,045	+	623	44
TOTAL COSTS															
POSITIONS	16.00	12.00	-	4.00	25	17.00	12.00	-	5.00	29	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,462	1,677	-	785	32	880	257	-	623	71	1,422	2,045	+	623	44

					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
					PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS														
1. NUMBER OF LICENSES ISSUED					5	4	-	1	20	5	4	-	1	20
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					735	NO DATA	-	735	100	754	754	+	0	0
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					85995	82835	-	3160	4	90295	85995	-	4300	5
4. TOTAL AQUACULTURE EMPLOYMENT					400	400	+	0	0	400	400	+	0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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.

- 147 -

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 04 02
LNR 153

PROGRAM TITLE: FISHERIES MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

FY 18: Although a long-vacant program manager position was filled in October 2017, due to retirements and a lack of special funds, there were four vacancies at the end of FY18. In addition, actual expenditures reflect a significant scale down on spending for Federal-funded projects requiring State matching funds.

FY 19: Recruitment is underway for most of the program's vacant positions. However, the office assistant position may remain vacant until near the end of the fiscal year due to a lack of special funds for the position. Expenditures were down significantly during the 1st quarter and is expected to increase over the remaining nine months of the fiscal year.

PART II - MEASURES OF EFFECTIVENESS

Item 1: The State Attorney General determined that statutory authority is required to establish administrative rules to implement commercial marine vessel licenses. Public hearings to establish administrative rules to issue primary dealer licenses are expected to begin during FY 19. These two license types were not implemented this fiscal year as the estimated number of licenses were below expectations.

Item 3: The online 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 compliance with the report requirement submission deadline.

Item 7: Establishment of the Mo'omomi Community Based Subsistence Fishing Area was delayed last fiscal year, but is expected to be established in FY 19.

PART III - PROGRAM TARGET GROUPS

Item 2: The number of active primary dealers known to the Department of Land and Natural Resources (DLNR) is expected to drop in FY 19. The Hawaii Administrative Rules were amended in January 2018 to establish the primary dealer report submission deadline, which is a weekly report

period requirement. DLNR began implementing this weekly report requirement on active primary dealers in July 2018. Since then, about a fifth of the primary dealers decided to drop this business practice.

PART IV - PROGRAM ACTIVITIES

Item 4: The number of aquarium permits issued dropped dramatically due to a Hawaii Supreme Court ruling on a lawsuit involving the aquarium permit. On September 6, 2017, the court declared the permit to be invalid and illegal because permit applicants did not comply with the Hawaii Environmental Protection Act by submitting an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to DLNR. In August 2018, DLNR did not accept the Environmental Assessment prepared by the Pet Industry Joint Advisory Committee in behalf of the permit collectors that there were no significant impacts on the aquarium marine resources using fine mesh net. DLNR will continue to cease issuing aquarium permits until the industry submits an EIS and it is accepted by the department.

Item 9: Additional fishermen surveys are anticipated this fiscal year due to increased funding for the Hawaii Marine Recreational Fishing Survey project

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	3.00	+	0.00	0	4.00	3.00	-	1.00	25	4.00	4.00	+	0.00	0
EXPENDITURES (\$1000's)	438	405	-	33	8	109	109	+	0	0	329	329	+	0	0
TOTAL COSTS															
POSITIONS	3.00	3.00	+	0.00	0	4.00	3.00	-	1.00	25	4.00	4.00	+	0.00	0
EXPENDITURES (\$1000's)	438	405	-	33	8	109	109	+	0	0	329	329	+	0	0
						FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS						735	NO DATA	-	735	100	754	754	+	0	0
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)						85995	82835	-	3160	4	90295	85995	-	4300	5
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)						400	400	+	0	0	400	400	+	0	0
3. TOTAL AQUACULTURE EMPLOYMENT															
PART III: PROGRAM TARGET GROUP						95	90	-	5	5	100	95	-	5	5
1. AQUACULTURE OPERATIONS STATEWIDE															
PART IV: PROGRAM ACTIVITY						175	190	+	15	9	175	175	+	0	0
1. INFORMATION SENT (NUMBER)						200	175	-	25	13	200	180	-	20	10
2. PERMIT ASSISTANCE (NUMBER)						250	250	+	0	0	250	250	+	0	0
3. DISEASE ASSISTANCE (NUMBER OF CASES)						4	5	+	1	25	4	4	+	0	0
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)															

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM

**01 04 03
AGR 153**

PART I - EXPENDITURES AND POSITIONS

Variances were due to vacant position 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

Item 2. There were fewer than expected producers seeking permit assistance to import finned aquaculture species.

Item 4. No statistical significant difference with the addition of one promotional event participated.

VARIANCE REPORT

PROGRAM TITLE: TECHNOLOGY

12/10/18

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0105

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	8.00	7.00	- 1.00	13	8.00	7.00	- 1.00	13	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	94,191	22,497	- 71,694	76	22,700	7,689	- 15,011	66	72,476	41,592	- 30,884	43
TOTAL COSTS												
POSITIONS	8.00	7.00	- 1.00	13	8.00	7.00	- 1.00	13	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	94,191	22,497	- 71,694	76	22,700	7,689	- 15,011	66	72,476	41,592	- 30,884	43
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. INCREASE IN NUMBER OF COMPANIES FUNDED		5	5	+	0	0	0	0	0	10	+ 10	0
2. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS		275	242	-	33	12	275	10	-	265	96	96
3. TOTAL TENANT REVENUE (\$M)		68	55	-	13	19	71	60	-	11	15	15
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)		6.0	4.8	-	1.2	20	6.5	6.4	-	0.1	2	2

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

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.

VARIANCE REPORT

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

12/10/18

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	5.00	4.00	- 1.00	20	5.00	4.00	- 1.00	20	5.00	5.00	+ 0.00	0
EXPENDITURES (\$1000's)	68,039	9,602	- 58,437	86	1,354	936	- 418	31	17,075	17,493	+ 418	2
TOTAL COSTS												
POSITIONS	5.00	4.00	- 1.00	20	5.00	4.00	- 1.00	20	5.00	5.00	+ 0.00	0
EXPENDITURES (\$1000's)	68,039	9,602	- 58,437	86	1,354	936	- 418	31	17,075	17,493	+ 418	2
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # STATEWIDE RPS		27	28	+	1	4			29	29	+	0
2. # REGISTERED PASSENGER PLUG-IN EVS		874	1423	+	549	63			874	874	+	0
3. # BUS/ORG PARTICIPATED IN EA OUTREACH, MARKETING		100	100	+	0	0			100	100	+	0
4. # ENTITIES PARTICIPATED IN EE ACTIVITIES		1154	860	-	294	25			1154	930	-	224
PART III: PROGRAM TARGET GROUP												
1. # EMERGING CLEAN ENERGY PRODUCERS		40	35	-	5	13			40	40	+	0
2. # CLEAN TRANSPORTATION STAKEHOLDERS		50	48	-	2	4			50	48	-	2
3. # BUS/ORG INTERESTED IN EA		25	25	+	0	0			25	25	+	0
4. # ENERGY STAKEHOLDERS AND POLICY MAKERS		25	24	-	1	4			25	25	+	0
PART IV: PROGRAM ACTIVITY												
1. # RE PROJECTS ASSISTED		15	19	+	4	27			15	15	+	0
2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED		24	24	+	0	0			24	24	+	0
3. # CLEAN TRANSPORTATION TACTIC IMPLEMENTATIONS		12	12	+	0	0			12	12	+	0
4. # ANALYSES PERFORMED IN SUPPORT OF HI CLEAN ENERGY		8	8	+	0	0			8	8	+	0
5. # EA ACTIVITIES DEV & SUPPORTED		4	4	+	0	0			4	4	+	0
6. TA TO PUBLIC & PRIVATE ENTITIES		875	1204	+	329	38			877	1284	+	407
7. MAINTAIN AAA BOND RATING FOR GEMS BONDS		8	8	+	0	0			8	8	+	0
8. # ENERGY SYSTEM VISUALIZATIONS		1	1	+	0	0			2	2	+	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

**01 05 01
BED 120**

PART I - EXPENDITURES AND POSITIONS

Positions: One vacant position was filled by Temporary Assignment.

Expenditures: Loan activity for Green Energy Market Securitization (GEMS) was less than the appropriation ceiling.

PART II - MEASURES OF EFFECTIVENESS

Item 2. Electric vehicles (EV) experienced significant growth due to an increase in EV models available on the market and federal incentives and rebates.

Item 4. Participation in one energy efficiency event was discontinued.

PART III - PROGRAM TARGET GROUPS

Item 1. There were fewer emerging clean energy producers because regulatory energy procurements were ongoing.

PART IV - PROGRAM ACTIVITIES

Item 1. More inquiries for renewable energy project technical assistance was received than anticipated.

Item 6. There has been a steady increase in solar water heater variance requests because of news articles about gas tankless water heaters.

VARIANCE REPORT

PROGRAM TITLE:

HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

12/10/18

PROGRAM-ID:

BED-143

PROGRAM STRUCTURE NO:

010502

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,408	5,361	- 5,047	48	2,612	256	- 2,356	90	7,836	3,731	- 4,105	52
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)	10,408	5,361	- 5,047	48	2,612	256	- 2,356	90	7,836	3,731	- 4,105	52
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS					275	242	- 33	12	275	10	- 265	96
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED					36200	43000	+ 6800	19	36200	20000	- 16200	45
PART III: PROGRAM TARGET GROUP												
1. # OF POTENTIAL TECH-BASED COMPANIES					1350	1200	- 150	11	1350	1300	- 50	4
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES					25	15	- 10	40	25	5	- 20	80
PART IV: PROGRAM ACTIVITY												
1. # OF CONTACTS AND RESPONSES					57900	60000	+ 2100	4	57900	60000	+ 2100	4

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 05 02
BED 143

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

FY 18 Expenditures were lower than budgeted primarily due to:

1) budgeted appropriation for Hawaii 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 19 Expenditures are also lower than budgeted for the same reasons stated above.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The Hawaii Technology Development Corporation (HTDC) lost control of the Manoa Innovation Center (MIC) in July 2018. Our facilities in Maui continue to be under-utilized and vacancy remains high 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 were lower in FY 18 than anticipated. With the loss of the MIC this fiscal year, we expect a further drop off of activity.

PART IV - PROGRAM ACTIVITIES

Item 1. Hits to the various HTDC websites have shown that activity is higher than planned. The trend is anticipated to continue. New co-working space introduced at the Maui Research and Technology Center has garnered interest as an alternative to leasing space.

VARIANCE REPORT

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

12/10/18

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	6,930	2,370	-	4,560	66	4,031	225	-	3,806	94	2,779	595	-	2,184	79
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	6,930	2,370	-	4,560	66	4,031	225	-	3,806	94	2,779	595	-	2,184	79
						FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL						0	0	+	0	0	0	3000	+	3000	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB						0	0	+	0	0	0	3	+	3	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED						5	5	+	0	0	0	10	+	10	0
PART III: PROGRAM TARGET GROUP															
1. ENTREPRENEURIAL START-UP COMPANIES						40	40	+	0	0	0	40	+	40	0
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS						20	20	+	0	0	20	20	+	0	0
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS						5	5	+	0	0	5	5	+	0	0
PART IV: PROGRAM ACTIVITY															
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP						0	0	+	0	0	0	0	+	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF						3	1	-	2	67	3	0	-	3	100
3. ENTREPRENEURIAL TRAINING PROGRAMS						1	1	+	0	0	1	0	-	1	100

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

**01 05 03
BED 145**

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.

PART II - MEASURES OF EFFECTIVENESS

Item 1. HSDC expects to be able to partner with investors to capitalize three (3) new funds this fiscal year, attracting \$3 million of private capital.

Item 2. HSDC expects to be able to partner with investors to capitalize three (3) new funds this fiscal year.

Item 3. The new funds will allow an increase in the companies funded.

PART III - PROGRAM TARGET GROUPS

Item 1. In FY 19, the increase in the number of active funds will allow the target group of entrepreneurial companies to expand to 40.

PART IV - PROGRAM ACTIVITIES

Items 2 and 3. HSDC received guidance that its support of entrepreneurial events duplicated other agencies' efforts. HSDC has scaled back its efforts in these areas. Unfortunately, the number of ecosystem events has declined as a result. This is impacting the growth of the pipeline of investable companies for HSDC's portfolio of investment funds. Without a consistent pipeline of investment opportunities, it will become harder to attract private investors. It is for this reason HSDC historically broadly supported entrepreneurial events across the state.

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,814	4,326	-	3,488	45	1,953	1,082	-	871	45	6,536	4,593	-	1,943	30
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,814	4,326	-	3,488	45	1,953	1,082	-	871	45	6,536	4,593	-	1,943	30
						FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)						6	4.8	-	1.2	20	6.5	6.4	-	0.1	2
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)						4500	4500	+	0	0	4500	4500	+	0	0
3. TOTAL TENANT REVENUE (\$M)						68	55	-	13	19	71	60	-	11	15
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)						10	10	+	0	0	10	10	+	0	0
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)						99.999	99.999	+	0	0	99.999	99.999	+	0	0
PART III: PROGRAM TARGET GROUP															
1. COMMERCIAL TENANTS						30	24	-	6	20	30	25	-	5	17
2. PRE-COMMERCIAL TENANTS						12	9	-	3	25	13	10	-	3	23
3. RESEARCH/EDUCATION/OTHER TENANTS						15	11	-	4	27	15	12	-	3	20
4. PUBLIC OUTREACH PARTICIPANTS						6000	6000	+	0	0	6000	6000	+	0	0
PART IV: PROGRAM ACTIVITY															
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)						460	460	+	0	0	480	480	+	0	0
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)						150	150	+	0	0	150	150	+	0	0
3. TOTAL NUMBER OF NELHA TENANTS						55	55	+	0	0	56	56	+	0	0
4. PERCENTAGE OF NELHA LAND IN USE						45	45	+	0	0	47	47	+	0	0
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)						140	140	+	0	0	150	150	+	0	0
6. BEACH PARK USE (# OF ATTENDEES)						133000	135000	+	2000	2	139000	140000	+	1000	1
7. CEMP (# OF REGULATORY AGENCIES)						7	7	+	0	0	7	7	+	0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

**01 05 04
BED 146**

PART I - EXPENDITURES AND POSITIONS

Variance for FY 18 expenditures are due to actual revenue collected being less than the special fund budget ceiling and utility and electrical use lower than expected. Special project revenue was also lower than anticipated.

FY 19 first quarter variance due to timing of utility payments and contracting. FY 19 estimate expenditures lower than appropriation due to limits of revenues and cash on hand.

Total tenant revenues down due to lower sales and soft demand for their products.

PART II - MEASURES OF EFFECTIVENESS

Items 1 and 3. Lower tenant count due to merger or acquisitions of some businesses and failure of some start-up companies lower these numbers.

PART III - PROGRAM TARGET GROUPS

Items 1, 2 and 3. Lower tenant count due to merger or acquisitions of some businesses and failure of some start-up companies lower these numbers.

PART IV - PROGRAM ACTIVITIES

No significant variances.

	FISCAL YEAR 2017-18					THREE MONTHS ENDED 09-30-18					NINE MONTHS ENDING 06-30-19				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,000	838	-	162	16	12,750	5,190	-	7,560	59	38,250	15,180	-	23,070	60
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	838	-	162	16	12,750	5,190	-	7,560	59	38,250	15,180	-	23,070	60
						FISCAL YEAR 2017-18					FISCAL YEAR 2018-19				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH)						22086	172454	+	150368	681	24567	24567	+	0	0
2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD (\$K)						44500	74159.8	+	29659.8	67	49500	49500	+	0	0
3. NUMBER OF RESIDENTIAL CONSUMERS FINANCED						514	107	-	407	79	514	514	+	0	0
4. NUMBER OF COMMERCIAL ENTITIES FINANCED						34	13	-	21	62	21	21	+	0	0
PART III: PROGRAM TARGET GROUP															
1. ENTITIES AND CUST ADPTNG CLEAN ENRGY TECHNOLGIES						548	120	-	428	78	536	536	+	0	0
PART IV: PROGRAM ACTIVITY															
1. TOTAL NUMBER OF BUILDINGS SERVED						333	384	+	51	15	319	319	+	0	0
2. NUMBER OF LOANS APPROVED						548	154	-	394	72	536	536	+	0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 05 05
BED 138

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

PART I - EXPENDITURES AND POSITIONS

Actual expenditures for operations in FY 18 was \$162,000, or 16% below budget, due to temporary vacancies during the year, as well as the termination of a contract with Hawaii Green Infrastructure Authority's (HGIA) Wisconsin-based loan originator at the end of 2017. The work that used to be completed by the outsourced Contractor, including origination, underwriting, documenting and loan funding, have all been assumed by HGIA staff since November 2017.

The budget includes the total ceiling for lending, which is the reason for the expenditure variance for loans.

Actual expenditures for 1st Quarter of FY 19 was \$7,560, or 59% below budget, due to a temporarily vacant position, as well as the termination of the aforementioned contract.

The FY 19 budget includes the total ceiling for lending, which is the reason for the expenditure variance for loans. The cause of the difference is the lower loan originations compared with the \$50 million lending ceiling.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, 3 and 4. The continued success of new loan products launched during the year, as well as the Legislature's approval of the commercial energy efficiency loan for the Department of Education, have resulted in larger than anticipated project sizes, resulting in actual energy impacts exceeding estimates.

During FY 18, the program substantially exceeded its Clean Energy Production and Total Capital Deployed Metrics by 150368 Megawatt Hours (MWH) (or 680%) and \$29.6 million (or 67%). However, the project size(s) were larger than anticipated, as such, the program financed less projects than anticipated during the year.

PART III - PROGRAM TARGET GROUPS

Item 1. As mentioned above, while the program far exceeded its MWH and \$ metrics above, due to the larger sizes of the projects, less entities were impacted.

PART IV - PROGRAM ACTIVITIES

Items 1 and 2. Due to a number of larger projects over scattered multi-family units, the number of buildings served exceeded goal. However, as mentioned above, due to the larger project size, less loans were approved.

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

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	28.00	20.00	- 8.00	29	28.00	21.00	- 7.00	25	28.00	28.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,140	2,695	- 445	14	704	479	- 225	32	2,886	3,111	+ 225	8
TOTAL COSTS												
POSITIONS	28.00	20.00	- 8.00	29	28.00	21.00	- 7.00	25	28.00	28.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,140	2,695	- 445	14	704	479	- 225	32	2,886	3,111	+ 225	8
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
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	+	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)		250	0	- 250	100	250	250	+	0	0	+	0
4. STATE LANDS DEVELOPED (ACRES)		10	10	+	0	10	10	+	0	0	+	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)		1200	994	- 206	17	1200	0	- 1200	100	0	- 1200	100
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)		4	4	+	0	4	4	+	0	0	+	0
PART III: PROGRAM TARGET GROUP												
1. DEFACTO POPULTN BENEFITNG FR IMPRVMTS (NO. IN MIL)		1.4	1.4	+	0	1.4	1.4	+	0	0	+	0
PART IV: PROGRAM ACTIVITY												
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)		25	25	+	0	25	25	+	0	0	+	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)		30	32	+	2	30	30	+	0	0	+	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED		30	28	- 2	7	30	30	+	0	0	+	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)		20000	16000	- 4000	20	20000	20000	+	0	0	+	0
5. CIP EXPENDITURES (\$1,000)		40000	43203	+	3203	8	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	+	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD		5	5	+	0	5	5	+	0	0	+	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

01 06
LNR 141

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 18 and FY 19 position variance is due to budgeted unfilled positions under recruitment. The program has experienced difficulties in recruitment due to the historically low unemployment rate and lack of qualified applicants. In order to fill its vacancies, the program is attempting to recruit positions at all levels.

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 Capital Improvements Project (CIP) staff.

PART II - MEASURES OF EFFECTIVENESS

Item 2: Reflects authorized water projects and their completion; program has sought but not been authorized funding for such projects.

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

Item 5: Reflects the shutdown in May 2018 of the only geothermal producer due to eruption of the Kilauea East Rift Zone. The geothermal plant is not expected to come back online in FY 19.

PART III - PROGRAM TARGET GROUPS

No significance variance.

PART IV - PROGRAM ACTIVITIES

Item 4: The variance is due to temporary staff vacancies which were under recruitment in FY 18 and FY 19.

Item 5: FY 18 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$111 million is encumbered in consultant and/or construction contracts for expenditure in FY 19 and beyond.

Item 7: No geothermal resource permit applications were received in FY 18.

STATE OF HAWAII

PROGRAM TITLE:

SPECIAL COMMUNITY DEVELOPMENT

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0107

VARIANCE REPORT

REPORT V61

12/10/18

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	21.00	2.00	-	19.00	90	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	2,219	1,765	-	454	20	921	755	-	166	18	1,972	2,138	+	166	8
TOTAL COSTS															
POSITIONS	21.00	2.00	-	19.00	90	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	2,219	1,765	-	454	20	921	755	-	166	18	1,972	2,138	+	166	8
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)					538	538	+	0	0	538	21.9	-	516.1	96	
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)					10	0	-	10	100	10	2	-	8	80	

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

01 07

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

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BED-150

VARIANCE REPORT

REPORT V61

12/10/18

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	21.00	2.00	-	19.00	21.00	21.00	+	0.00	21.00	21.00	+	0.00
EXPENDITURES (\$1000's)	2,219	1,765	-	454	921	755	-	166	1,972	2,138	+	166
TOTAL COSTS												
POSITIONS	21.00	2.00	-	19.00	21.00	21.00	+	0.00	21.00	21.00	+	0.00
EXPENDITURES (\$1000's)	2,219	1,765	-	454	921	755	-	166	1,972	2,138	+	166
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)		538	538	+	0	0			538	21.9	-	516.1
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)		6915	691	-	6224	90			6552	508	-	6044
3. # OF NEW HOUSING UNITS IN KAKAAKO		632	532	-	100	16			838	424	-	414
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO		0	0	+	0	0			0	0	+	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD		90	90	+	0	0			95	95	+	0
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)		10	0	-	10	100			10	2	-	8
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA		60	12	-	48	80			70	60	-	10
PART III: PROGRAM TARGET GROUP												
1. # OF RESIDENTS IN KAKAAKO		25718	25718	+	0	0			27813	27813	+	0
2. # OF EMPLOYEES IN KAKAAKO		25330	25330	+	0	0			25330	25330	+	0
3. # OF BUSINESSES IN KAKAAKO		1266	1300	+	34	3			1266	1300	+	34
4. # OF LANDUSERS WITHIN KALAELOA		17	20	+	3	18			17	22	+	5
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS		5000	5000	+	0	0			5200	5200	+	0
PART IV: PROGRAM ACTIVITY												
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO		125	146	+	21	17			125	150	+	25
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO		0	0	+	0	0			0	0	+	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)		0	0	+	0	0			0	0	+	0
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN		60	60	+	0	0			60	70	+	10
5. NEW PLANNING IN KALAELOA (\$M)		20	20	+	0	0			20	20	+	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA		0	1	+	1	0			0	0	+	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA		2	1	-	1	50			2	1	-	1

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

**01 07 01
BED 150**

PART I - EXPENDITURES AND POSITIONS

1. Variance in the 1st quarter is due to three (3) vacant positions - the Executive Director (filled August 6, 2018), Asset Management Specialist and Secretary. The Hawaii Community Development Authority (HCDA) is working to fill the positions as soon as possible; however, the lack of full funding for FY 19 has made attracting suitable candidates difficult.

2. The appropriation ceiling provided in Act 53, SLH 2018, is insufficient to cover staff salaries, fringe and other administrative expenses. An Emergency Appropriation of \$ 1.116 million was submitted to cover this shortfall which is projected to occur as early as the 3rd quarter.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, and 3. Consistent with the trend throughout the State, particularly in the urban core, development in Kakaako has slowed down. Development is still ongoing; however, the pace will be considerably slower than what we have experienced in recent years.

Item 6. The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. The HCDA has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.

Item 7. Over the past two (2) years, considerable investments have been made to allow for the expansion and restoration of the wetlands in Heeia. This includes large scale mangrove removal and the continued fortification/restoration of farm roads. The roads are essential to get the necessary equipment into the wetlands to support restoration efforts (clearing and hauling).

PART III - PROGRAM TARGET GROUPS

Item 4. The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. The HCDA has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.

PART IV - PROGRAM ACTIVITIES

Item 1. We will see the number of permits begin to normalize with the slow down in development in Kakaako, consistent with the development cycle.

Item 7. The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. The HCDA has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

12/10/18

PROGRAM-ID:

BED-160

PROGRAM STRUCTURE NO:

0108

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	31.00	22.00	- 9.00	29	29.00	22.00	- 7.00	24	29.00	29.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,848	9,410	- 8,438	47	2,733	2,104	- 629	23	14,297	14,926	+ 629	4
TOTAL COSTS												
POSITIONS	31.00	22.00	- 9.00	29	29.00	22.00	- 7.00	24	29.00	29.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,848	9,410	- 8,438	47	2,733	2,104	- 629	23	14,297	14,926	+ 629	4
					FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF HOMEBUYERS ASSISTED		783	858	+ 75	10		625	944	+ 319	51		
2. # OF NEW RENTAL UNITS		470	527	+ 57	12		448	180	- 268	60		
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV		150	267	+ 117	78		150	355	+ 205	137		
4. # OF LEASE RENTS RENEGOTIATED		2	50	+ 48	2400		1	17	+ 16	1600		
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE		2	11	+ 9	450		2	2	+ 0	0		
PART III: PROGRAM TARGET GROUP												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD		2200	2900	+ 700	32		2200	2900	+ 700	32		
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT		NO DATA	NO DATA	+ 0	0		0	NO DATA	+ 0	0		
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE		250	1202	+ 952	381		250	635	+ 385	154		
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING		150	787	+ 637	425		150	452	+ 302	201		
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)		20	93.5	+ 73.5	368		20	253.2	+ 233.2	1166		
4. FACILITATE DEVELOPMENT OF REAL PROPERTY		180	254	+ 74	41		200	513	+ 313	157		
5. ASSIST FIRST-TIME HOMEBUYERS		783	858	+ 75	10		625	944	+ 319	51		
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO		0	0	+ 0	0		0	0	+ 0	0		
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION		0	8	+ 8	0		0	2	+ 2	0		

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

**01 08
BED 160**

PART I - EXPENDITURES AND POSITIONS

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

The expenditure variance for FY 18 was primarily the result of a decrease in Federal grant award expenditures.

In the first quarter of FY 19, 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 FY 18. The positive variance for FY 19 is a result of underestimating Mortgage Credit Certificate assistance and anticipated completion of a large project.

Item 2. The positive variance in the number of new rental units in FY 18 is a result of underestimating the number of rental units completed. For FY 19, the negative variance was due to delays in project construction and overestimated planned projects.

Item 3. The positive variances in the number of existing affordable rental housing preserved in FYs 18 and 19 are a result of underestimating projects to be completed.

Item 4. The positive variances in renegotiated lease rents for FYs 18 and 19 are a result of delays in executing renegotiated leases that were to be completed in FY 17.

Item 5. The positive variance in leasehold to fee conversions in FY 18 was a result of delays in executing the conversions that were to be completed in FY 17.

PART III - PROGRAM TARGET GROUPS

Item 1. Increased households earning from 50%-140% of the U.S. Department of Housing and Urban Development average median income in accordance with a Hawaii Housing Planning Study conducted in 2016.

PART IV - PROGRAM ACTIVITIES

Item 1. The positive variances in the number of loan originations for FYs 18 and 19 are a result of underestimating anticipated volume of applicants.

Item 2. The positive variances in tax credits allocated in FYs 18 and 19 are a result of underestimating anticipated number of applications.

Item 3. The positive variances in the amount of tax-exempt revenue bonds issued in FYs 18 and 19 are a result of underestimating anticipated number of applications.

Item 4. The positive variances in the facilitation of real property development in FYs 18 and 19 are a result of underestimating the number of projects approved under 201H.

Item 5. The positive variance in the number of homebuyers assisted for FYs 18 and 19 are a result of underestimating Mortgage Credit Certificate assistance and anticipated completion of a large project. The program is showing strong interest from first-time homebuyers due to the escalating cost of housing.

Item 7. The positive variances in the number of applications processed for leasehold conversions for FYs 18 and 19 are due to the receipt of applications not previously planned.

PROGRAM TITLE: OFFICE OF AEROSPACE

PROGRAM-ID: BED-128

PROGRAM STRUCTURE NO: 0109

12/10/18

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
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)	1,292	1,204	-	88	7	303	12	-	291	96	1,339	1,080	-	259	19
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	1,292	1,204	-	88	7	303	12	-	291	96	1,339	1,080	-	259	19

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED	100	100	+	0	0	100	100	+	0	0
2. FEDERAL COOPERATIVE AGREEMENTS INAUGURATED	3	3	+	0	0	3	3	+	0	0
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	5	+	0	0	5	5	+	0	0
4. INTERNATIONAL ALLIANCES INITIATED/MAINTAINED	4	4	+	0	0	4	4	+	0	0

PART III: PROGRAM TARGET GROUP	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS	75	75	+	0	0	75	75	+	0	0
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS	9	9	+	0	0	9	9	+	0	0
3. OVERSEAS AEROSPACE AGENCIES/COMPANIES/CORPORATIONS	25	25	+	0	0	25	25	+	0	0
4. OVERSEAS EDUCATION AND RESEARCH AGENCIES/INSTITUTI	25	25	+	0	0	25	25	+	0	0

PART IV: PROGRAM ACTIVITY	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
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	15	+	0	0	15	15	+	0	0
6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS	4	4	+	0	0	4	4	+	0	0
7. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION	25	25	+	0	0	25	25	+	0	0
8. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEBS	5	5	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE FY 2018 AND FY 2019

PROGRAM TITLE: OFFICE OF AEROSPACE

**01 09
BED 128**

PART I - EXPENDITURES AND POSITIONS

Hawaii Aerospace Advisory Committee Meetings: 4
Community Outreach Goal: 24

The program was inactive from the personnel perspective due to no incumbent in any position until mid-July. Due to the payroll lag, the personnel cost was lower than budgeted. Further, the normal activities, such as contracting, was deferred to the second quarter. We expect to catch up the expenditures by fiscal year-end.

Not expected to expend any special funds this current fiscal period.

PART II - MEASURES OF EFFECTIVENESS

The Office of Aerospace (OAD) is reorienting its focus going forward with the following new measures that will be established for the coming year:

Support the Department of Education Challenger Program: 1
International Aerospace Entities: 1
Public-Private Partnerships Initiated: 5
Outreach Events by Pacific International Space Center for Exploration Systems (PISCES): 10
National Aerospace Entities: 1

PART III - PROGRAM TARGET GROUPS

OAD is reorienting its focus going forward with the following new measures that will be established for the coming year:

Hawaii-Based Aerospace Entities: 1
Hawaii-Based Education and Research Institutions: 9
Students and Interns Participation in PISCES Programs: 16

PART IV - PROGRAM ACTIVITIES

OAD is reorienting its focus going forward with the following new measures that will be established for the coming year:

Explore Possible New Industries: 1
Aerospace Projects: 4