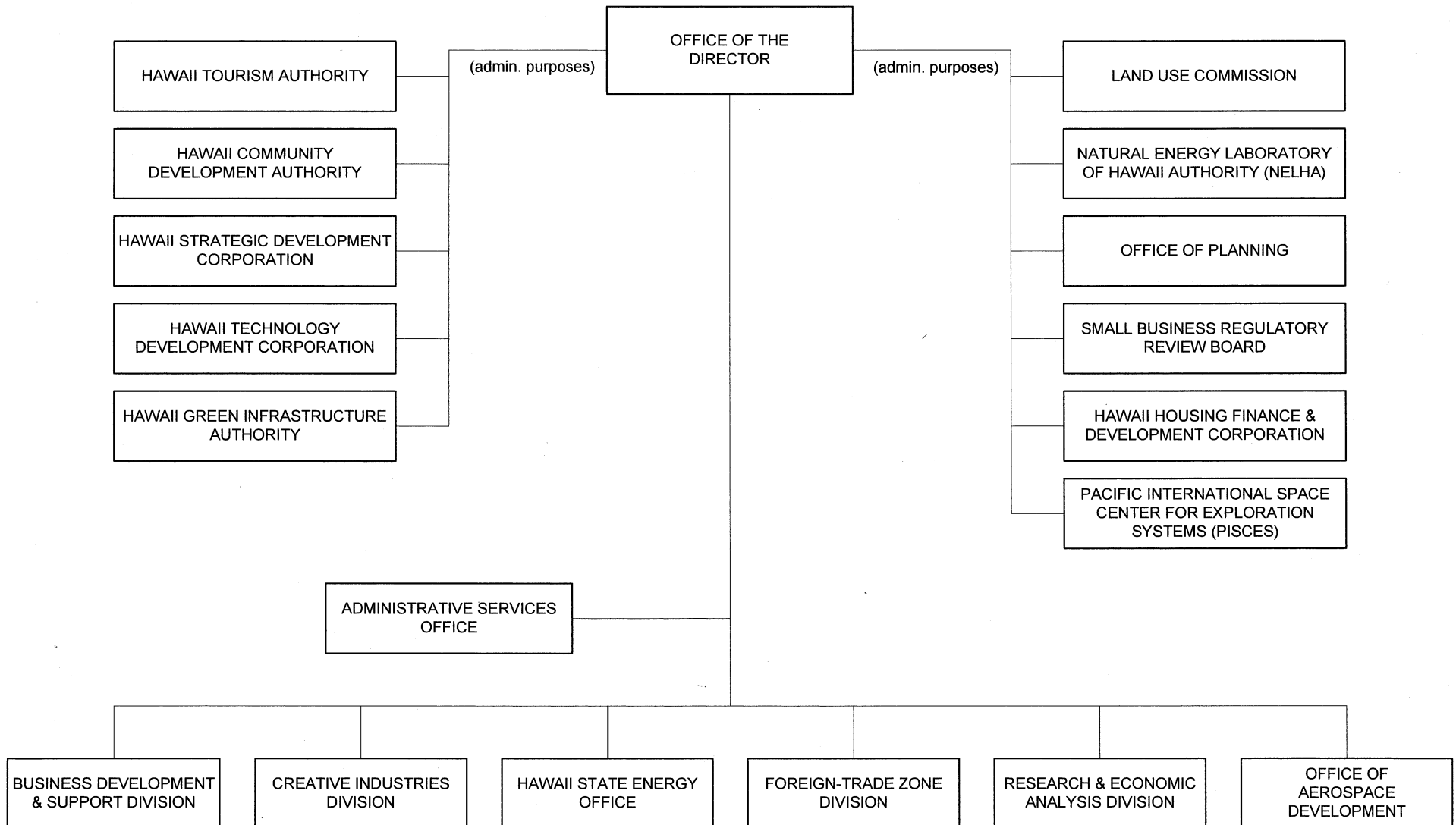




**Department of Business, Economic
Development and Tourism**

**STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
ORGANIZATION CHART**



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Department Summary

Mission Statement

To achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii's citizens to prosper.

Department Goals

Lead efforts to facilitate structural economic adjustments to improve the competitiveness of Hawaii businesses and create the conditions to reward productivity and entrepreneurship.

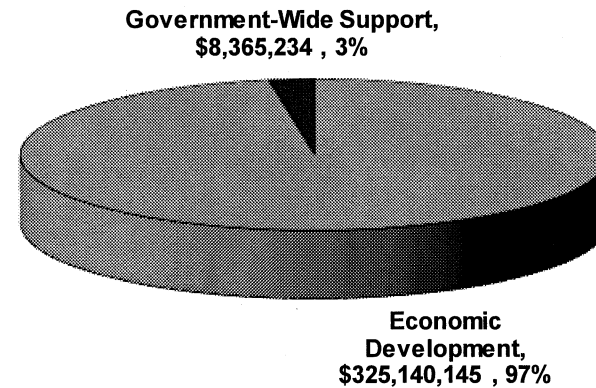
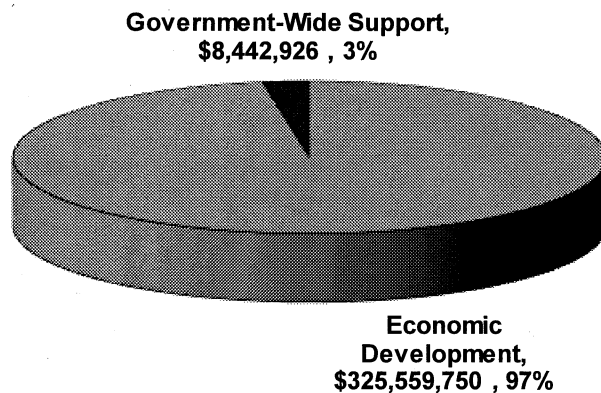
Significant Measures of Effectiveness

	<u>FY 2020</u>	<u>FY 2021</u>
1. Total Visitor Expenditures (\$ billions)	18.7	19.35
2. \$ Value of Total/Proj Sales-Trade & Export Promo	17,500	19,000
3. # of Companies Asstd by HTDC	300	300
4. # of New Affordable Rental Units	628	587

FB 2019-2021 Operating Budget by Major Program Area

FY 2020

FY 2021



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

MAJOR FUNCTIONS

- Meeting the Demand for Housing – Support the creation of low- and moderate- income homes for Hawaii’s residents through financing of private sector developments with long-term affordability.
- Planning Dynamic Communities – Plan and develop live-work-play communities to attract and retain a workforce with the skills required for an innovation-driven and globally-competitive economy.
- Hawaii Clean Energy Initiative – Transform how Hawaii uses energy by accelerating the production of renewable and alternative energy, increasing energy efficiency and developing and adopting new technologies thereby ensuring energy security and long-term environmental quality, and benefits to residents.
- Sustaining the Visitor Industry – Develop and implement Hawaii’s tourism strategic and marketing plan; managing programs and activities to sustain a healthy visitor industry through alignment of global marketing programs with Hawaii’s distinctive products, natural resources, the Hawaiian host culture and multi-cultures.
- Providing Economic Data and Research – Enhance economic development in Hawaii by providing government agencies and the business community with data, analysis, and policy recommendations accessible online.
- Global Links – Increase the flow of people, products, services and ideas between Hawaii and its export markets.
- Creation of an Innovation Infrastructure – Create the infrastructure that enables Hawaii’s creative and entrepreneurial talent to turn ideas into products and services.
- Improving Hawaii’s Business Environment – Lead public sector efforts to bring about a business environment that is market-driven, and rewards productivity and entrepreneurship.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Development

BED 100	Strategic Marketing & Support
BED 105	Creative Industries Division
BED 107	Foreign Trade Zone
BED 113	Tourism
BED 120	Hawaii State Energy Office
BED 128	Office of Aerospace
BED 138	Hawaii Green Infrastructure Authority
BED 142	General Support for Economic Development
BED 143	Hawaii Technology Development Corporation

BED 145	Hawaii Strategic Development Corporation
BED 146	Natural Energy Laboratory of Hawaii Authority
BED 150	Hawaii Community Development Authority
BED 160	Hawaii Housing Finance and Development Corporation

Government-Wide Support

BED 103	Statewide Land Use Management
BED 130	Economic Planning and Research
BED 144	Statewide Planning and Coordination

Department of Business, Economic Development and Tourism
(Operating Budget)

		Budget Base FY 2020	Budget Base FY 2021	FY 2020	FY 2021
Funding Sources:	Perm Positions	83.50	83.50	105.50	105.50
	Temp Positions	9.75	9.75	11.75	11.75
General Funds	\$	11,361,599	11,361,608	16,550,307	15,972,624
	Perm Positions	26.50	26.50	26.50	26.50
	Temp Positions	90.25	90.25	90.25	90.25
Special Funds	\$	228,019,346	228,034,732	284,914,346	284,929,732
	Perm Positions	5.00	5.00	5.00	5.00
	Temp Positions	6.00	6.00	6.00	6.00
Federal Funds	\$	5,485,688	5,485,688	5,559,651	5,559,651
	Perm Positions	-	-	-	-
	Temp Positions	9.00	9.00	9.00	9.00
Other Federal Funds	\$	4,664,713	4,664,713	4,664,713	4,664,713
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Trust Funds	\$	240,000	240,000	240,000	240,000
	Perm Positions	50.00	50.00	29.00	29.00
	Temp Positions	44.00	44.00	42.00	42.00
Revolving Funds	\$	23,517,346	23,517,346	22,073,659	22,138,659
		165.00	165.00	166.00	166.00
		159.00	159.00	159.00	159.00
Total Requirements		273,288,692	273,304,087	334,002,676	333,505,379

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds 21.00 permanent and 2.00 temporary positions and \$1,894,140 in both FY 20 and FY 21; and reduces 21.00 permanent and 2.00 temporary positions and \$2,068,976 in revolving funds in both FY 20 and FY 21, to reflect the conversion of positions in the Hawaii Community Development Authority from revolving to general funds.
2. Adds \$1,000,000 in both FY 20 and FY 21 for the Hawaii Small Business Innovation Research Program Phase II and Phase III.
3. Adds \$500,000 in both FY 20 and FY 21 for Manufacturing Assistance Program grants.
4. Adds \$750,000 in both FY 20 and FY 21 for the Excelsior Program.
5. Adds \$500,000 in FY 20 for the Office of Naval Research Grant Program.
6. Adds \$50,000,000 in special funds to establish the ceiling for the revolving line of credit sub-fund created within the Hawaii Green Infrastructure Authority special fund in Act 121/SLH 2018.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	141.00*	165.00*	166.00*	166.00*	166.0*	166.0*	166.0*	166.0*
	116.00**	159.00**	159.00**	159.00**	159.0**	159.0**	159.0**	159.0**
PERSONAL SERVICES	26,070,098	32,276,066	34,112,134	34,157,337	34,159	34,159	34,159	34,159
OTHER CURRENT EXPENSES	141,272,962	245,516,861	299,869,342	299,334,342	299,232	299,182	299,182	299,182
EQUIPMENT			21,200	13,700				
TOTAL OPERATING COST	167,343,060	277,792,927	334,002,676	333,505,379	333,391	333,341	333,341	333,341
BY MEANS OF FINANCING								
	92.50*	83.50*	105.50*	105.50*	105.5*	105.5*	105.5*	105.5*
	7.00**	9.75**	11.75**	11.75**	11.8**	11.8**	11.8**	11.8**
GENERAL FUND	14,962,737	14,687,077	16,550,307	15,972,624	15,680	15,630	15,630	15,630
	21.50*	26.50*	26.50*	26.50*	26.5*	26.5*	26.5*	26.5*
	63.00**	90.25**	90.25**	90.25**	90.2**	90.2**	90.2**	90.2**
SPECIAL FUND	136,114,315	227,538,418	284,914,346	284,929,732	284,929	284,929	284,929	284,929
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	6.00**	6.00**	6.00**	6.00**	6.0**	6.0**	6.0**	6.0**
FEDERAL FUNDS	2,269,810	5,485,688	5,559,651	5,559,651	5,560	5,560	5,560	5,560
	*	*	*	*	*	*	*	*
	7.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	1,278,301	5,064,713	4,664,713	4,664,713	4,665	4,665	4,665	4,665
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS		1,500,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS		240,000	240,000	240,000	240	240	240	240
	22.00*	50.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	33.00**	44.00**	42.00**	42.00**	42.0**	42.0**	42.0**	42.0**
REVOLVING FUND	12,717,897	23,277,031	22,073,659	22,138,659	22,317	22,317	22,317	22,317
CAPITAL IMPROVEMENT COSTS								
PLANS	1,002,000	2,004,000	7,000,000					
LAND ACQUISITION		1,000						
DESIGN	848,000	2,944,000	6,000,000					
CONSTRUCTION	56,710,000	4,900,000	156,000,000	129,000,000				
EQUIPMENT	340,000		4,001,000		3,000	1,000		
TOTAL CAPITAL EXPENDITURES	58,900,000	9,849,000	173,001,000	129,000,000	3,000	1,000		

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
BY MEANS OF FINANCING								
G.O. BONDS	58,900,000	9,849,000	173,001,000	129,000,000	3,000	1,000		
TOTAL PERM POSITIONS	141.00*	165.00*	166.00*	166.00*	166.0*	166.0*	166.0*	166.0*
TOTAL TEMP POSITIONS	116.00**	159.00**	159.00**	159.00**	159.0**	159.0**	159.0**	159.0**
TOTAL PROGRAM COST	226,243,060	287,641,927	507,003,676	462,505,379	336,391	334,341	333,341	333,341

Department of Business, Economic Development and Tourism
(Capital Improvements Budget)

	<u>FY 2020</u>	<u>FY 2021</u>
Funding Sources:		
General Obligation Bonds	172,000,000	125,000,000
Total Requirements	<u>172,000,000</u>	<u>125,000,000</u>

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$10,000,000 in FY 20 for the Hawaii Broadband Initiative, Statewide.
2. Adds \$2,500,000 in FY 20 for the Kalaeloa Improvement District, Oahu.
3. Adds \$3,500,000 in FY 20 for the Kakaako Improvement District, Oahu.
4. Adds \$50,000,000 in FY 20 and \$25,000,000 in FY 21 for a Dwelling Unit Revolving Fund Infusion, Statewide.
5. Adds \$100,000,000 in both FY 20 and FY 21 for a Cash Infusion for the Rental Housing Revolving Fund, Statewide.
6. Adds \$5,000,000 in FY 20 for a Cash Infusion for the Hawaii Strategic Development Corporation Revolving Fund for the Venture Capital Investment Program, Statewide.

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED

DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

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PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE NUMBER	PROJECT TITLE				BUDGET PERIOD						SUCCEED YEARS
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
				PLANS	65,840	55,834	1,002	2,004	7,000					
				LAND ACQUISITION	22,467	22,466		1						
				DESIGN	29,508	20,215	998	2,295	6,000					
				CONSTRUCTION	669,015	324,915	56,700	8,170	154,230	125,000				
				EQUIPMENT	13,760	5,260		3,730	4,770					
				TOTAL	800,590	428,690	58,700	16,200	172,000	125,000				
				GENERAL FUND	51,202	51,202								
				G.O. BONDS	738,288	371,288	58,700	11,300	172,000	125,000				
				G.O. BONDS REPAYD	11,100	6,200		4,900						



Operating Budget Details

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: 01
PROGRAM TITLE: ECONOMIC DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	106.00*	125.00*	125.00*	125.00*	125.0*	125.0*	125.0*	125.0*
	110.00**	150.00**	150.00**	150.00**	150.0**	150.0**	150.0**	150.0**
PERSONAL SERVICES	22,682,028	28,243,412	29,871,622	29,887,017	29,888	29,888	29,888	29,888
OTHER CURRENT EXPENSES	139,484,361	241,375,010	295,688,128	295,253,128	295,202	295,152	295,152	295,152
TOTAL OPERATING COST	162,166,389	269,618,422	325,559,750	325,140,145	325,090	325,040	325,040	325,040
BY MEANS OF FINANCING								
	62.50*	48.50*	69.50*	69.50*	69.5*	69.5*	69.5*	69.5*
	7.00**	6.75**	8.75**	8.75**	8.8**	8.8**	8.8**	8.8**
GENERAL FUND	11,913,117	10,898,260	12,567,032	12,067,041	11,839	11,789	11,789	11,789
	21.50*	26.50*	26.50*	26.50*	26.5*	26.5*	26.5*	26.5*
	63.00**	90.25**	90.25**	90.25**	90.2**	90.2**	90.2**	90.2**
SPECIAL FUND	136,114,315	227,538,418	284,914,346	284,929,732	284,929	284,929	284,929	284,929
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS	142,759	3,100,000	3,100,000	3,100,000	3,100	3,100	3,100	3,100
	*	*	*	*	*	*	*	*
	7.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	1,278,301	5,064,713	4,664,713	4,664,713	4,665	4,665	4,665	4,665
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS		1,500,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS		240,000	240,000	240,000	240	240	240	240
	22.00*	50.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	33.00**	44.00**	42.00**	42.00**	42.0**	42.0**	42.0**	42.0**
REVOLVING FUND	12,717,897	21,277,031	20,073,659	20,138,659	20,317	20,317	20,317	20,317
CAPITAL IMPROVEMENT COSTS								
PLANS		2,004,000	7,000,000					
LAND ACQUISITION		1,000						
DESIGN	350,000	2,944,000	6,000,000					
CONSTRUCTION	56,710,000	4,900,000	156,000,000	129,000,000				
EQUIPMENT	340,000		4,001,000		3,000	1,000		
TOTAL CAPITAL EXPENDITURES	57,400,000	9,849,000	173,001,000	129,000,000	3,000	1,000		

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: 01
PROGRAM TITLE: ECONOMIC DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
BY MEANS OF FINANCING								
G.O. BONDS	57,400,000	9,849,000	173,001,000	129,000,000	3,000	1,000		
TOTAL PERM POSITIONS	106.00*	125.00*	125.00*	125.00*	125.0*	125.0*	125.0*	125.0*
TOTAL TEMP POSITIONS	110.00**	150.00**	150.00**	150.00**	150.0**	150.0**	150.0**	150.0**
TOTAL PROGRAM COST	219,566,389	279,467,422	498,560,750	454,140,145	328,090	326,040	325,040	325,040

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: 0101
PROGRAM TITLE: BUSINESS DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	56.00*	64.00*	64.00*	64.00*	64.0*	64.0*	64.0*	64.0*
PERSONAL SERVICES	1.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
OTHER CURRENT EXPENSES	4,623,746	5,039,803	5,475,840	5,482,967	5,484	5,484	5,484	5,484
	4,000,499	6,466,730	5,126,730	5,126,730	5,075	5,025	5,025	5,025
TOTAL OPERATING COST	8,624,245	11,506,533	10,602,570	10,609,697	10,559	10,509	10,509	10,509
BY MEANS OF FINANCING								
GENERAL FUND	43.00*	47.00*	47.00*	47.00*	47.0*	47.0*	47.0*	47.0*
	1.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
	6,024,255	6,276,062	5,540,535	5,540,544	5,490	5,440	5,440	5,440
	13.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	2,150,881	2,308,556	2,540,120	2,547,238	2,547	2,547	2,547	2,547
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	439,231	1,100,000	700,000	700,000	700	700	700	700
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	9,878	1,821,915	1,821,915	1,821,915	1,822	1,822	1,822	1,822
CAPITAL IMPROVEMENT COSTS								
PLANS			1,000,000					
DESIGN			1,000,000					
CONSTRUCTION	510,000		130,000	4,000,000				
EQUIPMENT	340,000		370,000		3,000	1,000		
TOTAL CAPITAL EXPENDITURES	850,000		2,500,000	4,000,000	3,000	1,000		
BY MEANS OF FINANCING								
G.O. BONDS	850,000		2,500,000	4,000,000	3,000	1,000		
TOTAL PERM POSITIONS	56.00*	64.00*	64.00*	64.00*	64.0*	64.0*	64.0*	64.0*
TOTAL TEMP POSITIONS	1.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	9,474,245	11,506,533	13,102,570	14,609,697	13,559	11,509	10,509	10,509

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED100
 PROGRAM STRUCTURE NO: 010101
 PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
	0.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	817,183	873,071	918,593	918,602	919	919	919	919
OTHER CURRENT EXPENSES	1,444,837	4,174,310	3,224,310	3,224,310	3,224	3,224	3,224	3,224
TOTAL OPERATING COST	2,262,020	5,047,381	4,142,903	4,142,912	4,143	4,143	4,143	4,143
BY MEANS OF FINANCING								
	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
	**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	2,009,208	2,525,466	1,620,988	1,620,997	1,621	1,621	1,621	1,621
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	242,934	700,000	700,000	700,000	700	700	700	700
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	9,878	1,821,915	1,821,915	1,821,915	1,822	1,822	1,822	1,822
TOTAL PERM POSITIONS	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
TOTAL TEMP POSITIONS	**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	2,262,020	5,047,381	4,142,903	4,142,912	4,143	4,143	4,143	4,143

PROGRAM ID: **BED100**
 PROGRAM STRUCTURE: **010101**
 PROGRAM TITLE: **STRATEGIC MARKETING AND SUPPORT**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	10	10	10	10	10	10
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	16000	17500	17500	19000	19000	19000	19000	19000
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	28	30	25	25	25	25	25	25
PROGRAM TARGET GROUPS								
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	250	250	250	250	250	250	250	250
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	200	200	200	200	200	200	200
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT	50	40	35	35	40	40	40	40
PROGRAM ACTIVITIES								
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	25	25	25	25	25	25	25	25
2. OUTREACH ACTIVITIES	10	10	10	10	10	10	10	10
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRISE ZONES	300	300	300	300	300	300	300	300
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	2	2	2	16	16	16	16	16
NON-REVENUE RECEIPTS	12	12	12	12	12	12	12	12
TOTAL PROGRAM REVENUES	14	14	14	28	28	28	28	28
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS				14	14	14	14	14
ALL OTHER FUNDS	14	14	14	14	14	14	14	14
TOTAL PROGRAM REVENUES	14	14	14	28	28	28	28	28

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED100: STRATEGIC MARKETING AND SUPPORT

01 01 01

A. Statement of Program Objectives

To promote industry development and economic diversification by supporting existing and emerging industries through the attraction of new investment; increase in exports of Hawaii products and services; expansion of Hawaii's participation in global trade and commerce; and by supporting small business and community based organizations.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

\$100,000 for International Student Attraction - International students, especially from the Asia-Pacific Region make a significant contribution to Hawaii's economy. In 2017, this industry had a \$497.5 million impact to Hawaii's economy, generating \$38.2 million in state taxes and supporting 5,264 jobs. The market is dominated by Chinese students who want to study in the US. Hawaii, however, is lagging in its attracting Chinese students. This market - along with Japan, Korea and Taiwan -- will be the focus of our promotional, marketing & recruitment strategy. Funds will be used for the trade shows and conferences; website and marketing; and promotional activities with the Study Hawaii Consortium of Hawaii schools consisting of 30 schools dedicated to increase its enrollment of international students. Target for biennium would be to increase international students by 300 students resulting in \$1.05 million in new state taxes and support an additional 187 jobs. The \$100K will be used for collateral materials and websites in Japanese, Chinese and Korean.

C. Description of Activities Performed

The Business Development and Support Division (BDSD) plans, organizes, and implements programs to attract new, job-creating businesses and investments, and to expand markets for Hawaii's products and professional services by: (a) opening and expanding markets for Hawaii's firms; (b) attracting investment and companies in selected industry clusters; (c) providing assistance and capacity building for firms; (d) improving the business environment; and (e) facilitating the State's sister-state relations and international relations. The Division also provides direct support to local small business through: (a) enterprise zone tax incentives; (b) rural development stimulation programs; and (c) community-based economic development grants and technical assistance.

D. Statement of Key Policies Pursued

BDSD's policies are based on creating new jobs and diversifying Hawaii's economic base. Towards these objectives, export promotion policies and import substitution policies are being pursued together with business and investment attraction measures. Emphasis is placed on the following strategies: (1) opening and expanding markets for Hawaii's firms reverse missions to Hawaii (buyers, media, targeted industries); operating overseas offices in targeted markets such as Beijing and Taipei; conducting conferences and events that provide business matchmaking opportunities; promoting and facilitating short-term training; participating in local, mainland and international trade shows; opening new marketing channels; international workshops and seminars; (2) providing assistance and capacity building to help companies reach the next level through workshops, technical assistance and industry education and venture acceleration; (3) improving the business environment - developing a brand to promote Hawaii as a place for business; and (4) encouraging new types of businesses and strengthening existing businesses especially in distressed areas and through incentives such as the Enterprise Zone Program and Community Based Economic Development Program.

E. Identification of Important Program Relationships

BDSD partners with the four Economic Development Boards; County Economic Development Offices; the Chamber of Commerce of Hawaii and ethnic chambers; and industry, trade and professional organizations. It also works with the U.S. Departments of Commerce and State; U.S. Customs; foreign consulates; U.S. embassies; sister-state affiliations; and the Citizenship and Immigration Service (CIS); county administrations and councils; with the State Departments of Agriculture, Labor and Industrial Relations, Commerce and Consumer Affairs, Health, Human Services, Transportation, Taxation and Hawaiian Home Lands and Office of Hawaiian Affairs; federal agencies such as the IRS, U.S. Small Business Administration, U.S. Department of Agriculture, U.S. Department of Commerce, U.S. Department of Defense, U.S. Department of Economic Development Administration, and U.S. Department of Housing and Urban Development; local financial institutions; and individual entrepreneurs and businesses. It also works with non-profits such as the Pacific Asian Affairs Council, the Confucius Center, University of Hawaii system and private colleges and universities, and the State Dept. of Education.

Program Plan Narrative

BED100: STRATEGIC MARKETING AND SUPPORT

01 01 01

F. Description of Major External Trends Affecting the Program

Reduction in force of staff by 45% and reduction of budget by more than 50% has limited division priorities to focus on legislatively mandated programs.

Agreements between the State of Hawaii and Chinese agencies have engendered relationships for Hawaii to increase the export of services to and investments from China.

Federal grant with the U.S. Small Business Administration has enabled the division to increase promotion of the exports from Hawaii.

G. Discussion of Cost, Effectiveness, and Program Size Data

External trends have increased the demand for BDSD's programs to assist Hawaii businesses to expand, open new markets and take advantage of investment and business development opportunities. This is especially true for China and Japan.

A previous U.S. Small Business Administration grant has enabled the division to increase its export promotion efforts.

H. Discussion of Program Revenues

Participation fees are collected and applied towards shared expenses incurred for marketing events and projects. The direct revenue generated by these activities accrue to the participating companies through sales, orders, partnerships, contracts and investment capital for these businesses. BDSD continues to seek federal, institutional and private grant sources to expand or initiate new programs.

I. Summary of Analysis Performed

The effectiveness of major strategies previously summarized are measured through: (1) number of jobs generated; (2) number of trade and investment leads serviced; (3) number of firms involved in exporting; and (4) dollar increase in exports of products and services. BDSD works towards long-term relationship building and working in concert with specific industries and organizations towards common goals as evidence of successful programming. External factors interrelate so closely with

most program activities that accurate independent analysis is usually not possible. Area strategic studies have produced community-approved goals, objectives and projects but do not normally include effectiveness components.

J. Further Considerations

Concentration of efforts will be on those programs, projects and activities that will directly benefit existing small businesses and community based organizations - to build entrepreneurial skills, protect against business regulations, increase market and business opportunities and take advantage of available incentives. BDSD will also place focus on new business and investment attraction, and on building strategic and financial alliances to increase exports. International business and trade relations will be limited to China, Japan and Korea; Beijing and Taiwan Offices have also been downsized.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED105
 PROGRAM STRUCTURE NO: 010102
 PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	9.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	829,863	803,076	858,991	858,991	859	859	859	859
OTHER CURRENT EXPENSES	1,148,317	1,154,298	754,298	754,298	704	654	654	654
TOTAL OPERATING COST	1,978,180	1,957,374	1,613,289	1,613,289	1,563	1,513	1,513	1,513
BY MEANS OF FINANCING	9.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,752,203	1,527,374	1,583,289	1,583,289	1,533	1,483	1,483	1,483
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	29,680	30,000	30,000	30,000	30	30	30	30
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	196,297	400,000						
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION			130,000					
EQUIPMENT			370,000					
TOTAL CAPITAL EXPENDITURES			500,000					
BY MEANS OF FINANCING								
G.O. BONDS			500,000					
TOTAL PERM POSITIONS	9.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,978,180	1,957,374	2,113,289	1,613,289	1,563	1,513	1,513	1,513

PROGRAM ID: **BED105**
 PROGRAM STRUCTURE: **010102**
 PROGRAM TITLE: **CREATIVE INDUSTRIES DIVISION**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	3	3.2	3.5	3.5	4.0	4.0	4.0	4.0
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	50	50	53	53	55	55	60	60
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	15	15	17	17	19	19	21	21
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	300	400	350	300	300	300	400	400
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	500	800	400	400	500	500	800	800
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	35	50	40	35	45	45	50	50
7. \$ AMT OF ESTIMATED REBATE - ACT 88/89	53	53	53	53	56	56	70	70
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS	45	45	45	45	50	50	55	55
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)	126	200	200	200	200	200	250	250
PROGRAM TARGET GROUPS								
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	90	90	90	90	95	100	100	100
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	100	125	135	140	150	160	170	180
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)	40	45	55	60	75	80	85	90
PROGRAM ACTIVITIES								
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	2800	2800	2800	2800	2900	2900	3200	3200
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	10	15	18	20	25	30	35	40
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS	10	15	18	23	25	27	30	35
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1	451	451	451	451	451	451	451
TOTAL PROGRAM REVENUES	1	451	451	451	451	451	451	451
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	1	451	451	451	451	451	451	451
TOTAL PROGRAM REVENUES	1	451	451	451	451	451	451	451

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED105: CREATIVE INDUSTRIES DIVISION

01 01 02

A. Statement of Program Objectives

The Creative Industries Division (CID) is the State's lead agency which advocates and expands business opportunities for those sectors which comprise Hawaii's creative economy. Consisting of 53,993 entrepreneurs and 3,823 businesses contributing \$3.6 billion to the State's GDP, Hawaii's creative sectors are also intrinsic to the tourism industry and development of a thriving Innovation based economy. CID's strategic focus is in the areas of talent and infrastructure development supporting media and film production, creative and cultural industry development to create a continuum of job opportunities from education to workforce. CID's Hawaii Film Office (HFO) supports all statutory aspects of film permitting, tax credit, studio management and production attraction and servicing, while the Arts and Culture Development Branch (ACDB) develops initiatives such as Creative Lab Hawaii, which has built a viable creative entrepreneurial ecosystem while maintaining and expanding Hawaii's role as a top destination for film, television and creative media production.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Request \$100,000 reinstatement of Creative Lab funding for neighbor islands.

Request \$500,000 CIP for FY 20 for furniture, fixtures, network and other equipment for the Creative Lab spaces at the Entrepreneurs' Sandbox and Foreign Trade Zone facilities.

C. Description of Activities Performed

CID implements programs targeting the emerging and transitioning sectors and continues to support base growth sectors, including management of the State's film program and the statutory responsibilities of film permitting, film tax incentive management and film studio management.

D. Statement of Key Policies Pursued

1. Development of an economy which embraces innovation, is globally competitive, dynamic and productive, and provides opportunities for all Hawaii's citizens.

2. Management of the statewide film permitting, film tax incentive and developing new creative media/film studio and broadband infrastructure.

3. Igniting opportunities for entrepreneurs and companies who have the potential to launch products or services which are exported, building sustainable, globally relevant businesses.

E. Identification of Important Program Relationships

Strategic partnerships with national organizations, federal agencies and international agencies. CID represents Hawaii on the Creative Economy Coalition (CEC), a sub-committee of the National Creativity Network (NCN), working with 24 other U.S. states to advocate for funding to support America's Creative Economy on a national level. CID partners with industry organizations including: the Association of Film Commissioners; the Recording Academy (Grammys); ASCAP; BMI; Guild of Music Supervisors; the Writers Guild of America; Directors Guild of America; Producers Guild of America; Coalition of Asian Pacific's in Entertainment; Film and Video Association of Hawaii; Hawaii Association of Media Arts; all major television networks, cable and direct to web broadcast networks; major film studios; StartUP America; America Venture Accelerator Network; and Accelerators in creative and international organizations in broadband/photonics network distribution, including CineGrid, Disney Digital Studios, and NTT labs in Japan.

F. Description of Major External Trends Affecting the Program

With the democratization of media changing the face of the film and entertainment industries, Hawaii must maintain a relevant workforce, develop multi-purpose infrastructure and provide broadband services to its citizens, as well as visiting film productions. Trends in mobile and direct to web content creation, product development and services in a rapidly shifting digital world dictate the priorities for the division in terms of initiatives, policy development and infrastructure development. CID's initiatives such as Creative Lab and GVS Transmedia Accelerator provide relevant training and investment opportunities to export creative content globally.

Program Plan Narrative

BED105: CREATIVE INDUSTRIES DIVISION

01 01 02

G. Discussion of Cost, Effectiveness, and Program Size Data

Resources are necessary to support growth in the creative sectors of Hawaii's economy, advance opportunities in the export of creative products, provide infrastructure and gigahub broadband landing sites to expand growth of the creative media and film industry sectors as an economic driver for the State, as well as to take advantage of business opportunities that emerge.

H. Discussion of Program Revenues

1. Hawaii Film Studio - \$50,000/mo; \$600,000 gross/year.
2. Kalaeloa Stage Facility - \$30,000/mo; \$360,000/year.
3. Film production estimated expenditures - \$420M in 2018; \$726M estimated economic impact; estimated 2,800 direct jobs.
4. Estimated taxes generated by total production spend estimated at \$46M.

I. Summary of Analysis Performed

Creative Industries 2017 metrics (DBEDT/READ): increase in total jobs from 49,597 to 53,993; increase in businesses in creative and cultural fields from 3,615 to 3,823; increase in creative sectors civilian jobs from 5.9% to 6.2%; \$3.6 billion Gross Domestic Product (GDP) = 4.1% of total State of Hawaii GDP, and 9.7% growth in the sectors from 2007 to 2017.

J. Further Considerations

Infrastructure: CID collaboratively manages the market analysis, site recommendations and business planning for a Creative Media/Film Studio Complex with the Department of Accounting and General Services and the University of Hawaii West Oahu Campus. In addition, CID, in concert with the High Technology Development Corporation, will open two sites on Oahu (Foreign Trade Zone No. 9 Homer Maxey Center and the Entrepreneurs' Sandbox in Kaka'ako) and on each neighbor island in late 2019, at and through other existing state facilities retrofitted to provide equipment, co-working and tools to support entrepreneurial and business start-ups in creative sectors.

Workforce: CID developed Creative Lab Hawaii to respond to the need for more business savvy among creatives in the State. The year long accelerator program will reach into High Schools this coming year, providing a platform for young aspiring artists in media, music and fashion. This creative continuum plan provides the business acumen and craft to strengthen an entrepreneurial pipeline for creative content and knowledge-based/IP products. Referred to as the "Sundance Institute of the Pacific" Creative Lab is a year round mentoring program which accelerates the creative work of Hawaii's entrepreneurs for global export of their creative content products, and attracts investment capital.

Capital: CID's Hawaii Film Office manages the Motion Picture, Television and Digital Media Tax Credit Program. Estimated production revenues in CY2018 reached an all time high of \$420M.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED107**
 PROGRAM STRUCTURE NO: **010103**
 PROGRAM TITLE: **FOREIGN TRADE ZONE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	13.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,115,442	1,277,104	1,508,668	1,515,786	1,516	1,516	1,516	1,516
OTHER CURRENT EXPENSES	1,005,759	1,001,452	1,001,452	1,001,452	1,001	1,001	1,001	1,001
TOTAL OPERATING COST	2,121,201	2,278,556	2,510,120	2,517,238	2,517	2,517	2,517	2,517
BY MEANS OF FINANCING	13.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	2,121,201	2,278,556	2,510,120	2,517,238	2,517	2,517	2,517	2,517
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	510,000							
EQUIPMENT	340,000							
TOTAL CAPITAL EXPENDITURES	850,000							
BY MEANS OF FINANCING								
G.O. BONDS	850,000							
TOTAL PERM POSITIONS	13.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	2,971,201	2,278,556	2,510,120	2,517,238	2,517	2,517	2,517	2,517

PROGRAM ID: **BED107**
 PROGRAM STRUCTURE: **010103**
 PROGRAM TITLE: **FOREIGN TRADE ZONE**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	3	3	3	3	3	3	3
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	3	3	3	3	3	3	3
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	6	5	5	5	5	5	5
4. # OF NEW FIRMS USING FTZ PROGRAM	30	30	30	30	30	30	30	30
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	5	5	5	5	5	5	5
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	60	60	60	60	60	60	60
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	4	4	4	4	4	4	4
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	0	0	0	0	0	0	0
PROGRAM TARGET GROUPS								
1. FIRMS USING FTZ PROGRAM (NO.)	250	250	250	250	250	250	250	250
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	500	500	500	500	500	500	500
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	70	70	70	70	70	70	70
PROGRAM ACTIVITIES								
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1750	1750	1750	1750	1750	1750	1750
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	7600	7600	7600	7600	7600	7600	7600
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	60	60	60	60	60	60	60
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	0	0	0	0	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	75	75	75	75	75	75	75
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	9	9	9	9	9	9	9	9
CHARGES FOR CURRENT SERVICES	2,171	2,261	2,261	2,261	2,261	2,261	2,261	2,261
TOTAL PROGRAM REVENUES	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270
TOTAL PROGRAM REVENUES	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED107: FOREIGN TRADE ZONE

01 01 03

A. Statement of Program Objectives

To establish, maintain, and administer general-purpose Foreign-Trade Zones (FTZ) and special-purpose Foreign-Trade Sub-zones throughout the State; to provide storage and distribution services to firms engaged in active import and export of merchandise, and leased office, warehouse, and manufacturing space to firms engaged in international trade; and to develop and foster economic development and business growth in the State.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Increased budget for fringe benefits of \$150,000 in special funds for FY 20 and FY 21 requested to keep pace with projected staff fringe benefit rates.

C. Description of Activities Performed

The FTZ Division of the Department of Business, Economic Development and Tourism administers the federal grant for FTZ9, which includes 13 zone sites throughout the State. FTZ9 operates as a public utility to make various economic advantages available to importing and exporting firms.

1. Operates the FTZ public warehousing and manufacturing complex as efficiently and effectively as possible.
2. Provides office, exhibit, warehousing and industrial space through leases and revocable permits.
3. Provides information to local, national and international traders and manufacturers concerning the advantages of operating in Hawaii and under the auspices of the Zone program.
4. Supports the private sector in its efforts to take full advantage of the benefits offered by the FTZ program.
5. Plans for the expansion of services and facilities to meet the needs of firms which qualify for Zone utilization.

D. Statement of Key Policies Pursued

1. Operate the program as a self-sustaining enterprise so that operating expenditures are covered by operating revenues.
2. Provide for the timely expansion of physical plant and facilities support.
3. Operate as a public utility making the advantages of the FTZ program available to firms regardless of size or country of registration.
4. Actively promote Hawaii and its FTZ program.
5. Promote the creation and expansion of special-purpose manufacturing activities in subzones and general-purpose zones throughout the State of Hawaii.
6. Observe and support FTZ Board guidelines to develop new business, promote the Zone concept, assist the port community in expansion, aid national export expansion, increase employment, and protect the revenue.

E. Identification of Important Program Relationships

The Foreign-Trade Zones Board in Washington, D.C., has the oversight authority for all foreign-trade zone operations in Hawaii. Additionally, federal oversight comes from the Port Director for the Honolulu Customs District of the Bureau of Customs and Border Protection. Locally, the State Department of Transportation, Hawaii Community Development Authority, the Hawaii Technology Development Corporation, Creative Industries Division, Small Business Administration, Hawaii Pacific University, University of Hawaii, local Chambers of Commerce, and local manufacturers are important partners in the future development of the FTZ program.

F. Description of Major External Trends Affecting the Program

The development and growth of the program are dependent upon the amount of international trade that is moved through Hawaii, as well as the influences of the international, national, and local economies. Those factors that contribute to increasing the amount of international trade in Hawaii increase the relevancy and importance of the FTZ program.

Program Plan Narrative

BED107: FOREIGN TRADE ZONE

01 01 03

G. Discussion of Cost, Effectiveness, and Program Size Data

Costs for the budget period will increase to keep pace with projected staff fringe benefit increases.

H. Discussion of Program Revenues

Revenues generated by the program consist of fees and charges for Zone usage by firms and for services provided to the Subzone operators. The program operating costs are covered by these revenues which are held in a special fund.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

Moderate growth expected which parallel the projected economic growth of the State.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED142
 PROGRAM STRUCTURE NO: 010104
 PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	24.00*	26.00*	26.00*	26.00*	26.0*	26.0*	26.0*	26.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	1,861,258	2,086,552	2,189,588	2,189,588	2,190	2,190	2,190	2,190
OTHER CURRENT EXPENSES	401,586	136,670	146,670	146,670	146	146	146	146
TOTAL OPERATING COST	2,262,844	2,223,222	2,336,258	2,336,258	2,336	2,336	2,336	2,336
BY MEANS OF FINANCING								
	24.00*	26.00*	26.00*	26.00*	26.0*	26.0*	26.0*	26.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	2,262,844	2,223,222	2,336,258	2,336,258	2,336	2,336	2,336	2,336
CAPITAL IMPROVEMENT COSTS								
PLANS			1,000,000					
DESIGN			1,000,000					
CONSTRUCTION				4,000,000				
EQUIPMENT					3,000	1,000		
TOTAL CAPITAL EXPENDITURES			2,000,000	4,000,000	3,000	1,000		
BY MEANS OF FINANCING								
G.O. BONDS			2,000,000	4,000,000	3,000	1,000		
TOTAL PERM POSITIONS	24.00*	26.00*	26.00*	26.00*	26.0*	26.0*	26.0*	26.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	2,262,844	2,223,222	4,336,258	6,336,258	5,336	3,336	2,336	2,336

PROGRAM ID: **BED142**
 PROGRAM STRUCTURE: **010104**
 PROGRAM TITLE: **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. # OF PROCUREMENT VIOLATIONS	0	0	0	0	0	0	0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	95	95	95	95	95	95
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	98	98	98	98	98	98	98
PROGRAM TARGET GROUPS								
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	302	327	327	327	327	327	327	327
PROGRAM ACTIVITIES								
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	150	150	150	150	150	150	150
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1275	1250	1250	1250	1250	1250	1250	1250
3. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	5	5	5	5	5	5	5
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	1500	1500	1500	1500	1500	1500	1500

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED142: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

01 01 04

A. Statement of Program Objectives

To enhance program effectiveness and efficiency of economic development programs by formulating policies and plans, directing operations, allocating resources, providing staff support and other administrative services, and coordinating with and informing the public about programs, services, projects, and activities.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Small Business Regulatory Review Board requests \$10,000 in general funds for FY 20 and FY 21 to support the expanded number of neighbor island committee members as well as various outreach initiatives to small businesses including the annual maintenance of the existing Web site.

Request \$10,000,000 of CIP funding for FY 20 for a carrier neutral cable landing site on the island of Oahu to attract trans-Pacific cable carriers to Hawaii.

C. Description of Activities Performed

The Office of the Director provides for the overall direction and coordination of statewide economic development and energy programs. It formulates and executes the economic development policies of the Governor and executive branch and executes economic development initiatives proposed and approved by the Legislature.

The Administrative Services Office provides internal management, fiscal, budgetary, contract, personnel, computer and office automation, and other miscellaneous administrative services in support of DBEDT programs and activities.

D. Statement of Key Policies Pursued

The activities of this program focus on facilitating, coordinating, and expediting decision-making in statewide economic development and energy use and development.

The Small Business Regulatory Review Board reviews proposed regulations, rules, laws as to their impact on small businesses in Hawaii.

The Broadband Initiative is to develop a carrier-neutral cable landing site to the island of Oahu.

E. Identification of Important Program Relationships

Relationships are maintained with all major programs and departments of the State; planning, economic development, and energy programs at both Federal and State levels; and with the organizations, institutions, and other segments of commerce and industry.

F. Description of Major External Trends Affecting the Program

There are many externalities that directly and indirectly affect program activities. These include crisis situations such as strikes, natural disasters, or international conflicts which require immediate policy analyses and recommendations for action; national and international fiscal policies and economic conditions; the Federal budget deficit and its attendant effects on the Federal program levels and activities; and the expanding use of local and State fiscal resources in updating and expanding infrastructure systems. Additionally, unemployment, inflation, environmental, and demographic concerns affect planning for economic development and the implementation of priority directions of the Hawaii State Plan.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED113**
 PROGRAM STRUCTURE NO: **0102**
 PROGRAM TITLE: **TOURISM**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	16.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
PERSONAL SERVICES	2,966,755	3,835,979	3,950,093	3,950,093	3,950	3,950	3,950	3,950
OTHER CURRENT EXPENSES	114,870,262	137,533,316	137,533,316	137,533,316	137,533	137,533	137,533	137,533
TOTAL OPERATING COST	117,837,017	141,369,295	141,483,409	141,483,409	141,483	141,483	141,483	141,483
BY MEANS OF FINANCING								
	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	16.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
SPECIAL FUND	117,837,017	141,369,295	141,483,409	141,483,409	141,483	141,483	141,483	141,483
TOTAL PERM POSITIONS	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
TOTAL TEMP POSITIONS	16.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
TOTAL PROGRAM COST	117,837,017	141,369,295	141,483,409	141,483,409	141,483	141,483	141,483	141,483

PROGRAM ID: BED113
 PROGRAM STRUCTURE: 0102
 PROGRAM TITLE: TOURISM

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	16.9	18.34	18.7	19.35	20.02	20.02	20.2	20.2
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE	61%	75%	75%	80%	80%	80%	80%	80%
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)	12903	12750	13280	13280	13280	13280	13280	13280
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII	50%	50%	50%	52%	52%	52%	52%	52%
5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER	6.11	7.00	7.00	7.00	7.00	7.00	7.00	7.00
PROGRAM TARGET GROUPS								
1. JAPANESE TRAVELERS TO THE US (MILLION)	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	43.9	40.5	40.5	40.5	40.5	40.5	40.5	40.5
PROGRAM ACTIVITIES								
1. # SPORTING EVENTS ACTUALLY FUNDED	16	21	21	21	21	21	21	21
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LIVING HWN	131	128	128	128	128	128	128	128
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	13	12	12	12	12	12	12	12
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	174	55	55	55	55	55	55	55
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE	94300	138000	138000	138000	138000	138000	138000	138000
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	46.4	48.0	48.0	48.0	48.0	48.0	48.0	48.0
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	108,500	108,500	108,500	108,500	108,500	108,500	108,500	108,500
REVENUES FROM THE USE OF MONEY AND PROPERTY	9,727	7,123	7,183	7,183	7,183	7,183	7,183	7,183
CHARGES FOR CURRENT SERVICES	24	24	24	24	24	24	24	24
NON-REVENUE RECEIPTS	4,941	3,900	3,900	3,900	3,900	3,900	3,900	3,900
TOTAL PROGRAM REVENUES	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607
TOTAL PROGRAM REVENUES	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED113: TOURISM

01 02

A. Statement of Program Objectives

The Authority serves as a critical bridge linking public and private sectors, integrating and balancing the interests of government, the visitor industry, visitors and state residents to support sustainable economic development, optimize the benefits of tourism, improve visitor experiences and contribute to a good quality of life for residents. The Authority achieves this without General Fund appropriations, and through reinvestment of Transient Accommodations Tax (TAT) revenue into its programs. Based upon market conditions, the Authority aims to maintain a balance between marketing the destination and managing the destination, by providing for experience elements that perpetuate our native culture, while investing in and strengthening our local communities and counties.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The program has no operating or CIP requests for FY 20 and FY 21.

C. Description of Activities Performed

In 2015, the Hawaii Tourism Authority (HTA) developed the HTA Five-Year Strategic Plan 2016 (HTA Strategic Plan) to guide the organization in addressing issues and creating opportunities that will move Hawaii's visitor industry forward.

The HTA Strategic Plan provided aggressive short-term and long-term goals for 2014 (8.25 million visitors, \$194.8 per-person-per-day expenditures, \$14.7 billion economic impact in direct visitor spending) and 2015 (revised and approved by the HTA Board of Directors on August 21, 2014: 8.66 million visitors, \$195.5per-person-per-day expenditures, \$15.4 billion economic impact in direct visitor spending).

The Strategic Plan presents goals and objectives to increase economic activity, sustain the positive net benefits of tourism, grow visitor spending and be an effective organization. This includes a focus on brand sustainability through the perpetuation of our native culture, the development of new experiences and products and by offering capacity building assistance for organizations providing brand experiences.

In 2019 and forward, the HTA will continue to place emphasis on driving demand for our state as a visitor destination, through the execution of our annual Brand Management Plan, which the HTA develops using the HTA Strategic Plan as its guide. This will be accomplished through centralized efforts of the HTA and supervised functions of our global partners for the major market areas of the US, Canada, Japan, China, Korea, Taiwan, Europe and Oceania (Australia and New Zealand) markets. HTA tracks performance of our global partners through systematic reviews of key performance indicators and other initiatives. Of equal importance, HTA will aim toward maintaining an appropriate balance of better managing Hawaii as a destination, through strengthening our communities and emphasizing the importance of responsible travel.

D. Statement of Key Policies Pursued

1. Improve the integrity of the destination. HTA will: a) Increase community support for tourism through monitoring and proactively responding to communities' needs, while also helping to enhance residents' understanding of the value of tourism; and b) Be a better steward of the destination by increasing support for programs that protect Hawaii's natural environment and perpetuate the native Hawaiian culture.
2. Ensure stable economic benefits. HTA will: a) Focus marketing on producing consistent arrivals, including through sustained promotion of other islands beyond O'ahu and more effectively managing the MCI market; and b) Increase visitor expenditures by attracting high-spending visitors.
3. Elevate Hawaii's value perception. HTA will: a) Emphasize maintaining air access to the Hawaiian islands, and help to address other access issues; and b) Protect Hawaii's brand to remain competitive by conducting research to identify consumer needs, developing world-class experiences, and improving visitor safety programs and workforce training.
4. Strengthen HTA and the industry. HTA will: a) Continually improve the organization's ability to lead the industry through increased training, connecting resources between government and other industries, the community and tourism, and through innovation; and b) Ensure transparency and accountability for HTA tourism marketing efforts by implementing the Brand Management Plan and evaluating program results.

Program Plan Narrative

BED113: TOURISM

01 02

E. Identification of Important Program Relationships

Essential to a successful and sustainable tourism economy is the collective effort of public and private sectors, including the HTA, Legislative and Executive Branches of State and county government, visitor industry partners, and local communities. Consistent with this vision, an overarching directive of the HTA Strategic Plan is to connect these resources for the benefit of economic development. In particular, the HTA must maintain relationships with all of the various parties in the private and public sector that have been identified and referenced in these plans, which contribute to the successful implementation of the various activities and efforts necessary to help sustain Hawai'i's tourism economy.

F. Description of Major External Trends Affecting the Program

Tourism remains the number one economic engine for Hawai'i, accounting for approximately 18.9 percent of the state's civilian employment and 16.7 percent of the gross state product. Many events have impacts to tourism, both negative and positive. The worldwide economic crisis and Japan tsunami of March 2011 hurt Hawai'i's tourism economy. More recently, the State was impacted by 2018's Kauai flooding and volcanic eruptions on Hawaii Island, which impacted demand in the market. These events showed the vulnerability of the tourism industry to any crisis and, likewise, the importance of strategic flexibility. While the overall economy has improved, challenges and uncertainties remain in place, including the possibility of falling back into recession, epidemics from disease, U.S. and international fiscal policy, slowdown in certain Asian economies and fluctuation of oil prices.

Despite these challenges, there remains many opportunities for Hawai'i's visitor industry, starting with the execution of the HTA Strategic Plan and concentrated industry efforts to boost arrivals; distribution to the neighbor islands; upturns in various economies; strong business conditions to pave the way for corporations to consider overseas travel; and, continued post-event opportunities to leverage Hawai'i's hosting of the 2011 APEC World Leaders' Summit and 2016 International Union for Conservation of Nature World Conservation Congress which brought worldwide exposure to Hawai'i being an excellent venue for corporations and groups to hold productive and successful business meetings.

In response to these external and ever changing conditions, HTA will continue to monitor the events and trends occurring locally, nationally and globally, to ensure that Hawai'i's programs and activities can respond to, better leverage and appropriately address changing conditions and opportunities.

G. Discussion of Cost, Effectiveness, and Program Size Data

Visitor Statistics	2018 Goals*	2017 Actuals
Visitor Arrivals	9.95 million	8.68 million
Per Person Per Day Spending	\$204.8	\$192.2
Total Statewide Economic Impact	\$18.3 billion	\$16.8 billion

*Forecasts are based DBEDT/READ (Research and Economic Analysis Division) and HTA Tourism Forecast published in the 4th Quarter 2017 Report. The 2017 actual figures were published in the HTA 2017 Annual Research Report.

H. Discussion of Program Revenues

Tourism Special Fund (TSF). HRS Section 237D provides that \$79 million in Transient Accommodations Tax (TAT) shall be allocated to the TSF each fiscal year.

Out of \$554 million in TAT received in fiscal year 2018, HTA received \$108.5 million for the TSF and Convention Center Enterprise Special Fund, \$103 million was distributed to counties, \$3 million was allocated to the Department of Land and Natural Resources (DLNR), \$1.5 million was provided to the Turtle Bay Conservation Easement Fund, \$23.6 million was deposited to the Mass Transit Special Fund and \$315.2 million was added to the general fund.

I. Summary of Analysis Performed

The following information demonstrates how tourism contributes to Hawai'i's economy. In 2016, Hawai'i's tourism economic sector: 1) Produced 16.6 percent of Gross State Product; 2) Accounted for approximately 160,835 jobs or 18.7 percent of total employment for the State; and 3) Contributed \$1.69 billion tax dollars (TAT and other taxes) to state government or 23.4 percent of total state tax revenue.

Program Plan Narrative

BED113: TOURISM

01 02

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	7.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	58.00**	75.00**	75.00**	75.00**	75.0**	75.0**	75.0**	75.0**
PERSONAL SERVICES	7,905,008	9,074,011	9,628,630	9,636,898	9,636	9,636	9,636	9,636
OTHER CURRENT EXPENSES	15,420,315	86,103,041	141,530,159	141,030,159	141,031	141,031	141,031	141,031
TOTAL OPERATING COST	23,325,323	95,177,052	151,158,789	150,667,057	150,667	150,667	150,667	150,667
BY MEANS OF FINANCING								
	1.50*	1.50*	1.50*	1.50*	1.5*	1.5*	1.5*	1.5*
	3.00**	3.75**	3.75**	3.75**	3.8**	3.8**	3.8**	3.8**
GENERAL FUND	3,996,778	3,410,439	3,851,808	3,351,808	3,352	3,352	3,352	3,352
	5.50*	6.50*	6.50*	6.50*	6.5*	6.5*	6.5*	6.5*
	47.00**	61.25**	61.25**	61.25**	61.2**	61.2**	61.2**	61.2**
SPECIAL FUND	16,126,417	83,360,567	140,390,817	140,399,085	140,399	140,399	140,399	140,399
	*	*	*	*	*	*	*	*
	7.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	838,172	964,713	964,713	964,713	965	965	965	965
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS		1,500,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS		240,000	240,000	240,000	240	240	240	240
	*	*	*	*	*	*	*	*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
REVOLVING FUND	2,363,956	5,701,333	5,711,451	5,711,451	5,711	5,711	5,711	5,711
CAPITAL IMPROVEMENT COSTS								
PLANS		1,502,000	5,000,000					
DESIGN		2,248,000						
CONSTRUCTION		4,900,000	1,270,000					
EQUIPMENT			3,630,000					
TOTAL CAPITAL EXPENDITURES		8,650,000	9,900,000					

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
BY MEANS OF FINANCING								
G.O. BONDS		8,650,000	9,900,000					
TOTAL PERM POSITIONS	7.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
TOTAL TEMP POSITIONS	58.00**	75.00**	75.00**	75.00**	75.0**	75.0**	75.0**	75.0**
TOTAL PROGRAM COST	23,325,323	103,827,052	161,058,789	150,667,057	150,667	150,667	150,667	150,667

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED120**
 PROGRAM STRUCTURE NO: **010501**
 PROGRAM TITLE: **HAWAII STATE ENERGY OFFICE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	4.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	24.00**	28.00**	28.00**	28.00**	28.0**	28.0**	28.0**	28.0**
PERSONAL SERVICES	3,788,528	4,057,421	4,205,432	4,205,432	4,205	4,205	4,205	4,205
OTHER CURRENT EXPENSES	5,813,459	14,371,826	921,826	921,826	922	922	922	922
TOTAL OPERATING COST	9,601,987	18,429,247	5,127,258	5,127,258	5,127	5,127	5,127	5,127
BY MEANS OF FINANCING	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND		150,000						
	4.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	24.00**	28.00**	28.00**	28.00**	28.0**	28.0**	28.0**	28.0**
SPECIAL FUND	9,601,987	18,039,247	4,887,258	4,887,258	4,887	4,887	4,887	4,887
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS		240,000	240,000	240,000	240	240	240	240
TOTAL PERM POSITIONS	4.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
TOTAL TEMP POSITIONS	24.00**	28.00**	28.00**	28.00**	28.0**	28.0**	28.0**	28.0**
TOTAL PROGRAM COST	9,601,987	18,429,247	5,127,258	5,127,258	5,127	5,127	5,127	5,127

PROGRAM ID: BED120
 PROGRAM STRUCTURE: 010501
 PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. % OF SOLAR WATER HEATER VARIANCES PROCESSED TIMELY	NO DATA	NO DATA	100	100	100	100	100	100
2. # OF BUSINESSES PARTICIPATING IN GREEN BUS. PROG.	NO DATA	NO DATA	15	15	20	25	25	30
3. # OF ENERGY STAKEHOLDERS REACHED	NO DATA	NO DATA	167360	172380	177551	182877	188363	194013
4. % OF SESF 12 ACTIVATIONS THAT ARE STAFFED	NO DATA	NO DATA	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1. # OF EMERGING AND EXISTING RE PROJECT ENTITIES	NO DATA	NO DATA	120	125	130	135	140	145
2. # OF POTENTIAL GBP PARTICIPANTS CONTACTED	NO DATA	NO DATA	60	60	70	75	75	80
3. # OF BUILDING CODE ORGANIZATIONS	NO DATA	NO DATA	6	6	6	6	6	6
4. # OF ENERGY STAKEHOLDERS AND POLICY MAKERS	NO DATA	NO DATA	2046	2128	2213	2302	2394	2490
PROGRAM ACTIVITIES								
1. # OF TECH. ASSIST. TO PUBLIC & PRIVATE ENTITIES	NO DATA	NO DATA	1500	1500	1500	1500	1500	1500
2. # OF ANALYSES & PROJECTS SUPPORTING CLEAN ENERGY	NO DATA	NO DATA	18	18	18	18	18	18
3. # OF STAFF HOURS SUPPORTING THE EOC FOR SESF 12	NO DATA	NO DATA	1328	1328	1328	1328	1328	1328
4. # OF LEGISLATIVE MEASURES TRACKED AND ADDRESSED	NO DATA	NO DATA	115	115	115	115	115	115
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	3,800	3,800	3,700	3,700	3,700	3,700	3,700	3,700
REVENUES FROM THE USE OF MONEY AND PROPERTY	2	2	2	2	2	2	2	2
REVENUE FROM OTHER AGENCIES: FEDERAL		283						
CHARGES FOR CURRENT SERVICES	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
TOTAL PROGRAM REVENUES	17,802	18,085	17,702	17,702	17,702	17,702	17,702	17,702
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	3,800	4,083	3,700	3,700	3,700	3,700	3,700	3,700
ALL OTHER FUNDS	14,002	14,002	14,002	14,002	14,002	14,002	14,002	14,002
TOTAL PROGRAM REVENUES	17,802	18,085	17,702	17,702	17,702	17,702	17,702	17,702

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED120: HAWAII STATE ENERGY OFFICE

01 05 01

A. Statement of Program Objectives

To achieve the growth, diversification and long-term stability of the State's economy by facilitating the sustained development of Hawaii's clean energy resources.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfer \$13,300,000 special fund ceiling for FY 20 and FY 21 (MOF B) to the Hawaii Green Infrastructure Authority (BED 138) for GEMS bond repayments.

C. Description of Activities Performed

Since the establishment of the Hawaii Clean Energy Initiative in 2008, the State of Hawaii has adopted a statutory and regulatory framework along with tax and other incentives to reduce energy consumption and transition from fossil fuels to indigenous renewable energy resources. Hawaii's renewable portfolio standard (RPS) -- the main metric for measuring progress of renewable energy deployment --, stood at 27.6 percent at the end of 2017. The RPS is on track to hit its interim 2020 target of 30 percent as Hawaii continues to pursue its ultimate target of a 100 percent RPS by 2045. Hawaii State Energy Office (HSEO) is doing its part to help the State fulfill this ambitious agenda through the following priority actions and programs:

Promote Energy Efficiency: 1) conducting data collection; 2) providing training for design professionals on the energy building code; 3) promoting sustainable design in buildings; and 4) promoting utility generation, transmission, and distribution efficiency.

Diversify our Energy Portfolio: 1) assessing renewable energy potentials and impacts; and 2) exploring the interdependence of energy and water.

Establish a Grid for the 21st Century: 1) supporting performance-based ratemaking and identifying transformative technologies for the electric grid; and 2) creating an infrastructure inventory for risk and vulnerability assessment.

Accelerate Clean Transportation: 1) developing a plan for state fleet electrification; 2) analyzing the impact of the electrification of

transportation; and 3) increasing electric vehicle charging options.

D. Statement of Key Policies Pursued

HSEO's activities will help carry out the State's energy objectives and policies for facility systems identified in Chapter 226-18, HRS. The activities are directed toward the achievement of the following: 1) dependable, efficient, and economical statewide energy systems; 2) increased energy self-sufficiency; 3) greater energy security; and 4) reduced greenhouse gas emissions from energy supply and use. Chapters 196 and 226-18, HRS, require State energy planning and project activities in energy efficiency, renewable energy and clean energy resources to support achievement of these energy policies. Chapters 125C and 128, HRS, assign energy emergency and critical energy infrastructure protection planning and response functions to DBEDT, which HSEO conducts with industry and the Hawaii Emergency Management Agency (HIEMA).

E. Identification of Important Program Relationships

U.S. Departments of Energy, Interior, Agriculture; Environmental Protection Agency; National Renewable Energy Laboratory, Hawaii Natural Energy Institute; Hawaii Energy; HIEMA; and the Hawaiian Electric Companies.

F. Description of Major External Trends Affecting the Program

The major energy trends affecting the State include: increasing and volatile oil prices; increased challenges to integrate additional intermittent renewable power sources; an uncertainty in clean energy tax incentives; and an increasing focus on Hawaii as a testbed for deployment of advanced energy technologies. Declining prices for solar photovoltaic panels have supported, and will continue to support, the deployment of renewable energy systems in Hawaii and elsewhere. A shift in policy at the federal level has had a negative impact on the nation's clean energy transformation. Fortunately, Hawaii and a number of other states are stepping up to fill the void of leadership on clean energy.

G. Discussion of Cost, Effectiveness, and Program Size Data

In alignment with the Governor's pledged energy plan priorities, HSEO must be adequately funded and staffed to effectively plan and execute

Program Plan Narrative

BED120: HAWAII STATE ENERGY OFFICE

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policies and programs to develop a clean energy industry in Hawaii.

H. Discussion of Program Revenues

HSEO's primary revenue source is its allocation from the Environmental Response, Energy, and Food Security Tax to the Energy Security Special Fund (ESSF). The ESSF was established under Act 208 (2008) to provide HSEO with a reliable funding source for carrying out Hawaii's energy security and jobs creation agenda. However, the current allocation of funding to the ESSF does not fully support all the personnel and programmatic needs of HSEO. Without an additional allocation, HSEO's ability to plan and carry out its statutory and functional obligations and expectations as Hawaii's lead energy agency is limited.

I. Summary of Analysis Performed

The Hawaii Clean Energy Initiative Scenario Analysis (Booz Allen Hamilton, March 2012) estimated the net present value of capital installation required to meet or approach the State's former 70% clean energy goal by 2030 to be \$16B. With the State's recently adopted goal of 100% RPS by 2045, even greater outside investment, capital, financial and political resources will be required. Additionally, HSEO is developing analytical tools to provide a holistic assessment of Hawaii's energy ecosystem and the interrelationships of sectors and policies such as electricity production and delivery; electrification of ground transportation; energy efficiency, customer adoption of distributed energy resources; land use; and energy system resiliency.

J. Further Considerations

At the current 15 cents allocation of the EREFS Tax, HSEO cannot fully support the activities and projects for pursuing energy independence in Hawaii and the other statutory obligations of the Energy Resources Coordinator, especially in light of the analytical, regulatory, innovation and coordination efforts the HSEO has identified as necessary to achieve the State's mandatory 100% RPS. Given the effectiveness of the HSEO to support energy transformation to date, a fundamental question regarding future revenue is the depth of the commitment of the Executive and Legislative branches of State government for future resources for energy transformation intended to achieve policy objectives for energy security, reliability, affordability, self-sufficiency and environmental compliance.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED143
 PROGRAM STRUCTURE NO: 010502
 PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	13.00**	19.00**	19.00**	19.00**	19.0**	19.0**	19.0**	19.0**
PERSONAL SERVICES	1,475,630	2,161,768	2,202,176	2,202,176	2,202	2,202	2,202	2,202
OTHER CURRENT EXPENSES	4,713,445	8,286,729	8,036,729	7,536,729	7,537	7,537	7,537	7,537
TOTAL OPERATING COST	6,189,075	10,448,497	10,238,905	9,738,905	9,739	9,739	9,739	9,739
BY MEANS OF FINANCING								
	1.50*	1.50*	1.50*	1.50*	1.5*	1.5*	1.5*	1.5*
	3.00**	3.75**	3.75**	3.75**	3.8**	3.8**	3.8**	3.8**
GENERAL FUND	3,996,778	2,585,439	3,851,808	3,351,808	3,352	3,352	3,352	3,352
	1.50*	1.50*	1.50*	1.50*	1.5*	1.5*	1.5*	1.5*
	3.00**	6.25**	6.25**	6.25**	6.2**	6.2**	6.2**	6.2**
SPECIAL FUND	1,354,125	3,898,345	3,922,384	3,922,384	3,922	3,922	3,922	3,922
	*	*	*	*	*	*	*	*
	7.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	838,172	964,713	964,713	964,713	965	965	965	965
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS		1,500,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		1,500,000	1,500,000	1,500,000	1,500	1,500	1,500	1,500
CAPITAL IMPROVEMENT COSTS								
PLANS		1,500,000						
DESIGN		1,000,000						
CONSTRUCTION		4,900,000	100,000					
EQUIPMENT			400,000					
TOTAL CAPITAL EXPENDITURES		7,400,000	500,000					
BY MEANS OF FINANCING								
G.O. BONDS		7,400,000	500,000					
TOTAL PERM POSITIONS	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
TOTAL TEMP POSITIONS	13.00**	19.00**	19.00**	19.00**	19.0**	19.0**	19.0**	19.0**
TOTAL PROGRAM COST	6,189,075	17,848,497	10,738,905	9,738,905	9,739	9,739	9,739	9,739

PROGRAM ID: **BED143**
 PROGRAM STRUCTURE: **010502**
 PROGRAM TITLE: **HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	275	275	300	300	300	300	300	300
2. MKTG: # OF INDIVIDUALS OR COMPANIES ASSISTED	36200	36200	36300	36300	36300	36300	36300	36300
PROGRAM TARGET GROUPS								
1. # OF POTENTIAL TECH-BASED COMPANIES	1350	1350	1400	1400	1400	1400	1400	1400
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	25	25	25	25	25	25	25	25
PROGRAM ACTIVITIES								
1. # OF CONTACTS AND RESPONSES	57900	57900	58000	58000	58000	58000	58000	58000
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	85	51	51	18	18	18	18	18
REVENUE FROM OTHER AGENCIES: FEDERAL	2,200	4,500	2,700	2,700	500	500		
REVENUE FROM OTHER AGENCIES: ALL OTHER		90						
CHARGES FOR CURRENT SERVICES	678	108	108	108	108	8	8	8
TOTAL PROGRAM REVENUES	2,963	4,749	2,859	2,826	626	526	26	26
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	697	249	159	126	126	26		
ALL OTHER FUNDS	2,266	4,500	2,700	2,700	500	500	26	26
TOTAL PROGRAM REVENUES	2,963	4,749	2,859	2,826	626	526	26	26

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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A. Statement of Program Objectives

To develop and promote Hawaii's science and technology assets and resources to benefit the commercial sector; implement programs to support the attraction, expansion, and retention of technology companies; support firms engaged in technology research and investment, and projects that support national and State interests; utilize facilities and infrastructure in Hawaii to foster commercial technology development; and promote and provide support for businesses involved in areas, including, but not limited to: information and telecommunication technology, biotechnology, medical health care technology, renewable energy and clean tech and earth/ocean/space science technologies.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Operating Request:

1. Request \$1,000,000 in general funds for FY20 and FY21 for HSBIR Phase II and III.
2. Request \$500,000 in general funds for FY20 and FY21 for MAP Grant program.
3. Request \$750,000 in general funds for FY20 and FY21 for Excelsior program.
4. Request \$500,000 in general funds for FY20 for HONR Grant program.

CIP Funding Request:

HTDC is seeking \$500,000 for FY 20 for CIP contingencies and FF&E for the Entrepreneurs' Sandbox. The project received a \$3 million CIP appropriation for construction (including budget for contingencies and FF&E). The request was based on a cost estimate provided by the architect's estimator off of schematic design. After appropriation, the actual construction bids came in higher due to rising construction costs and refinements added in the construction drawings. The project was value engineered into the budget and the money that was appropriated for contingency and FF&E was reallocated for construction. The project has experienced several new requirements where contingencies would typically be used - the removal of a light pole and the widening of an easement for the utility company. Without funding, the Sandbox project opening may be delayed and will take longer to get to break-even occupancy revenues.

C. Description of Activities Performed

Activities include:

1. Provide infrastructure to support technology company formation: a) operation of incubation programs at the Manoa Innovation Center (MIC) and Maui Research & Technology Center (MRTC). The programs provide mentoring, training, support services, and office space. The centers also offer a virtual membership to companies that need assistance but don't require office space. 119 companies were tenants or members with 10 companies graduating in 2018; b) development and operation of the Entrepreneurs' Sandbox, a community innovation center for all ages to explore and turn ideas into products. The project is funded by the State, \$3 million federal grant from the Economic Development Administration, and a \$1.325 million donation from the private sector; c) development of technology parks that support small manufacturers and/or technology-based companies. Current projects are the Hilo Innovation and Manufacturing Center and the First Responder Tech Campus; d) administration of grants to support Hawaii based accelerator programs. The accelerator programs provide seed funding and training to select companies with high growth potential. Each accelerator has secured a minimum of 1:1 match for the grant. The accelerators have invested into 77 companies; e) operation of the Neighbor Island Innovation Initiative (NI3). The program provided ongoing business consulting services to 86 companies on Hawaii and Kauai islands with 29 new companies last year.

2. Administer matching grant programs for Hawaii tech and manufacturing small businesses: a) Hawaii Small Business Innovation Research (SBIR) program - 23 applications received, 17 funded, \$1.4 million awarded matched by \$10.2 million in Federal SBIR awards. HTDC hosts informational and training workshops throughout the year and throughout the state to encourage new companies to participate and help accelerate the advancement of their technologies. In 2018 HTDC received a \$125,000 federal grant from the US Small Business Administration to expand the SBIR program participation on the Neighbor Islands; b) Manufacturing Assistance Program - 51 applications received, 29 funded, \$30,000 awarded matched by \$13.6 million company investment. The program provides incentives for manufacturers to expand and improve their global competitiveness. The program hosts informational sessions throughout the state; c) Alternative Energy Research and Development program - amended Hawaii Administrative

Program Plan Narrative

BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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Rules to renew this pilot project that provides matching grants to Office of Naval Research funded commercial energy research projects to make Hawaii energy efficient; and d) Research and Development program - consulted with other State departments and established Hawaii Administrative Rules to implement this new program providing matching grants to Hawaii based companies who claim the federal R&D tax credit.

3. Secure funding and operate federally funded programs: a) Hawaii Center for Advanced Transportation Technologies (HCATT) has on-going demonstration projects at Joint Base Pearl Harbor Hickam (JBPHH). The program has secured an additional \$10 million federal dollars for their projects, making the total \$32 million in funding; and b) Innovate Hawaii is the federal National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) center for Hawaii. The program is operating on a \$2.5 million federal 5 year agreement, awarded in 2017, to help small to medium size manufacturing companies become more globally competitive. The program secured an additional \$340,000 in federal grants this past year to support a 3-year apprenticeship program and to expand their support for Hawaii manufacturers.

4. Promote the tech sector to encourage participation, stakeholder investment and growth: a) host and sponsor conferences, workshops, and networking events. Twenty-four events were sponsored with over 64,000 attendees. Over 50 employers participated in the 18th annual tech job fair; b) update the HTDC website and social media outlets for promoting the technology sector (e.g., Facebook pages, Twitter); c) operate the TechJobsHawaii.org website; d) public relations, publications, editorials, and spots on tech-related television programs; and e) provides the State annual economic metrics of HTDC program outcomes.

5. Stimulate the growth of Hawaii's Tech Workforce Organized roundtable discussion with local employers on gaps in the workforce and training needs. Work with tech training organizations, workforce organizations and educational institutions on curriculum development. HTDC hosted its 18th Annual Holiday Tech Job Fair doubling its number of tech employers hiring and nearly 400 people attending. The purpose is to showcase the job opportunities while kamaaina are home for Christmas.

6. Collaborate with DBEDT, other State departments, and economic development groups to craft coordinated policies and/or programs for the

technology and innovation sectors.

D. Statement of Key Policies Pursued

The tech-based economic development programs and activities will focus on: a) ongoing enhancement of the entrepreneurial campus programs at the incubation centers; b) maintaining, increasing and better aligning federal and state partnerships; c) reinstating our commitment to serve statewide by increasing neighbor island partnerships; and d) providing input on tech based economic development policies.

E. Identification of Important Program Relationships

Important program relationships include: the Legislature, Chambers of Commerce, County Economic Development Boards, Department of Commerce NIST, U.S. Air Force and JBPHH, Small Business Administration, Maui High Performance Computing Center, CIO Roundtable, Pacific Center for Advanced Technology Training, Small Business Development Center, Hawaii Food Manufacturers Association, State Departments of Agriculture, Labor, Public Safety, Accounting and General Services, Taxation, Education, and Commerce and Consumer Affairs, the University of Hawaii (UH) Commercialization Center (previously OTTED), UH Department of Engineering, Department of Computer Science and many UH student groups, all business accelerators, Maui College, Kapiolani Community College, Leeward Community College, Honolulu Community College, the East West Center, HSDC, NELHA, HCDA, and FTZ.

F. Description of Major External Trends Affecting the Program

1. The loss of the Manoa Innovation Center, Oahu's only tech incubator and HTDC's main source of special fund revenue has caused a significant reduction in funds available for its programming. HTDC has reduced or cut its core programs and services and will exhaust the special fund at the end of the fiscal year. HTDC requires staff positions to be converted from special to general funds to maintain its staff and operations.

2. Occupancy in Maui at MRTC has been down for the past 3 years, due in part to real estate market conditions and the reduction of government contracting opportunities available. The net result requires HTDC to

Program Plan Narrative

BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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subsidize a portion of MRTC's common area maintenance expenses. HTDC has been forced to use MRTC facility capital improvement reserves to cover the losses.

3. Expiration of the lease at MIC in 2018 requires HTDC to look for an alternative facility. HTDC is exploring all options to operate a much-needed facility for the startup technology companies.

4. Lack of capital financing for tech start-ups, regulations and high operational costs force Hawaii technology companies to move outside the state.

5. Many tech companies are inexperienced start-ups or university researchers that lack the business knowledge to successfully commercialize their innovations. Focused business training is needed to assist the firms in accelerating products to market.

6. Internet bandwidth needs to be upgraded and be affordable to the overall population.

Assistance Program (MAP); the Hawaii Office of Naval Research Grant (HONR); and the Excelsior Grant program are included in the HTDC Biennium Budget. These programs have been proven to contribute significantly to Hawaii's economy. Last year companies receiving matching grant programs contributed over \$1 billion to the economy. HTDC is seeking recurring funding for these programs.

G. Discussion of Cost, Effectiveness, and Program Size Data

The biennium budget requests include funding within the current appropriation for the general, special and revolving funds. There are 1,250 and 1,300 tech and manufacturing companies, targeted in the biennium years to be served by HTDC.

H. Discussion of Program Revenues

Program revenues are primarily generated from rents and user fees charged to tech center occupants. Other revenues include fees from conferences, interest, and MEP client contracts or private sector grants. The MEP and HCATT programs receive funding from federal sources. HTDC uses special fund revenue as a match for the MEP program.

I. Summary of Analysis Performed

None.

J. Further Considerations

The HTDC matching grant programs: HSBIR II & III; the Manufacturing

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED145**
 PROGRAM STRUCTURE NO: **010503**
 PROGRAM TITLE: **HAWAII STRATEGIC DEVELOPMENT CORPORATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	208,305	166,927	189,927	189,927	190	190	190	190
OTHER CURRENT EXPENSES	2,162,153	6,642,922	6,630,040	6,630,040	6,630	6,630	6,630	6,630
TOTAL OPERATING COST	2,370,458	6,809,849	6,819,967	6,819,967	6,820	6,820	6,820	6,820
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	6,502	2,608,516	2,608,516	2,608,516	2,609	2,609	2,609	2,609
	*	*	*	*	*	*	*	*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
REVOLVING FUND	2,363,956	4,201,333	4,211,451	4,211,451	4,211	4,211	4,211	4,211
CAPITAL IMPROVEMENT COSTS								
PLANS			5,000,000					
TOTAL CAPITAL EXPENDITURES			5,000,000					
BY MEANS OF FINANCING								
G.O. BONDS			5,000,000					
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	2,370,458	6,809,849	11,819,967	6,819,967	6,820	6,820	6,820	6,820

PROGRAM ID: **BED145**
 PROGRAM STRUCTURE: **010503**
 PROGRAM TITLE: **HAWAII STRATEGIC DEVELOPMENT CORPORATION**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	0	3000000	5000000	0	0	0	0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	0	2	1	1	0	0	0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED	5	5	10	10	5	5	0	0
PROGRAM TARGET GROUPS								
1. ENTREPRENEURIAL START-UP COMPANIES	40	40	40	30	30	0	0	0
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS	20	20	20	20	20	20	20	20
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	5	5	5	5	5	5	5	5
PROGRAM ACTIVITIES								
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	0	500000	0	0	0	0	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	3	1	2	3	3	0	0	0
3. ENTREPRENEURIAL TRAINING PROGRAMS	1	0	0	0	0	0	0	0
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	18	10	5	5	5	5	5	5
REVENUE FROM OTHER AGENCIES: ALL OTHER		200	200	200	200	200	200	200
TOTAL PROGRAM REVENUES	18	210	205	205	205	205	205	205
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	18	210	205	205	205	205	205	205
TOTAL PROGRAM REVENUES	18	210	205	205	205	205	205	205

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED145: HAWAII STRATEGIC DEVELOPMENT CORPORATION

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A. Statement of Program Objectives

To create funding mechanisms for investment in emerging technology companies by developing networks to organize public and private sources of capital and develop the infrastructure to support venture capital in Hawaii.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Operating Funding Request:

Request transfer of \$12,882 from other current expenses to personal services in FY 20 and FY 21 to cover a shortfall in payroll.

CIP Funding Request:

The Hawaii Strategic Development Corporation (HSDC) is requesting a \$5 million General Obligation Bond Fund cash infusion into its revolving fund in FY 20. This will allow for the continuation and expansion of its successful venture capital program. The venture capital program will invest, in partnership with the private sector, in three key areas: 1) entrepreneur development; 2) accelerator programs in key industry sectors; and 3) access to start-up capital to grow and scale businesses. A portion of the funds will be used for program management; e.g., legal work, industry networking events, and studies to measure program effectiveness.

HSDC has demonstrated that it can implement investment programs cost effectively by working closely with private sector partners in the execution of its programs and does not duplicate or compete with private sector efforts, or other state agencies. HSDC seeks to invest where there are gaps in the private sector's ability to support innovation and commercialization. HSDC's programs achieve core State objectives of economic development, economic diversification and the creation of high wage jobs in Hawaii.

C. Description of Activities Performed

Manage a venture capital fund of funds investment program to mobilize capital for Hawaii's emerging technology companies and earn a return on capital. Organize and participate in venture capital conferences and entrepreneur focused events that help to inform Hawaii's venture capital community and network Hawaii businesses with sources of capital.

D. Statement of Key Policies Pursued

HSDC's programs achieve core State objectives of economic development, economic diversification and the creation of high wage jobs in Hawaii. In particular, the HI Growth Initiative directly addresses the objectives of Section 226-10 of the State Plan to develop new sources of economic growth for the state by supporting innovative activities.

HSDC will continue to serve as a catalyst where needed to fill gaps in Hawaii's venture capital sector and support entrepreneurial development by providing programs and networking to assist companies to gain skills and capital needed to grow their businesses.

E. Identification of Important Program Relationships

HSDC, the Hawaii Technology Development Corporation and the Natural Energy Laboratory of Hawaii Authority maintain seats on each others' boards and HSDC works with these agencies to promote investments in their client companies. HSDC also works with the University of Hawaii (UH) to assist in the commercialization of UH intellectual property. HSDC provides support to DBEDT's energy, science and technology, and creative industry sectors in the area of mobilizing finance. Externally, HSDC works with county economic development entities to support entrepreneurial development and to provide advice on capital raising issues for start-up companies. HSDC is networked with private sector investors and entrepreneur organizations. Finally, HSDC works closely with its investee funds and companies and potential funds and companies seeking to raise investment capital, in particular the Employees' Retirement System's (ERS) Hawaii venture capital program.

F. Description of Major External Trends Affecting the Program

HSDC earlier investment program, the HI Growth Initiative achieved a significant increase in entrepreneurial activity in the State as documented by the Kauffman Foundation of Growth Entrepreneurship Index: Hawaii ranked 2nd in the 2017 Small State Category, an increase of 9 places in the ranking. A recent analysis of Hawaii venture activity shows a consistent investment amount of \$20 million annually resulting from HSDC's investment in the ecosystem. Hawaii's institutional investors, such as Kamehameha Schools, ERS, and the UH Foundation are providing significant support to the venture community. The Hawaii

Program Plan Narrative

BED145: HAWAII STRATEGIC DEVELOPMENT CORPORATION

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corporate sector, Queen's Health Systems, HMSA, and HECO are also engaging directly with the innovation sector. Some successful Hawaii startups are still choosing to leave the State in order to achieve their business objectives as Hawaii has not kept pace with the needed investment in the infrastructure, workforce and capital resources needed by entrepreneurial, high growth companies to allow them to grow and scale their businesses in Hawaii. The HI Growth Initiative was one key program to address this problem, but it has not been supported after its initial funding in 2013.

G. Discussion of Cost, Effectiveness, and Program Size Data

HSDC has operated a lean organization overseeing more than \$20 million in investment funds with just one full-time employee. HSDC has consistently operated within its budget allocation and efficiently deploys capital when available.

HSDC's mission is to attract private investment capital. The US Department of Treasury reported that Hawaii achieved 33x private capital leverage on its State Small Business Credit Initiative (SSBCI) allocation, the highest in the nation. The SSBCI program allocation provided HSDC with \$13 million to launch its venture fund of funds program.

H. Discussion of Program Revenues

Program revenues are based on investment returns. Liquidity events impacting portfolio companies typically take place in the form of initial public offerings of the company's stock or the company being acquired by another firm. These events are extremely difficult to predict with any accuracy, and therefore revenue projections are highly speculative.

Investment returns have begun to materialize as the portfolio matures, but are too small at this stage to fund the program. It will take several more years for companies receiving investment to mature and return capital back to investors.

I. Summary of Analysis Performed

The Economic Research Organization at the UH (UHERO) reviewed the investment activity and economic impact of HSDC's venture capital program and has concluded that economic development objectives are

being met. The conclusions were published in the February 2016 report, "The Evolution of the HI Growth Initiative." UHERO found that HSDC leveraged state resources 11x and that HSDC's investment resulted in "the rapid growth in Hawaii based accelerators [that] may finally provide the necessary impetus to draw attention to entrepreneurship in the state, leading to further growth in venture capital, one of the necessary ingredients in a vibrant innovation ecosystem".

Startup Capital Ventures documented the growth in venture capital investment in Hawaii in their report, "Hawaii Venture Capital 2010 to 2018". The analysis showed that the HI Growth Initiative had a significant impact by increasing deal flow from 2012 onward through its establishment of various accelerator programs and investment funds. Annual venture capital investment in the State is now averaging \$20 million a year. Early stage deal flow shows a decline after 2016 when the HI Growth Initiative began to scale back due to lack of funding. Many of the companies launched during this period will require later stage funding and there are very few funds in Hawaii to provide this type of funding. As a result, the more successful companies are choosing to relocate outside the state to access the resources they need to grow and scale.

J. Further Considerations

Significant private sector support has been provided to HSDC's venture capital investment efforts and just maintaining the scale of recent activity will unlock more private sector resources to leverage the State's investment. Developing a vibrant innovation sector will be a long-term effort. Hawaii was once a leader, but is now falling behind many states in developing the ecosystem to support entrepreneurial, high growth businesses. To succeed at this effort and to compete with other states for talent and capital, Hawaii must communicate to the entrepreneur and investor communities a consistent, long-term commitment to support this sector. Consistent support for a successful program like the HSDC venture capital program will communicate that commitment.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED146
 PROGRAM STRUCTURE NO: 010504
 PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	16.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
PERSONAL SERVICES	1,865,333	2,008,887	2,095,056	2,103,324	2,103	2,103	2,103	2,103
OTHER CURRENT EXPENSES	2,460,287	6,480,572	5,805,572	5,805,572	5,806	5,806	5,806	5,806
TOTAL OPERATING COST	4,325,620	8,489,459	7,900,628	7,908,896	7,909	7,909	7,909	7,909
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND		675,000						
	*	*	*	*	*	*	*	*
	16.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
SPECIAL FUND	4,325,620	7,814,459	7,900,628	7,908,896	7,909	7,909	7,909	7,909
CAPITAL IMPROVEMENT COSTS								
PLANS		2,000						
DESIGN		1,248,000						
CONSTRUCTION			1,170,000					
EQUIPMENT			3,230,000					
TOTAL CAPITAL EXPENDITURES		1,250,000	4,400,000					
BY MEANS OF FINANCING								
G.O. BONDS		1,250,000	4,400,000					
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	16.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
TOTAL PROGRAM COST	4,325,620	9,739,459	12,300,628	7,908,896	7,909	7,909	7,909	7,909

PROGRAM ID: **BED146**
 PROGRAM STRUCTURE: **010504**
 PROGRAM TITLE: **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	6	6.5	6.8	7	7.4	7.7	7.7	7.7
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	4500	4500	4500	4500	4500	4500	4500	4500
3. TOTAL TENANT REVENUE (\$M)	68	71	71	71	71	71	71	71
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	10	10	10	10	10	10	10	10
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	99.999	99.999	99.999	99.999	99.999	99.999
PROGRAM TARGET GROUPS								
1. COMMERCIAL TENANTS	30	30	30	30	30	30	30	30
2. PRE-COMMERCIAL TENANTS	12	13	13	13	13	13	13	13
3. RESEARCH/EDUCATION/OTHER TENANTS	15	15	15	15	15	15	15	15
4. PUBLIC OUTREACH PARTICIPANTS	6000	6000	6000	6000	6000	6000	6000	6000
PROGRAM ACTIVITIES								
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	460	480	480	480	480	480	480	480
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)	150	150	150	150	150	150	150	150
3. TOTAL NUMBER OF NELHA TENANTS	55	56	56	56	56	56	56	56
4. PERCENTAGE OF NELHA LAND IN USE	45	47	47	47	47	47	47	47
5. TOTAL CUMULATIVE CIP: TENANT, STATE, FEDERAL (\$M)	140	150	150	150	150	150	150	150
6. BEACH PARK USE (# OF ATTENDEES)	133000	139000	139000	139000	139000	139000	139000	139000
7. CEMP (# OF REGULATORY AGENCIES)	7	7	7	7	7	7	7	7
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	2,190	2,256	2,323	2,395	2,466	2,540	2,540	2,540
REVENUE FROM OTHER AGENCIES: FEDERAL	111							
CHARGES FOR CURRENT SERVICES	3,125	3,219	3,315	3,416	3,517	3,623	3,623	3,623
TOTAL PROGRAM REVENUES	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163
TOTAL PROGRAM REVENUES	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY

01 05 04

A. Statement of Program Objectives

The Natural Energy Laboratory of Hawaii Authority (NELHA) has seven (7) key objectives: 1) Innovation - Operate and maintain the Hawaii Ocean Science and Technology (HOST) Park in a manner that facilitates, attracts, and promotes new and unique uses of the ocean and clean technology energy resources; 2) Financial Resources - Maintain operational self-sufficiency by broadening revenue streams and diversifying funding sources; 3) Productivity - Increase the number of quality research and commercial clients in HOST Park while improving the cost-effective utilization of staff and facilities to increase and upgrade services; 4) Profit Requirement - Provide a positive total economic impact to the community and State through generating revenues to NELHA, commercial client revenues and non-State employment; 5) Marketing - Attract and promote ocean and energy research and commercial activities; 6) Physical Resources - Provide infrastructure and support facilities/equipment suitable for optimal operation of HOST Park and clients; and 7) Social and Cultural Responsibility - Facilitate and develop educational and information programs for ocean and energy subjects which relate to NELHA activities.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

NELHA is not requesting additional operating or CIP funds for FY 20 and FY 21.

C. Description of Activities Performed

- 1) Market, manage and operate facilities.
- 2) Identify, develop and implement revenue enhancement opportunities, which support NELHA's objectives and its efforts to maintain operational self-sufficiency and sustainability.
- 3) Operate and maintain unique transmission and distribution systems for large volumes (approximately two tons per second) of deep and surface seawater and increase cost efficiency by investing in technology.
- 4) Implement an infrastructure plan for HOST Park considering full build out adequate integrated energy district, roads, telecommunications, efficient pipeline distribution systems, and greenways.

5) Operate a water quality laboratory for an environmental monitoring program that samples groundwater, near shore water and offshore water; these are required activities to maintain the Special Management Permit under which all clients are able to operate at HOST Park.

6) Provide informational and educational material and lectures to school classes (K-12 and university level), professional associations, community groups, international visitors, legislators, and the general public. Some 5,000 visitors visited HOST Park during the past fiscal year.

D. Statement of Key Policies Pursued

HRS, 226-4(1): "to achieve a strong viable economy, characterized by stability, diversity, and growth" is reflected by marketing HOST Park and its unique natural resources to bring in a diversity of research projects and commercial businesses that utilize the facility and create new jobs.

HRS, 226-13: physical environment - land, air and water quality policy is enforced at HOST Park by maintaining class AA offshore waters through a water quality monitoring program and supporting other such programs in the State.

HRS, 226-18(c)(1): "Support research and development as well as promote the use of renewable energy sources" is implemented by: a) Facilitating research and development of sustainable clean technology energy sources such as ocean thermal energy conversion (OTEC), photovoltaic, biofuels, hydrogen and other sources; b) Using deep seawater, solar heat, and other alternative energy sources to operate NELHA facilities whenever feasible, including the use of cold deep seawater for air-conditioning; and c) Offering presentations and information about renewable energy to the general public, educational entities, other individuals and businesses.

HRS, 226-103: State economic priority guidelines are carried out by: a) Providing land and support to research and commercial activities, which will strengthen a diversified and sustainable economy; and b) Encouraging businesses that provide jobs at all levels for local residents and have minimal impact on Hawaii's environment.

Program Plan Narrative

BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY

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E. Identification of Important Program Relationships

1. The private sector has been responsible for all the development of alternate and clean technology energy sources. NELHA has developed strong relationships with the public and such private sector interests to maximize resources and partner with them to result in higher achievements. Most notable, NELHA continues to work closely with the National Renewable Energy Laboratory, Sandia National Laboratory, Pacific Northwest National Laboratory, High Technology Development Corporation, Hawaii Strategic Development Corporation, Hawaii State Energy Office, University of Hawaii and the County of Hawaii.
2. NELHA has developed strong national ties as efforts continue to develop the Hawaii Gateway Energy Center and is strongly supported by the private non-profit Friends of NELHA.
3. NELHA's ties with research and development based tenants and commercially viable tenants have furthered the commercial development and aquaculture.

F. Description of Major External Trends Affecting the Program

1. The cost of electricity continues to have a significant impact on NELHA operations.
2. NELHA has developed into a world-class site for the production of algae and other marine aquaculture products and a significant portion of the State's overall aquaculture industry is based at NELHA.
3. Worldwide focus on clean energy has increased the interest in OTEC technology and other forms of alternative energy which will assist NELHA in attracting new businesses and research to HOST Park.
4. Strong worldwide demand for desalinated drinking water from NELHA has developed into one of the State's largest export industries.
5. Private sector interests have supported new projects and construction.

G. Discussion of Cost, Effectiveness, and Program Size Data

NELHA continues to operate in a self-sufficient manner and receives no

general fund support for its operations. NELHA has received CIP funds for public goods such as infrastructure development to benefit the overall community. A recent analysis by UHERO indicates that NELHA generates an economic impact approaching \$134 million annually and creates over 600 jobs and over \$5M in State tax revenue.

H. Discussion of Program Revenues

Revenues continue to increase and current projections show that based on current lease structure, they are continued to show healthy growth and increase over the next five years.

I. Summary of Analysis Performed

NELHA recently completed updates of its master plan, strategic plan, marketing and distributed energy resources plans. These plans will continue to guide the desired growth of NELHA and increase its revenue base. In addition, NELHA contracted with UHERO to complete an economic impact study for activity in the park in 2010 and 2013. Results from the most recent economic impact study shows growth of 40 percent during the three year period.

J. Further Considerations

HOST Park began in 1974 and is over 40 years old. The park is making a significant economic impact and specifically in West Hawaii. However, some of the buildings and infrastructure in the park are aging and need to be renovated and/or replaced. In addition, until recently, electricity costs continue to be a significant cost and burden on businesses located in the park. Accordingly, NELHA needs to provide office space, modernize its pumping system and stabilize electrical costs to maintain an ecosystem favorable to continued economic development. As such, NELHA considers the completion of an incubator/accelerator; automation of its seawater system; and the development of a sustainable integrated energy district in HOST Park as mission critical activities.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED138**
 PROGRAM STRUCTURE NO: **010505**
 PROGRAM TITLE: **HAWAII GREEN INFRASTRUCTURE AUTHORITY**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	4.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
PERSONAL SERVICES	567,212	679,008	936,039	936,039	936	936	936	936
OTHER CURRENT EXPENSES	270,971	50,320,992	120,135,992	120,135,992	120,136	120,136	120,136	120,136
TOTAL OPERATING COST	838,183	51,000,000	121,072,031	121,072,031	121,072	121,072	121,072	121,072
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	4.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
SPECIAL FUND	838,183	51,000,000	121,072,031	121,072,031	121,072	121,072	121,072	121,072
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	4.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
TOTAL PROGRAM COST	838,183	51,000,000	121,072,031	121,072,031	121,072	121,072	121,072	121,072

PROGRAM ID: **BED138**
 PROGRAM STRUCTURE: **010505**
 PROGRAM TITLE: **HAWAII GREEN INFRASTRUCTURE AUTHORITY**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. % FINANCING FOR UNDERSERVED TARGET	75.3%	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%
2. ESTIMATED KWH PRODUCTION OVER LIFETIME (000)	108,835	35,916	35,916	35,916	35,916	35,916	35,916	35,916
3. EST KWH REDUCTION OVER LIFETIME (000)	529,715	174,806	174,806	174,806	174,806	174,806	174,806	174,806
4. EST BARRELS OF PETROLUUM DISPLACED (000)	392.2	129	129	129	129	129	129	129
5. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)	192.2	63	63	63	63	63	63	63
6. TOTAL GEMS LOANS DEPLOYED (000)	15,610	15,000	15,000	15,000	15,000	15,000	15,000	15,000
7. ESTIMATED NET COST SAVINGS	130,430	43,042	43,042	43,402	43,402	43,402	43,402	43,402

PROGRAM TARGET GROUPS

1. RESIDENTIAL RATE PAYERS (HOMEOWNERS/RENTERS)
2. COMMERCIAL RATEPAYERS

PROGRAM ACTIVITIES

1. ORIGINATE AND SERVICE CLEAR ENERGY LOANS

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY

01 05 05

A. Statement of Program Objectives

The Hawaii Green Infrastructure Authority (HGIA) deploys the Green Energy Market Securitization (GEMS) Bond proceeds to provide access to affordable financing to Hawaii ratepayers, including those who are underserved, such as low and moderate-income homeowners, renters and non-profit organizations. The GEMS Loan Program is intended to create a sustainable financing structure through market driven public/private partnerships that will open access to financing for more Hawaii customers and democratize access to clean energy.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

1. DBEDT has transferred the oversight responsibility of the GEMS Bond to HGIA. Accordingly, HGIA is requesting the transfer of the \$13.3 million Special Fund Ceiling for FY 20 and FY 21 for the GEMS Bond Fund from the Hawaii State Energy Office (BED 120) to enable GEMS bond repayments to be made, per the terms of the bond indenture.
2. In order to be compliant with the Indenture of Trust between DBEDT and U.S. National Bank Association, the appropriation ceiling for the GEMS Bond Fund must be increased by \$6.515 million in FY 20 and FY 21 to equal 1.5 times the amount of the scheduled bond repayments.
3. With the passing of Act 121/SLH 2018, which established a \$50.0 million sub-fund under HGIA's GEMS Special Fund, to create an energy efficiency revolving line of credit for state agencies, HGIA is requesting a \$50.0 million ceiling in FY 20 and FY 21 to make loans to state agencies adopting energy efficiency measures.
4. Based on scheduled salary increases, coupled with the calculation of Fringe Benefits at 60% aggregate salary, the Fringe Benefit allotment needs to be increased by \$230,000 to meet State budgeting guidelines.

C. Description of Activities Performed

HGIA was established in November 2014 to create the GEMS Loan Program (Program), to provide loans to Hawaii customers for the installation of clean energy technologies - with an initial focus on solar photovoltaic. The Program launched its then new loan products in mid-2015.

Shortly after Program launch, due to the adverse economic impact of Net Energy Metering (NEM) on the utilities, the Public Utilities Commission

(PUC) suspended NEM in October 2015. This significantly changed the market for solar PV resulting in the demand for related solar loans to dramatically decline, which caused the Program to temporarily stall as it re-evaluated options and re-strategized its future vision and focus.

However, over the past fiscal year, the Program has been successful in expanding its product mix to include residential energy efficiency, commercial energy efficiency and an on-bill repayment mechanism. To date, the Program has committed \$74.5 million in GEMS loan funds facilitating over \$95.0 million in clean energy projects.

D. Statement of Key Policies Pursued

There are two significant policy objectives for GEMS and the HGIA: 1) to help the State of Hawaii reach its clean energy goals by 2045 by financing and facilitating the installation of clean energy technologies; and 2) to use innovative financing and market mechanisms that leverage public dollars, rely less on rebates, and build lasting public/private partnerships so that long-term sustainable financing models can be created to support clean energy project deployment.

E. Identification of Important Program Relationships

The GEMS Program is a public/private partnership dependent on a number of deployment partners, including solar developers, participating lenders, solar installers, and the electric utilities. In addition, GEMS Program activities must be approved by the PUC pursuant to law.

F. Description of Major External Trends Affecting the Program

The Solar PV market continues to face challenges with changes made to PUC-approved Interconnection programs (i.e. Customer Grid Supply, Customer Self Supply, Customer Grid Supply Plus, Smart Exporting, Net Energy Metering Plus, etc.), requiring additional technologies (e.g., energy storage systems, etc.), increasing cost, permitting requirements and customer education and awareness.

Additionally, for HGIA, these new Interconnection programs require additional customer information (i.e. household size, energy consumption patterns, etc.) to adequately estimate and analyze coincident load, required for bill savings proformas.

Program Plan Narrative

BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Factors such as these extend the length of time required for customer adoption, loan underwriting analysis, county permitting approvals, utility approvals, installation and finally, the funding of the loans for completed projects.

G. Discussion of Cost, Effectiveness, and Program Size Data

The following is a GEMS Dashboard update as of September 30, 2018:

GEMS Funds Committed To Date: \$74.5 Million
GEMS Funds Available to Lend: \$53.8 Million
Excess Revenues Over Expenses: FY2018* \$1,304,140
Job Created/Retained: 863.4
State of Hawaii Tax Revenues Generated: \$10,653,350
Total Estimated kWh Production/Reduction Over Lifetime: 722,956,799
Total Petroleum Displaced Over Lifetime (Estimated Barrels): 444,022.1
Total Greenhouse Gas Avoided Over Lifetime (Estimated Metric Tons CO₂): 217,557.5
% Underserved Households Served: 80.8% (target is 51%)

* Details of Excess Revenues Over Expenses for the fiscal year ended 6/30/18 are as follows:

Total Revenues	\$2,227,289
Total Expenses	923,149
Excess Revenues Over Expenses	\$1,304,140
Less: Loan Repayments Returned to PUC	(646,729)
Net Change in Financial Position	\$657,411

H. Discussion of Program Revenues

As detailed above, the Program closed FY2018 with a net excess revenues over expenses aggregating approximately \$1.3 million. As of the 3-month period ended September 30, 2018, the Program posted an estimated net excess revenues over expenses of \$548,000.

However, per PUC order, loan repayments generated through GEMS loans will be used to reimburse the Public Benefit Fee. As such, on August 9, 2018, HGIA wired \$646,729 to the PUC to credit the Public Benefits Funds.

I. Summary of Analysis Performed

Significant investment in clean energy technology and infrastructure installations, currently estimated to aggregate \$12.8 billion, will be required to achieve the State's goals of energy self-sufficiency, energy security, and energy diversification, in alignment with the achievement of the renewable portfolio standards and energy efficiency portfolio standards, as established in chapter 269, Hawaii Revised Statutes. These green infrastructure investments are to support Hawaii's evolving energy market and ecosystem and to provide affordable energy options for all of Hawaii's ratepayers.

Due to the significant amount of capital required, leadership by government is critical to support and complement the private capital markets in order to enable public finance authorities to leverage private investment with limited public funds with the objective of accelerating clean energy market growth, making energy cheaper and cleaner for ratepayers, driving job creation, and preserving taxpayer dollars. By deploying low-cost capital efficiently through financing and lowering the cost of clean energy to spark consumer demand rather than having the industry rely on subsidies that cannot bring markets to scale, the public sector's goal is to use public funds in a sustainable manner and offer financing that attracts private investment, enabling a wider reach and the exponential potential for greater impacts by recycling, re-investing, and re-lending that same public dollar.

Building Hawaii's clean energy infrastructure at the lowest possible cost is vital for the State to reach its one hundred per cent clean energy goal by 2045. Further, in Hawaii as well as in other states, a significant barrier to clean energy adoption has been the availability of flexible capital.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO:

0107

PROGRAM TITLE:

SPECIAL COMMUNITY DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	18.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
PERSONAL SERVICES	1,181,848	2,173,358	2,079,558	2,079,558	2,080	2,080	2,080	2,080
OTHER CURRENT EXPENSES	583,540	720,000	650,000	650,000	650	650	650	650
TOTAL OPERATING COST	1,765,388	2,893,358	2,729,558	2,729,558	2,730	2,730	2,730	2,730
BY MEANS OF FINANCING								
	18.00*	*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	688,203	70,000	1,961,016	1,961,016	1,783	1,783	1,783	1,783
	*	21.00*	*	*	*	*	*	*
	**	2.00**	**	**	**	**	**	**
REVOLVING FUND	1,077,185	2,823,358	768,542	768,542	947	947	947	947
CAPITAL IMPROVEMENT COSTS								
PLANS		500,000	1,000,000					
DESIGN	350,000	150,000	5,000,000					
CONSTRUCTION	2,000,000		2,500,000					
TOTAL CAPITAL EXPENDITURES	2,350,000	650,000	8,500,000					
BY MEANS OF FINANCING								
G.O. BONDS	2,350,000	650,000	8,500,000					
TOTAL PERM POSITIONS	18.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	4,115,388	3,543,358	11,229,558	2,729,558	2,730	2,730	2,730	2,730

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED150**
PROGRAM STRUCTURE NO: **010701**
PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	18.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
PERSONAL SERVICES	1,181,848	2,173,358	2,079,558	2,079,558	2,080	2,080	2,080	2,080
OTHER CURRENT EXPENSES	583,540	720,000	650,000	650,000	650	650	650	650
TOTAL OPERATING COST	1,765,388	2,893,358	2,729,558	2,729,558	2,730	2,730	2,730	2,730
BY MEANS OF FINANCING								
	18.00*	*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	688,203	70,000	1,961,016	1,961,016	1,783	1,783	1,783	1,783
	*	21.00*	*	*	*	*	*	*
	**	2.00**	**	**	**	**	**	**
REVOLVING FUND	1,077,185	2,823,358	768,542	768,542	947	947	947	947
CAPITAL IMPROVEMENT COSTS								
PLANS		500,000	1,000,000					
DESIGN	350,000	150,000	5,000,000					
CONSTRUCTION	2,000,000		2,500,000					
TOTAL CAPITAL EXPENDITURES	2,350,000	650,000	8,500,000					
BY MEANS OF FINANCING								
G.O. BONDS	2,350,000	650,000	8,500,000					
TOTAL PERM POSITIONS	18.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	4,115,388	3,543,358	11,229,558	2,729,558	2,730	2,730	2,730	2,730

PROGRAM ID: **BED150**
 PROGRAM STRUCTURE: **010701**
 PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	-163	218.9	55.9	-163	637	-337	0	0
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	691.5	508.8	0	0	2105	0	0	0
3. # OF NEW HOUSING UNITS IN KAKAAKO	632	424	267	0	1321	236	0	0
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	0	0	0	0	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	90	95	100	105	0	0	0	0
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	10	10	20	20	20	20	20	20
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	60	0	0	0	0	0	0	0
PROGRAM TARGET GROUPS								
1. # OF RESIDENTS IN KAKAAKO	0	27813	30280	0	0	0	0	0
2. # OF EMPLOYEES IN KAKAAKO	0	25330	25330	0	0	0	0	0
3. # OF BUSINESSES IN KAKAAKO	0	1266	1266	0	0	0	0	0
4. # OF LANDUSERS WITHIN KALAELOA	17	17	17	20	0	0	0	0
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	5000	5200	6000	6000	0	0	0	0
PROGRAM ACTIVITIES								
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	127	35	125	125	125	125	0	0
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	0	0	0	0	0	0	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	0	0	0	0	0	0	0
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	60	60	60	60	0	0	0	0
5. NEW PLANNING IN KALAELOA (\$M)	20	20	25	25	0	0	0	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	0	0	0	0	0	0	0	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	2	2	2	2	0	0	0	0
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1,315	1,287	1,284	1,284	1,284	453	453	453
REVENUE FROM OTHER AGENCIES: ALL OTHER	98	98	98	98	98	98	98	98
CHARGES FOR CURRENT SERVICES	441	441	414	398	398	398	398	398
TOTAL PROGRAM REVENUES	1,854	1,826	1,796	1,780	1,780	949	949	949
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	1,854	1,826	1,796	1,780	1,780	949	949	949
TOTAL PROGRAM REVENUES	1,854	1,826	1,796	1,780	1,780	949	949	949

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

01 07 01

A. Statement of Program Objectives

The objective of the Hawaii Community Development Authority (HCDA) is to revitalize urban areas in the State which are in need of timely redevelopment through the creation of mixed use districts for residential, commercial and light industrial development that help to address the economic and social needs of the people of the State of Hawaii by encouraging the desired private investment through: 1) the planning and implementation of infrastructure improvements; 2) the development of public facilities; and 3) the establishment of planning guidelines and parameters that encourage mixed use development.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Operating requests include:

Converting 21.00 permanent positions and \$1,797,024 for each fiscal year from revolving funds to \$1,716,024 in general funds for both FY 20 and FY 21. The difference of \$81,000 is for fringe benefits. These positions are currently identified in the Kakaako budget.

Converting 2.00 temporary positions and \$271,952 for each fiscal year from revolving funds to \$178,116 in general funds for both FY 20 and FY 21. The difference of \$93,836 is for fringe benefits. These positions are currently identified in the Kalaeloa budget.

CIP requests include:

Kakaako Improvement District Project - \$3,500,000 in General Obligation Bonds in FY 20 for planning and design to implement the district-wide improvement program component of the Kakaako Community Development Plan in central Kakaako, Oahu. The planning and design funds will be used to develop preliminary designs for the necessary upgrades to existing substandard roadways, sidewalks, drainage, and utilities. The preliminary design will be used to solicit feedback from the public, City, and utility companies to refine cost estimates and identify other possible means of project financing. The district-wide improvement program is HCDA's primary redevelopment tool to seed redevelopment.

Kalaeloa Improvement District Project - \$2,500,000 in General Obligation Bonds in FY 20 for planning and design to implement the district-wide improvement program component of the Kalaeloa Community Development Plan. The planning and design funds will be used to

develop preliminary designs for the necessary upgrades to existing substandard roadways, sidewalks, drainage, and utilities. The preliminary design will be used to solicit feedback from the public, City, and utility companies to refine cost estimates and identify other possible means of project financing. The district-wide improvement program is HCDA's primary redevelopment tool to seed redevelopment.

C. Description of Activities Performed

For legislatively designated Community Development Districts, HCDA is mandated to develop and implement community development plans for each district which generally include community development guidance policies, a district-wide infrastructure improvement program, and community development rules. An HCDA community development plan is the product of public input, with the resulting subject to the administrative rule-making process. Major activities during the plan implementation stage include: a) Planning and regulatory functions in the administration of the plan and rules; b) Infrastructure systems improvements under the district-wide improvement program; c) Development and maintenance of commercial and public facilities (parks, parking garages, etc.); and d) Development and maintenance of State lands.

Currently, HCDA is in the plan implementation stage of the 600+ acre Kakaako Community Development District, and in the planning stage of the 3,698-acre Kalaeloa Community Development District. For the He'eia Community Development District, the HCDA is currently working to establish the community development Plan and Rules.

D. Statement of Key Policies Pursued

HCDA's objectives and activities are guided by policies stated in: (1) Chapter 206E, HRS, which establishes HCDA and provides it with its objectives and mandates; and (2) Chapter 206E, HRS, which states the objectives, powers, and responsibilities of HCDA, establishes the Kakaako, Kalaeloa and He'eia Community Development Districts, respectively, and sets specific development guidelines for each District.

Direction for HCDA's activities is also provided by Chapter 226, HRS, particularly Section 226-52(a)(2), which requires that State programs conform to the priority guidelines of the Hawaii State Plan.

Program Plan Narrative

BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

01 07 01

E. Identification of Important Program Relationships

HCDA has important program relationships with various State and County agencies that are involved in activities relating to infrastructure systems improvements and redevelopment of Kalaeloa and the Honolulu waterfront area. In addition, important relationships exist with the U.S. Navy with regard to the redevelopment of Kalaeloa. HCDA coordinates with the appropriate Federal, State or County agency when a program relationship exists.

Because of the comprehensive nature of HCDA's economic and recreational development objectives, its activities support each of DBEDT's strategic objectives: 1) Development of the urban core and of workforce housing; 2) Workforce development; 3) Energy for tomorrow; 4) Export of goods and services; 5) Creation of an "innovation infrastructure"; and 6) Improve Hawaii's small business environment.

F. Description of Major External Trends Affecting the Program

The major external trend affecting the program is the condition of the economy in general and that of the real estate industry in particular. An integral part of HCDA's implementation of its development programs is the participation of the private sector, which is greatly influenced by macro-economic conditions. Another major impact is the market demand for industrial, commercial and residential floor space on Oahu generally and in Kakaako and Kalaeloa specifically.

G. Discussion of Cost, Effectiveness, and Program Size Data

With new construction volume resulting from infrastructure improvements, public facilities development projects, and continuation of private sector development projects, the related tax revenues to the State of Hawaii generated from HCDA improvement district program should exceed program costs in the long run. The State's initial \$210 million in the district-wide improvement program for Kakaako has yielded in excess of \$10 billion in construction in and around these improvements alone.

The increase in land values due to infrastructure improvements and new developments benefits the City and County of Honolulu through increased property taxes. In terms of State and Functional Plan objectives, the returns are in the functional areas of optimal land use, increased

construction and economic activity, new housing units, new public facilities, and improved business and residential community areas.

Previous CIP appropriations and future requests are typically based on the improvement of infrastructure systems in segments, the construction of public facilities and the development, planning and construction of infrastructure improvements systematically. The objective is to continuously maintain construction activity and complete the necessary district-wide improvements in a timely manner.

H. Discussion of Program Revenues

Act 15/SLH 2012, conveyed about 25 acres of lands controlled and managed by the HCDA to the Office of Hawaiian Affairs. As a result of the conveyance, the HCDA's revenue sources have been permanently reduced. In the recent fiscal years, the HCDA collected between approximately \$1.2 to \$1.7 million in revenue (on a cash basis) from these lands. Direct program revenues, whose use is restricted by statute and case law, include: (a) fees in lieu of public facilities dedication fees and reserved housing fees received from private developers; (b) improvement district property assessments received from property owners who benefit from infrastructure systems improvements made; (c) lease rents collected on HCDA-managed lands/facilities; and (d) permit and other fees charged to offset some of the administrative processing costs. Non-cash receipts include land dedicated by private developers for public facilities. Other potential revenue sources would be a yet-to-be-established business improvement district program, and Federal programs.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED160
 PROGRAM STRUCTURE NO: 0108
 PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	22.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	32.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
PERSONAL SERVICES	5,956,623	8,028,051	8,634,377	8,634,377	8,635	8,635	8,635	8,635
OTHER CURRENT EXPENSES	3,453,912	9,002,374	9,237,374	9,302,374	9,302	9,302	9,302	9,302
TOTAL OPERATING COST	9,410,535	17,030,425	17,871,751	17,936,751	17,937	17,937	17,937	17,937
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS	142,759	3,100,000	3,100,000	3,100,000	3,100	3,100	3,100	3,100
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	898	3,000,000	3,000,000	3,000,000	3,000	3,000	3,000	3,000
	22.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	32.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
REVOLVING FUND	9,266,878	10,930,425	11,771,751	11,836,751	11,837	11,837	11,837	11,837
CAPITAL IMPROVEMENT COSTS								
PLANS		2,000						
LAND ACQUISITION		1,000						
DESIGN		546,000						
CONSTRUCTION	54,200,000		152,100,000	125,000,000				
EQUIPMENT			1,000					
TOTAL CAPITAL EXPENDITURES	54,200,000	549,000	152,101,000	125,000,000				
BY MEANS OF FINANCING								
G.O. BONDS	54,200,000	549,000	152,101,000	125,000,000				
TOTAL PERM POSITIONS	22.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
TOTAL TEMP POSITIONS	32.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
TOTAL PROGRAM COST	63,610,535	17,579,425	169,972,751	142,936,751	17,937	17,937	17,937	17,937

PROGRAM ID: **BED160**
 PROGRAM STRUCTURE: **0108**
 PROGRAM TITLE: **HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. # OF HOMEBUYERS ASSISTED	858	944	603	1143	450	650	650	650
2. # OF NEW RENTAL UNITS	527	180	464	231	430	250	250	250
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	267	355	150	150	150	150	150	150
4. # OF LEASE RENTS RENEGOTIATED	50	17	3	3	2	2	2	3
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	11	1	2	2	2	2	2	2
PROGRAM TARGET GROUPS								
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	2900	2900	2900	2900	2900	2900	2900	2900
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT		0						
PROGRAM ACTIVITIES								
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	1202	635	250	250	250	250	250	250
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	787	452	150	150	150	150	150	150
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	93.5	253.2	20	20	20	20	20	20
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	254	513	0	0	0	100	100	100
5. ASSIST FIRST-TIME HOMEBUYERS	858	944	603	1143	450	650	650	650
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	2	2	0	0	0	0
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	8	2	2	2	2	2	2	3
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	38,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
REVENUES FROM THE USE OF MONEY AND PROPERTY	31,622	31,348	31,517	31,151	31,133	31,133	31,133	31,133
REVENUE FROM OTHER AGENCIES: FEDERAL	2,334	2,283	2,225	1,367	407			
CHARGES FOR CURRENT SERVICES	8,357	8,613	7,675	7,733	7,747	7,759	7,759	7,759
NON-REVENUE RECEIPTS	427,723	328,786	120,559	84,721	75,935	122,103	93,167	93,167
TOTAL PROGRAM REVENUES	508,036	401,030	191,976	154,972	145,222	190,995	162,059	162,059
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	2,334	2,283	2,225	1,367	407			
ALL OTHER FUNDS	505,702	398,747	189,751	153,605	144,815	190,995	162,059	162,059
TOTAL PROGRAM REVENUES	508,036	401,030	191,976	154,972	145,222	190,995	162,059	162,059

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

01 08

A. Statement of Program Objectives

To support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Operating Requests include:

1. Request revolving funds of \$228,048 in FY20 and \$285,048 in FY21 to cover payroll and other current expenses in Housing Administration.
2. Request revolving funds of \$81,891 in FY 20 and FY21 to cover increased payroll and other current expenses in Housing Development.
3. Request revolving funds of \$315,350 in FY 20 and \$323,350 in FY 21 to cover increased payroll and other current expenses for Housing Finance.
4. Request transfer of positions due to reorganization with -1.00 permanent FTE and -3.00 temporary FTE positions and - \$ 592,645 net impact on Housing Administration.
5. Request transfer of positions due to reorganization with +2.00 permanent FTE and +3.00 temporary FTE positions and + \$688,031 net impact on Housing Development.
6. Request transfer of positions due to reorganization with -1.00 permanent FTE position and - \$95,386 net impact on Housing Finance.

The Fiscal Biennium 2020-2021 CIP budget includes the following requests:

1. Dwelling Unit Revolving Fund Infusion, Statewide - \$50,000,000 for FY 20 and \$25,000,000 for FY 21.
2. Rental Housing Revolving Fund Infusion - \$100,000,000 for FY 20 and \$100,000,000 FY 21.

C. Description of Activities Performed

The Hawaii Housing Finance and Development Corporation (HHFDC) is mandated to facilitate the development of affordable for-sale and rental housing under the policies, direction, and oversight of a nine-member Board of Directors. The HHFDC works with private and public partners to increase the supply of permanent, affordable housing, as well as preserve the existing inventory of rental housing using its financing and development tools.

D. Statement of Key Policies Pursued

The HHFDC is a functional plan preparing agency for the housing functional plan. The HHFDC's activities directly support the Hawaii State Plan's Objectives and Policies for Socio-Cultural Advancement - Housing (Section 226-19, HRS) and Priority Guidelines for Affordable Housing (Section 226-106, HRS).

The HHFDC's specific objectives and activities are guided by Chapter 201H, HRS, which established the HHFDC.

E. Identification of Important Program Relationships

The HHFDC has important program relationships with State, County, and Federal agencies involved in affordable housing financing and development, including the Hawaii Public Housing Authority, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, the County housing agencies and Planning Departments, the U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture - Rural Development. The HHFDC and these agencies work together to coordinate activities and resources to promote affordable housing statewide.

F. Description of Major External Trends Affecting the Program

The HHFDC's production and efficacy is dependent on the state of the real estate market and the construction industry, the condition of the financial markets, and the economy in general. The demand for affordable housing, as well as the capacity to increase supply statewide, is dependent on these external factors.

G. Discussion of Cost, Effectiveness, and Program Size Data

HHFDC reorganization is to align its resources with program goals. HHFDC has a 5-year production plan (FY 18 - FY 22) in place to assist in the finance and development of approximately 6,849 workforce/affordable units (HHFDC Annual Report 2017). HHFDC requests additional resources to effectively manage and administer programs that address the increasing need for affordable housing and work towards solving the current housing crisis.

Program Plan Narrative

BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

01 08

H. Discussion of Program Revenues

Revenues generated from the Housing Development program activities include application fees, interim interest on Dwelling Unit Revolving Fund construction loans, administrative fees and fees related to the disposition of land or affordable units developed under the program. Revenues are collected from the sale of the leased fee interest, deferred sales prices, the Shared Appreciation Equity Program, and administrative fees from various programs.

The Hula Mae Single Family Program and the Hawaii Rental Housing System Revenue Bond Program produce revenues pledged to the repayment of the bonds issued to fund the program.

Revenues generated from the Mortgage Credit Certificate Program and Low Income Housing Tax Credit Program reflects applicable fees charged to applicants. Revenues from the Rental Assistance Revolving Fund primarily reflect interim construction loan payments which are used to make additional loans.

Finally, the Rental Housing Revolving Fund obtains revenues generated by a share of the conveyance tax proceeds.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED128
 PROGRAM STRUCTURE NO: 0109
 PROGRAM TITLE: OFFICE OF AEROSPACE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	48,048	92,210	103,124	103,124	103	103	103	103
OTHER CURRENT EXPENSES	1,155,833	1,549,549	1,610,549	1,610,549	1,611	1,611	1,611	1,611
TOTAL OPERATING COST	1,203,881	1,641,759	1,713,673	1,713,673	1,714	1,714	1,714	1,714
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	1,203,881	1,141,759	1,213,673	1,213,673	1,214	1,214	1,214	1,214
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		500,000	500,000	500,000	500	500	500	500
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	1,203,881	1,641,759	1,713,673	1,713,673	1,714	1,714	1,714	1,714

PROGRAM ID: BED128
 PROGRAM STRUCTURE: 0109
 PROGRAM TITLE: OFFICE OF AEROSPACE

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<u>MEASURES OF EFFECTIVENESS</u>								
1. SUPPORT THE DOE CHALLENGER PROGRAM	1	1	1	1	1	1	0	0
2. INTERNATIONAL AEROSPACE ENTITIES	1	1	1	1	1	1	1	1
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	5	5	5	5	5	0	0
4. OUTREACH EVENTS SPONSORED BY (PISCES)	10	10	10	10	10	10	0	0
5. NATIONAL AEROSPACE ENTITIES	1	1	1	1	1	1	1	1
<u>PROGRAM TARGET GROUPS</u>								
1. HAWAII-BASED AEROSPACE ENTITIES	1	1	1	1	1	1	1	1
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS	9	9	9	9	9	9	0	0
3. STUDENTS AND INTERNS PARTICIPATION (PISCES)	16	16	18	18	18	18	0	0
<u>PROGRAM ACTIVITIES</u>								
1. EXPLORE POSSIBLE NEW INDUSTRIES (PISCES)	1	1	1	1	1	1	0	0
2. AEROSPACE PROJECTS	4	4	4	4	4	4	4	4
3. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS	4	4	4	4	4	4	0	0
4. COMMUNITY OUTREACH GOAL	24	24	24	24	24	24	24	24

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED128: OFFICE OF AEROSPACE

01 09

A. Statement of Program Objectives

The objective of the Office of Aerospace Development (OAD) is to provide a focal point within State government to facilitate dialog and coordination among Hawaii's government, private and academic sectors, and between State-based entities and overseas organizations, both public and private, to promote the growth and diversification of Hawaii's aerospace industry

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Executive Budget Request: Increase general funds by \$61,000 in FY 20 and FY 21 for the Challenger Center.

C. Description of Activities Performed

OAD's primary activities are to: (1) identify and promote opportunities for expanding and diversifying aerospace-related industries in Hawaii, (e.g., aviation and aeronautics, unmanned aerial systems, commercial space launch, environmental monitoring and remote sensing, satellite communications, space-based applications of dual-use technologies, robotics, and human space exploration); (2) catalyze partnerships among local universities and businesses that can (i) improve the relevance and quality of university training to support the growth and diversification of Hawaii's aerospace industry; (ii) identify entrepreneurial opportunities for commercializing innovative spinoffs from basic research; and (iii) facilitate technology transfer from universities to the private sector; (3) promote innovative education and workforce development programs that will enhance public awareness of Hawaii's aerospace potential and enable local citizens to pursue employment in the State's aerospace industry; (4) leverage aerospace and related technological capabilities in Hawaii's government, academic and private sectors to enhance the State's ability to procure both federal and private research and development grants to increase the State's competitiveness in national and global aerospace markets; (5) establish alliances with the National Aeronautics and Space Administration (NASA) and other federal and State space agencies and institutions that can support both Hawaii-based aerospace development and the United States space program, as well as enable international dialog and exchange toward the design, development and implementation of multinational space initiatives that can enhance both opportunities and benefits for space exploration and development; (6) monitor national and

global trends in the aerospace industry and recommend programs and policies that can support aerospace industry development statewide; (7) facilitate the development and utilization of publications, exhibits and other marketing materials that highlight the current capabilities and future potential of Hawaii's aerospace industry; and (8) serve as a central point of contact for State government that can respond to both local and out-of-state inquiries concerning Hawaii's aerospace-related interests and activities.

D. Statement of Key Policies Pursued

OAD'S activities will carry out the State's aerospace objectives and policies as set forth in Chapter 201-72, HRS, which directs the OAD to oversee, supervise, and direct the planning, evaluation and coordination of space-related activities in Hawaii, as well as to identify and promote opportunities for expanding and diversifying aerospace-related industries statewide.

E. Identification of Important Program Relationships

OAD works closely with the Hawaii State Legislature, the University of Hawaii, the Department of Education, other State agencies, local businesses, national and international aerospace organizations, NASA, the Federal Aviation Administration (FAA), and the national Aerospace States Association and Aerospace Industries Association toward establishing both public-private and multinational partnerships that can advance its operational goals and priorities.

F. Description of Major External Trends Affecting the Program

Hawaii's strategic mid-Pacific location, Moon/Mars-like terrain, resident expertise covering a broad range of aerospace-related technologies, and long-standing ties with space-faring nations throughout Asia and the Pacific, clearly afford strategic assets and capabilities that can be leveraged to realize humankind's full potential in space, and in so doing enable our State to engage as both a major contributor to and beneficiary of the global space enterprise. For the past half century, Hawaii has played a seminal role in developing our national space program - beginning with astronaut training for the Apollo lunar missions and the development of world-class observatories on the Big Island. The University of Hawaii, the U.S. military, and numerous companies

Program Plan Narrative

BED128: OFFICE OF AEROSPACE

01 09

statewide have pioneered nationally-funded programs in planetary geosciences, satellite communications, space-based remote sensing and environmental monitoring, deep-space surveillance, and other areas employing aerospace-related technologies. The University of Hawaii is applying its resident expertise in adaptive optics and remote sensing toward the development of advanced sensor technologies for space-based observations of our planet. Local companies such as Oceanit, Raytheon Solipsys, NovaSol and Trex Enterprises are also leading national efforts to develop new sensors for atmospheric monitoring, land and coastal resource assessment, and both optical communications and electro-optical tracking. Major aerospace corporations such as Boeing, Lockheed Martin, Northrop Grumman, Raytheon and BAE Systems, already established in Hawaii, are looking to expand their operations in the islands as a bridge to Asian and Pacific markets - especially in the development and delivery of advanced systems for aviation maintenance and training, air traffic control, satellite communications, and deep space tracking and reconnaissance. Finally, Hawaii's unique geography and technological assets are ideally suited to support the commercial launch of next-generation aircraft, including spaceplanes, to carry small satellites, experimental payloads and tourists to space; the monitoring, management and mitigation of both man-made and natural disasters Pacific-wide; and the development of space-based power systems to capture sunlight as a renewable energy resource for both interplanetary spacecraft and earth-based applications.

G. Discussion of Cost, Effectiveness, and Program Size Data

OAD has been subjected to severe reductions in funding due to departmental restrictions in the past Fiscal Biennium. These limited resources notwithstanding, OAD has been able to obtain federal awards (e.g., FAA \$250k and NASA \$100k grants) to support an environmental assessment and other studies required for a commercial spaceport license for the State and to support initial development of an infrastructure-based plan to advance sustainable space exploration beyond low-Earth orbit, including the design of analog test facilities in Hawaii that can demonstrate and validate innovative technologies and integrated systems to support both robotic and human space missions.

H. Discussion of Program Revenues

Extramural funding for OAD is primarily generated through grants from

NASA, FAA, and other federal agencies interested in leveraging Hawaii's strategic location, resources and capabilities to advance aeronautics and space exploration programs. The development of new initiatives, such as the Pacific International Space Center for Exploration Systems (PISCES), Hawaii's selection as one of six national test sites for Unmanned Aerial Systems (UAS), and efforts to obtain a commercial spaceport license for the State (to bring space tourism and other commercial space transportation programs to Hawaii) will create jobs, attract capital, and enable workforce development.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

Aerospace is a growth industry that won't be exported once it matures. It flourishes here because of where we are and what we have - a strategic mid-Pacific location, unique geological assets, resident expertise in space science and technology, and strong international ties throughout the Asia-Pacific community.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: 11
PROGRAM TITLE: GOVERNMENT-WIDE SUPPORT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
PERSONAL SERVICES	3,388,070	4,032,654	4,240,512	4,270,320	4,271	4,271	4,271	4,271
OTHER CURRENT EXPENSES	1,788,601	4,141,851	4,181,214	4,081,214	4,030	4,030	4,030	4,030
EQUIPMENT			21,200	13,700				
TOTAL OPERATING COST	5,176,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301
BY MEANS OF FINANCING								
	30.00*	35.00*	36.00*	36.00*	36.0*	36.0*	36.0*	36.0*
	**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
GENERAL FUND	3,049,620	3,788,817	3,983,275	3,905,583	3,841	3,841	3,841	3,841
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	6.00**	6.00**	6.00**	6.00**	6.0**	6.0**	6.0**	6.0**
FEDERAL FUNDS	2,127,051	2,385,688	2,459,651	2,459,651	2,460	2,460	2,460	2,460
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS	1,002,000							
DESIGN	498,000							
TOTAL CAPITAL EXPENDITURES	1,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	1,500,000							
TOTAL PERM POSITIONS	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
TOTAL TEMP POSITIONS	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
TOTAL PROGRAM COST	6,676,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO: 1101

PROGRAM TITLE: EXEC DIRECTN, COORD, & POLICY DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
PERSONAL SERVICES	3,388,070	4,032,654	4,240,512	4,270,320	4,271	4,271	4,271	4,271
OTHER CURRENT EXPENSES	1,788,601	4,141,851	4,181,214	4,081,214	4,030	4,030	4,030	4,030
EQUIPMENT			21,200	13,700				
TOTAL OPERATING COST	5,176,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301
BY MEANS OF FINANCING								
	30.00*	35.00*	36.00*	36.00*	36.0*	36.0*	36.0*	36.0*
	**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
GENERAL FUND	3,049,620	3,788,817	3,983,275	3,905,583	3,841	3,841	3,841	3,841
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	6.00**	6.00**	6.00**	6.00**	6.0**	6.0**	6.0**	6.0**
FEDERAL FUNDS	2,127,051	2,385,688	2,459,651	2,459,651	2,460	2,460	2,460	2,460
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS	1,002,000							
DESIGN	498,000							
TOTAL CAPITAL EXPENDITURES	1,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	1,500,000							
TOTAL PERM POSITIONS	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
TOTAL TEMP POSITIONS	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
TOTAL PROGRAM COST	6,676,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO:

110103

PROGRAM TITLE:

POLICY DEVELOPMENT & COORDINATION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
PERSONAL SERVICES	3,388,070	4,032,654	4,240,512	4,270,320	4,271	4,271	4,271	4,271
OTHER CURRENT EXPENSES	1,788,601	4,141,851	4,181,214	4,081,214	4,030	4,030	4,030	4,030
EQUIPMENT			21,200	13,700				
TOTAL OPERATING COST	5,176,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301
BY MEANS OF FINANCING								
	30.00*	35.00*	36.00*	36.00*	36.0*	36.0*	36.0*	36.0*
	**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
GENERAL FUND	3,049,620	3,788,817	3,983,275	3,905,583	3,841	3,841	3,841	3,841
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	6.00**	6.00**	6.00**	6.00**	6.0**	6.0**	6.0**	6.0**
FEDERAL FUNDS	2,127,051	2,385,688	2,459,651	2,459,651	2,460	2,460	2,460	2,460
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS	1,002,000							
DESIGN	498,000							
TOTAL CAPITAL EXPENDITURES	1,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	1,500,000							
TOTAL PERM POSITIONS	35.00*	40.00*	41.00*	41.00*	41.0*	41.0*	41.0*	41.0*
TOTAL TEMP POSITIONS	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
TOTAL PROGRAM COST	6,676,671	8,174,505	8,442,926	8,365,234	8,301	8,301	8,301	8,301

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED144**
 PROGRAM STRUCTURE NO: **11010302**
 PROGRAM TITLE: **STATEWIDE PLANNING & COORDINATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	17.00*	19.00*	20.00*	20.00*	20.0*	20.0*	20.0*	20.0*
	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
PERSONAL SERVICES	1,921,521	2,464,098	2,580,400	2,610,208	2,611	2,611	2,611	2,611
OTHER CURRENT EXPENSES	1,505,102	3,568,939	3,842,902	3,742,902	3,692	3,692	3,692	3,692
EQUIPMENT			21,200	13,700				
TOTAL OPERATING COST	3,426,623	6,033,037	6,444,502	6,366,810	6,303	6,303	6,303	6,303
BY MEANS OF FINANCING								
	12.00*	14.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
GENERAL FUND	1,299,572	1,647,349	1,984,851	1,907,159	1,843	1,843	1,843	1,843
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	6.00**	6.00**	6.00**	6.00**	6.0**	6.0**	6.0**	6.0**
FEDERAL FUNDS	2,127,051	2,385,688	2,459,651	2,459,651	2,460	2,460	2,460	2,460
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS	1,002,000							
DESIGN	498,000							
TOTAL CAPITAL EXPENDITURES	1,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	1,500,000							
TOTAL PERM POSITIONS	17.00*	19.00*	20.00*	20.00*	20.0*	20.0*	20.0*	20.0*
TOTAL TEMP POSITIONS	6.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
TOTAL PROGRAM COST	4,926,623	6,033,037	6,444,502	6,366,810	6,303	6,303	6,303	6,303

PROGRAM ID: BED144
 PROGRAM STRUCTURE: 11010302
 PROGRAM TITLE: STATEWIDE PLANNING AND COORDINATION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. # PROJECTS REQ MULTI-AGENCY COORD LED/COCHAIR BY OP	6	6	6	4	4	4	4	4
2. # OF PLANS/STUDIES/RPTS PREPRD IN A TIMELY MANNER	5	4	4	3	3	3	3	3
3. # OF BOARDS/COMMITTEES/COUNCILS OP SERVES AS MMBER	14	14	10	8	8	8	8	8
4. #LUC DECISIONS UPHLDG OP POS AS % TOT LUC DECSNS	100	100	100	100	100	100	100	100
5. # ACRES INVOLVED IN LUC DECISIONS SPRTG OP POSTN	600	600	600	600	600	600	600	600
6. % FEDCON APPS CONSISTNT W CDM ENFORCEABLE POLICIES	97	100	100	100	100	100	100	100
7. # STATE AGENCIES CONTRIB DATA TO STATE GEODATABASE	15	15	15	15	15	15	15	15
8. UTILIZATION OF STATE'S GEOSPATIAL DATA (MIL)	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
9. # OF GIS SOFTWARE LICENSES DISTRIBUTED	335	342	349	356	363	370	377	385
PROGRAM TARGET GROUPS								
1. STATE RESIDENT POPULATION (THOUSANDS)	1428	1428	1428	1466	1466	1466	1466	1514
2. NO. OF FEDERAL, STATE AND COUNTY AGENCIES	30	30	30	30	30	30	30	30
3. NO. OF LANDOWNER/DEVELOPER, ENVIRONMENTAL, CIVIC STAKEHOLDERS	15	15	15	15	15	15	15	15
PROGRAM ACTIVITIES								
1. # SPECIAL PLANS/PLANNING REPORTS DEVELOPED/REVIEWED	2	2	2	2	2	2	2	2
2. # OF COUNTY ZONING & PLAN AMENDMENTS REVIEWED	25	25	25	25	25	25	25	25
3. # LAND BOUNDARY AMENDMENT PETITIONS, OTHER LUC ITEMS REVIEWED	7	7	7	7	7	7	7	7
4. # SPECIAL PERMITS, EASEMENTS, OTHER REVIEWS	26	26	26	26	26	26	26	26
5. NUMBER OF FEDERAL CONSISTENCY REVIEWS	97	100	100	100	100	100	100	100
6. # PERMITS/APPROVALS MONITORED FOR CONSISTENCY WITH SMA	10	10	10	10	10	10	10	10
7. # OF NEW AND UPDATED DATA LAYERS IN STATE GEODATABASE	15	15	15	15	10	10	10	10
8. # MAPPING, DATA AND SUPPORT REQUESTS COMPLETED	50	50	50	50	50	50	50	50
9. # OF TRANSIT-ORIENTED DEVELOPMENT PROJECTS MONITORED	50	50	50	50	50	50	50	50
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUE FROM OTHER AGENCIES: FEDERAL	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
TOTAL PROGRAM REVENUES	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
TOTAL PROGRAM REVENUES	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED144: STATEWIDE PLANNING & COORDINATION

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A. Statement of Program Objectives

The statutory purpose of the Office of Planning (OP) is to assist the Governor and the Director of the Department of Business, Economic Development, and Tourism in: (1) maintaining an overall framework to guide the development of the State of Hawaii through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii's people; and (2) providing for the wise use of Hawaii's resources in a coordinated, efficient, and economical manner, including the conservation of those natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations. See Section 225M-1, Hawaii Revised Statutes (HRS).

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

1. Add Accountant IV position (#90001B) and general funds of \$29,808 in FY 20 and \$59,616 in FY 21.
2. Add GIS Program Enhancement Funds. General funds of \$200,000 in FY 20 and \$100,000 in FY 21.
3. Add general funds to provide for full year funding for the TOD Program Manager position (#99004B) \$22,560 in both FY 20 and FY 21.
4. Add general funds for GIS Program - computers and plotter \$21,200 in FY 20 and \$13,700 in FY 21.
5. Adjust federal grant ceiling by \$73,963 in both FY 20 and FY 21.

C. Description of Activities Performed

The statutory purpose of OP is carried out through ten statutorily defined activities: State comprehensive planning and program coordination; strategic planning; planning coordination and cooperation; statewide planning and geographic information system (GIS); land use planning; coastal and ocean policy management; regional planning and studies; regional, national, and international planning, climate adaption planning; and smart growth and transit-oriented development. See Section 225M-2, HRS.

Ongoing regulatory activities include: (1) reviewing and issuing of special management area permits for projects within the Hawaii community development districts; (2) reviewing and issuing of Coastal Zone Management (CZM) Act federal consistency determinations for certain

federal actions and activities; (3) developing and presenting the position of the State in all boundary change petitions and proceedings before the Land Use Commission; and (4) coordinating and advancing smart growth and development in the State. Other planning and policy related activities pursued by OP are based on administration priorities and availability of staff and funding (e.g., federal grant opportunities).

D. Statement of Key Policies Pursued

1. State Planning, Chapter 225M, HRS. The purpose of this law is to "(1) Fix responsibility and accountability to successfully carry out statewide planning programs, policies, and priorities; (2) Improve the efficiency and effectiveness of the operations of the executive branch; and (3) Ensure comprehensive planning and coordination to enhance the quality of life of the people of Hawaii." See Section 225M-1, HRS.

2. Hawaii State Plan, Chapter 226, HRS. The purpose of this law is to "set forth the Hawaii state plan that shall serve as a guide for the future long-range development of the State; identify the goals, objectives, policies, and priorities for the State; provide a basis for determining priorities and allocating limited resources...; improve coordination of federal, state, and county plans, policies, programs, projects, and regulatory activities; and to establish a system for plan formulation and program coordination to provide for an integration of all major state, and county activities." See Section 226-1, HRS.

3. State Land Use Law, Chapter 205, HRS. The purpose of this law is to "preserve, protect and encourage the development of the lands in the State for those uses to which they are best suited for the public welfare [.] See L. 1961, c 187, Section 1.

4. Hawaii CZM Act, Chapter 205A, HRS. The purpose of this law is to "provide for the effective management, beneficial use, protection, and development of the coastal zone." See L 1977, c 188, Section 1.

5. State Planning, Section 225M-2(4), HRS. This section charges OP with managing a statewide planning and geographic information system.

6. Sections 226-63 and 64, HRS, of the Hawaii State Plan, establish policies and mechanisms to coordinate transit-oriented development (TOD) planning and development among State agencies and with

Program Plan Narrative

BED144: STATEWIDE PLANNING & COORDINATION

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the Counties. The statute establishes an interagency council for TOD.

E. Identification of Important Program Relationships

OP works closely with many federal, State and county agencies in the development of policies, preparation of plans and studies and in implementation activities.

F. Description of Major External Trends Affecting the Program

Among the many externalities that directly and indirectly impinge on program activities are national and international economic conditions and the state's fiscal and economic condition. These conditions affect land demand for resort, commercial, industrial, residential and agricultural uses and coastal and ocean activities which have potential impacts on natural, cultural, historic, recreational and other resources. Federal policies and regulations and court decisions also impact program activities.

G. Discussion of Cost, Effectiveness, and Program Size Data

OP has continued to focus on its core statutory functions, federally-funded programs and priority project areas of the Administration and Legislature.

OP produces planning and policy studies, position papers, and reports in order to provide quality information to decision-makers. The National Oceanic and Atmospheric Administration (NOAA) has continued to increase requirements for the receipt of federal CZM funds. OP is challenged by staff and resource constraints but works diligently to maintain its productivity and efficiency.

H. Discussion of Program Revenues

Federal funds are received on an annual basis to manage Hawaii's coastal resources. OP has successfully pursued federal grant funding and will continue to do so where the federal funding opportunities align with our mission, statutory responsibilities, and capacity.

I. Summary of Analysis Performed

1. OP does not have fiscal staff positions. These were cut during budget

reductions in past years. OP relies on program staff to conduct its fiscal functions. OP administers over \$6 million in general, federal, revolving loan and CIP funds. Given the size and complexity of these accounts, a trained fiscal staff position-Accountant IV, exclusively allocated to fiscal duties, is needed to manage and account for these funds. It is not cost-effective or operationally efficient for the planners to do this fiscal work.

2. Statewide Geographic Information System (GIS). The GIS Program has grown and has been given additional responsibilities. The existing general fund operational budget cannot support the growth that has taken place over the past 5-6 years. A significant investment in consultant services, data acquisition, equipment, training and other program enhancements is requested to maintain and improve GIS services.

3. Act 53/SLH 2018, provided a new position and partial funding (\$69,540) for a TOD Program Manager. Additional funding of \$22,560 is requested to provide full year funding for the manager position at the EM05 level entry level salary of \$92,100 to effectively carry out the TOD program.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED103
 PROGRAM STRUCTURE NO: 11010303
 PROGRAM TITLE: STATEWIDE LAND USE MANAGEMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	6.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	415,503	482,749	509,940	509,940	510	510	510	510
OTHER CURRENT EXPENSES	135,479	172,167	172,167	172,167	172	172	172	172
TOTAL OPERATING COST	550,982	654,916	682,107	682,107	682	682	682	682
BY MEANS OF FINANCING								
	6.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	550,982	654,916	682,107	682,107	682	682	682	682
TOTAL PERM POSITIONS	6.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	550,982	654,916	682,107	682,107	682	682	682	682

PROGRAM ID: BED103
 PROGRAM STRUCTURE: 11010303
 PROGRAM TITLE: STATEWIDE LAND USE MANAGEMENT

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. NUMBER OF BOUNDARY AMENDMENT PETITIONS AND SPECIAL	6	6	6	6	6	6	6	6
2. NUMBER OF ACCEPTED BOUNDARY AMENDMENT PETITIONS AN	10	10	10	10	10	10	10	10
3. NUMBER OF ACRES REVIEWED FOR RECLASSIFICATION	3000	3000	3000	3000	3000	3000	3000	3000
4. NUMBER OF ACRES REVIEWED FOR SPECIAL PERMIT	250	250	250	250	250	250	250	250
5. NUMBER OF INDIVIDUALS, BUSINESSES OR ORGANIZATIONS	600	600	600	600	600	600	600	600
6. 6. NUMBER OF CONTESTED PROGRAM DECISIONS PROCESSED	2	2	2	2	2	2	2	2
7. NUMBER OF MOTIONS PROCESSED	20	20	20	20	20	20	20	20
8. NUMBER OF DRAFT EIS RESPONSES ISSUED	20	20	20	20	20	20	20	20
PROGRAM TARGET GROUPS								
1. NUMBER OF APPLICANTS FOR LAND USE REVIEW	40	40	40	40	40	40	40	40
2. INDIVIDUALS OR BUSINESSES/ORGANIZATIONS INTERESTED	1300	1300	1300	1300	1300	1300	1300	1300
PROGRAM ACTIVITIES								
1. LAND USE DISTRICT BOUNDARY AMENDMENT PETITIONS PRO	6	6	6	6	6	6	6	6
2. SPECIAL PERMIT APPLICATIONS PROCESSED	150	150	150	150	150	150	150	150
3. LAND USE DISTRICT BOUNDARY INTERPRETATIONS PROCESS	1400	1400	1400	1400	1400	1400	1400	1400
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED103: STATEWIDE LAND USE MANAGEMENT

11 01 03 03

A. Statement of Program Objectives

To preserve, protect, and encourage the development and preservation of lands in the State for those uses to which they are best suited in the interest of public health and welfare of the people of the State of Hawaii through the implementation of the State Land Use Law, Chapter 205, Hawaii Revised Statutes (HRS), as amended.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The program has no requests for FY 20 and FY 21.

C. Description of Activities Performed

The major activities of the Land Use Commission (LUC) include: (1) processing and deciding on district boundary amendment petitions which involve lands over 15 acres in the State Agricultural, Rural and Urban Districts, and all district boundary amendment petitions of lands in the Conservation District; (2) processing special permit applications for lands in the Agricultural or Rural Districts which are over 15 acres; (3) processing boundary interpretation requests; (4) monitoring of past LUC approvals; (5) maintaining, updating and disseminating official State land use district boundary maps and land use statistics; and (6) providing public information.

D. Statement of Key Policies Pursued

The State Land Use Law, Chapter 205, HRS, as amended, and Chapter 15-15, Hawaii Administrative Rules (HAR), provide statutory and administrative rules and guidelines for the LUC's consideration and decision on district boundary amendment petitions and special permit applications. Chapter 205, HRS, also requires that any decision by the LUC shall comply with the goals, objectives, policies, and priorities of the Hawaii State Plan, Chapter 226, HRS, as amended. Other policy guidelines are found in Chapter 205A, HRS, Coastal Zone Management.

E. Identification of Important Program Relationships

During its review process for district boundary amendment petitions, the LUC is required to consider the extent to which the proposed reclassification conforms to the applicable goals, objectives, and policies of the Hawaii State Plan and relates to the applicable priority guidelines

and adopted functional plans - all of which are presently administered by the Office of Planning. The LUC is also bound by rules to consider, the relevant objectives, policies and guidelines of the Coastal Zone Management Program, and the General Plan of the respective county in which the land is located.

F. Description of Major External Trends Affecting the Program

Major external trends affecting the program include: (1) general economic conditions on a local and national scale; (2) population and tourism growth; (3) commercial and industrial development; and (4) federal programs and policies. Recent upticks in the economy have had a significant impact on the program workload.

G. Discussion of Cost, Effectiveness, and Program Size Data

The effectiveness of the program is measured by: (1) the number of acres reviewed for reclassification; (2) the number of acres reviewed for special permit; (3) the number of boundary amendment petitions and special permit applications reviewed and processed within administrative rules guidelines; (4) the number of public persons and entities assisted by providing data and boundary interpretations; and (5) the number of program decisions, EIS applications and motions processed. Program effectiveness may also be measured by the timeliness and efficiency in which the LUC processes district boundary amendment petitions and special permit applications according to statutory requirements. As the LUC, while operating on a restricted budget, has consistently approved on a timely basis, a significant amount of acreage statewide for various needed uses while protecting the State's long term planning goals and interest in land use, the program can therefore be considered highly cost-effective. The LUC will continue to review its procedures and operations to remain as cost-effective as possible over the upcoming budget period to comply with its statutory mandate. External variances in land use pressures brought on by the resurgent economy are trending to significant neighbor island activity. This will require additional response costs impacting on budget requirements that cannot be mitigated programmatically. In addition, pressures to enforce LUC decisions and conditions has become paramount given the impacts on agricultural lands and public infrastructure that occur from urban growth. Enforcement has not been possible in recent years due to budget restrictions.

Program Plan Narrative

BED103: STATEWIDE LAND USE MANAGEMENT

11 01 03 03

H. Discussion of Program Revenues

State receipts generated by this program include: (1) \$5,000 filing fee for district boundary amendment petitions; (2) \$1,000 fees for motions to amend; and (3) a \$50 filing fee for intervention petitions pursuant to Section 205-45.1, HRS, and Sections 15-15-49 and 15-15-52, HAR, respectively. All fees collected are deposited to the general fund.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED130**
 PROGRAM STRUCTURE NO: **11010304**
 PROGRAM TITLE: **ECONOMIC PLANNING & RESEARCH**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
OPERATING COST	12.00*	14.00*	14.00*	14.00*	14.0*	14.0*	14.0*	14.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,051,046	1,085,807	1,150,172	1,150,172	1,150	1,150	1,150	1,150
OTHER CURRENT EXPENSES	148,020	400,745	166,145	166,145	166	166	166	166
TOTAL OPERATING COST	1,199,066	1,486,552	1,316,317	1,316,317	1,316	1,316	1,316	1,316
BY MEANS OF FINANCING								
	12.00*	14.00*	14.00*	14.00*	14.0*	14.0*	14.0*	14.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,199,066	1,486,552	1,316,317	1,316,317	1,316	1,316	1,316	1,316
TOTAL PERM POSITIONS	12.00*	14.00*	14.00*	14.00*	14.0*	14.0*	14.0*	14.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,199,066	1,486,552	1,316,317	1,316,317	1,316	1,316	1,316	1,316

PROGRAM ID: **BED130**
 PROGRAM STRUCTURE: **11010304**
 PROGRAM TITLE: **ECONOMIC PLANNING AND RESEARCH**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
MEASURES OF EFFECTIVENESS								
1. PROG. OUTPUTS CITED IN MAJOR MEDIA (AVE.MONTHLY#)	10	10	10	10	10	10	10	10
2. ACCURACY OF ECON FORECASTS (% ERROR)	5	5	5	5	5	5	5	5
PROGRAM TARGET GROUPS								
1. VISITS TO PROGRAM WEBSITE (AVE PER MONTH, THOUS.)	15.5	15.5	16	16	16.5	16.5	16.5	16.5
PROGRAM ACTIVITIES								
1. DATA SERIES MAINTAINED ON-LINE (X 100)	52	55	57	57	58	60	60	60
2. OTHER ECONOMIC AND STATISTICAL REPORTS ISSUED (#)	44	44	46	48	48	48	48	48

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

BED130: ECONOMIC PLANNING & RESEARCH

11 01 03 04

A. Statement of Program Objectives

To enhance and contribute to the economic development of the State by providing plans, analyses and policy recommendations on economic issues; conducting and reporting on basic research into the economy of the State, collecting, compiling, interpreting and publishing data and statistics on all aspects of business activity, the economy and demographic characteristics of the State; and developing and maintaining a statewide statistical reporting system.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No operational or CIP requests for FY 20 and FY 21.

C. Description of Activities Performed

Prepares the Emerging Industries report required by Section 201-19(b), HRS. This report analyzes Hawaii's sources of growth and identifies key industries and clusters driving growth and diversification.

Compiles and publishes Self-Sufficiency Income Standard report as required by Section 201-3(b), HRS. This report establishes Hawaii's self-sufficient family income standards and compares self-sufficient family budgets with poverty thresholds, minimum wage level, median family income, and estimates for actual incomes for five family types.

Compiles and publishes the Report on Hawaii Tax Credit for Research Activities as required by Section 235-110.91, HRS. This report provides data and analysis on the research activities and tax credit claims by the qualified high technology businesses (QHTBs).

Collects and maintains a database for Hawaii's Energy Industry Information Reporting Program (EIIRP) as required by Section 201-13.8, HRS.

Conducts economic studies and analyses in areas including population, tourism, emerging industries, diversification, quality of life, technology, energy, and taxation.

Maintains the automated data warehouse site to greatly expand access to data relevant for government and business decision making. Compiles

and publishes the State of Hawaii Data Book containing 800 tables of key data widely used by government, business and residents.

Develops and publishes long-range, State Population and Economic Projections and the State and county Input-Output models to guide State, county and private-sector planning efforts.

Compiles and publishes daily passenger count and weekly unemployment initial claim data. Collects passenger data from all the airlines carrying passengers to Hawaii on monthly basis.

Produces the web-based publications, Quarterly Statistical and Economic Report, Monthly Economic Indicators, and Monthly Energy Trends.

Conducts Census-related workshops to enhance businesses' ability to mine census data for marketing and business development purposes.

Responds to about 2,000 annual requests for information and other inquiries to the department.

D. Statement of Key Policies Pursued

Pursues research support for the development of emerging and growth industries and the transition of Hawaii's economy under the State's innovation initiative.

Provides policy makers with economic data, plans and alternatives to facilitate strategic economic development decision making. This includes basic research to develop functional models of Hawaii's economic activity. Provides ongoing and special analyses of economic and business issues affecting the State.

Develops and provide accurate, complete statistics to assist decision making by the Administration, Legislature, and the business community.

E. Identification of Important Program Relationships

The program maintains important relationships with decision makers in the State Administration, Legislature, private industry, and Federal agencies in order to provide the highest quality information and economic analysis support in meeting the State's economic development goals.

Program Plan Narrative

BED130: ECONOMIC PLANNING & RESEARCH

11 01 03 04

F. Description of Major External Trends Affecting the Program

Over the last several years, the program's priorities have centered on assisting the Administration, Legislature, counties and various boards and commissions to address the need for economic transformation in Hawaii's economy. As the economy moves into a cyclical weak period, the program is monitoring the economic environment closely and provides affected sectors and relevant State agencies with information and briefings on the situation and prospects for the near future. The program works closely with the U.S. Census Bureau to prepare for the 2020 Census. The program also works with the Census Bureau on the data collection, estimation, and interpretation for the Economic Census, the annual American Community Survey, and the annual population estimates.

G. Discussion of Cost, Effectiveness, and Program Size Data

Reductions-in-force and the cut in other current expenditures forced the program to close the business library and impacted the ability to fund more than necessary operating expenses of general funded activities. Consequently, all hard copy printing of reports and the engaging of outside, supplemental research services, have been severely limited. The program has sought to address this challenge by electronic dissemination of information and development of the automated data warehouse project. The program continues to seek ways to economize, including careful consideration of research priorities, staff development to permit all research needs to be performed in house, and elimination of numerous subscriptions and publications.

Measures of Effectiveness are stable due in part to electronic publishing.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No major program changes are planned.

J. Further Considerations

Not applicable.



Capital Budget Details

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED105

010102

CREATIVE INDUSTRIES DIVISION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

44 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE												
				COST ELEMENT/MOF		PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
CID007	4		OTHER	CREATIVE LAB SPACE - FOREIGN TRADE ZONE & ENTREPRENEURS' SANDBOX, OAHU												
			CONSTRUCTION	130					130							
			EQUIPMENT	370					370							
			TOTAL	500					500							
			G.O. BONDS	500					500							
			PROGRAM TOTALS													
			CONSTRUCTION	130					130							
			EQUIPMENT	370					370							
			TOTAL	500					500							
			G.O. BONDS	500					500							

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED107

010103

FOREIGN TRADE ZONE

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

45 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE										
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD						SUCCEED YEARS
								FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
PROGRAM TOTALS														
PLANS				55	55									
DESIGN				120	120									
CONSTRUCTION				1,855	1,855									
EQUIPMENT				1,140	1,140									
TOTAL				3,170	3,170									
G.O. BONDS				2,170	2,170									
G.O. BONDS REPAID				1,000	1,000									

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED142

010104

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

46 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE					BUDGET PERIOD					SUCCEED YEARS
				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
COST ELEMENT/MOF														
BED001	1		NEW	HAWAII BROADBAND INITIATIVE, STATEWIDE										
			PLANS	1,000				1,000						
			DESIGN	1,000				1,000						
			CONSTRUCTION	4,000				4,000						
			EQUIPMENT	4,000				4,000						
TOTAL				10,000				10,000						
G.O. BONDS				10,000				10,000						
PROGRAM TOTALS														
			PLANS	1,000				1,000						
			DESIGN	1,000				1,000						
			CONSTRUCTION	4,000				4,000						
			EQUIPMENT	4,000				4,000						
TOTAL				10,000				10,000						
G.O. BONDS				10,000				10,000						

STATE OF HAWAII
PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

BED143
010502
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78
47 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE												
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	SUCCEED YEARS
P19006			NEW	FIRST RESPONDERS TECHNOLOGY CAMPUS AND CYBER SECURITY DATA CENTER, OAHU												
			PLANS	600			600									
			DESIGN	1,000			1,000									
			CONSTRUCTION	4,900			4,900									
			TOTAL	6,500			6,500									
			G.O. BONDS	6,500			6,500									
P19007			NEW	FIRST RESPONDERS TECHNOLOGY CAMPUS AND CYBER SECURITY DATA CENTER, OAHU												
			PLANS	900			900									
			TOTAL	900			900									
			G.O. BONDS	900			900									
P20009	10		OTHER	ENTREPRENEUR'S SANDBOX, HAWAII TECHNOLOGY DEVELOPMENT CORP, OAHU												
			CONSTRUCTION	100					100							
			EQUIPMENT	400					400							
			TOTAL	500					500							
			G.O. BONDS	500					500							

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED143

010502

HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

48 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE											
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD					SUCCEED YEARS		
								FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24		FY 24-25	
PROGRAM TOTALS															
PLANS				2,000	500		1,500								
DESIGN				3,501	2,501		1,000								
CONSTRUCTION				13,998	8,998		4,900	100							
EQUIPMENT				401	1			400							
TOTAL				19,900	12,000		7,400	500							
G.O. BONDS				19,900	12,000		7,400	500							

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED145

010503

HAWAII STRATEGIC DEVELOPMENT CORPORATION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

51 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE												
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	SUCCEED YEARS
HSDC01			NEW	HSDC VENTURE CAPITAL INVESTMENT PROGRAM CASH INFUSION, STATEWIDE												
			PLANS	5,000				5,000								
			TOTAL	5,000				5,000								
			G.O. BONDS	5,000				5,000								
				PROGRAM TOTALS												
			PLANS	5,000				5,000								
			TOTAL	5,000				5,000								
			G.O. BONDS	5,000				5,000								

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED146

010504

NATURAL ENERGY LAB OF HAWAII AUTHORITY

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

52 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE COST ELEMENT/MOF	PROJECT TITLE		BUDGET PERIOD								SUCCEED YEARS
				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
P19008	1		REPLACEMENT	IMPROVEMENTS AND UPGRADES TO SEAWATER SYSTEM, HAWAII										
			DESIGN	1			1							
			CONSTRUCTION	1,170			1,170							
			EQUIPMENT	3,729			3,729							
			TOTAL	4,900			4,900							
			G.O. BONDS REPAID	4,900			4,900							
500	8		NEW	REMOVAL OF ABANDONED DEEP SEA PIPELINES, HAWAII										
			PLANS	1			1							
			DESIGN	499			499							
			TOTAL	500			500							
			G.O. BONDS	500			500							
501	9		NEW	KONA REGIONAL SEAWATER AIR CONDITIONING DISTRICT, HAWAII										
			PLANS	1			1							
			DESIGN	249			249							
			TOTAL	250			250							
			G.O. BONDS	250			250							

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED146

010504

NATURAL ENERGY LAB OF HAWAII AUTHORITY

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

53 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE NUMBER	PROJECT TITLE			BUDGET PERIOD						SUCCEED YEARS
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
PROGRAM TOTALS													
PLANS				83	81		2						
DESIGN				2,044	1,295		749						
CONSTRUCTION				16,612	15,442		1,170						
EQUIPMENT				7,758	4,029		3,729						
TOTAL				26,497	20,847		5,650						
G.O. BONDS				16,397	15,647		750						
G.O. BONDS REPAID				10,100	5,200		4,900						

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED150

010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

54 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE				BUDGET PERIOD					SUCCEED YEARS	
			COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
KA01	5		NEW	KAKAAKO IMPROVEMENT DISTRICT PROJECT, KAKAAKO, OAHU										
			PLANS	500			500							
			DESIGN	3,000			3,000							
			TOTAL	3,500			3,500							
			G.O. BONDS	3,500			3,500							
KL01	4		NEW	KALAELOA COMMUNITY DEVELOPMENT PLAN UPDATE, KALAELOA, OAHU										
			PLANS	500			500							
			TOTAL	500			500							
			G.O. BONDS	500			500							
			KL01A	3		NEW	KALAELOA IMPROVEMENT DISTRICT PROJECT, KALAELOA, OAHU							
PLANS	500						500							
DESIGN	2,000						2,000							
TOTAL	2,500						2,500							
G.O. BONDS	2,500						2,500							
KL08B	6		NEW	KALAELOA ENTERPRISE AVENUE ENERGY CORRIDOR TO MIDWAY ROAD, KALAELOA, OAHU										
			PLANS	1	1									
			DESIGN	1,349	849	500								
			CONSTRUCTION	11,650	9,150	2,500								
			TOTAL	13,000	10,000	3,000								
			G.O. BONDS	13,000	10,000	3,000								

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED150

010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

55 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE				BUDGET PERIOD						SUCCEED
				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	YEARS
PROGRAM TOTALS														
			PLANS	56,197	54,697		500	1,000						
			LAND ACQUISITION	22,466	22,466									
			DESIGN	20,100	14,600	500		5,000						
			CONSTRUCTION	91,458	88,958	2,500								
			EQUIPMENT	90	90									
			TOTAL	190,311	180,811	3,000	500	6,000						
			GENERAL FUND	51,202	51,202									
			G.O. BONDS	139,109	129,609	3,000	500	6,000						

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED160

0108

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

56 of 365

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE				BUDGET PERIOD					SUCCEED YEARS	
			COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
HFDC05	6		OTHER	DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE										
		CONSTRUCTION	169,000	69,000	25,000		50,000	25,000						
		TOTAL	169,000	69,000	25,000		50,000	25,000						
		G.O. BONDS	169,000	69,000	25,000		50,000	25,000						
HFDC09	7		NEW	CASH INFUSION FOR RENTAL HOUSING REVOLVING FUND, STATEWIDE										
		CONSTRUCTION	261,600	36,600	25,000		100,000	100,000						
		TOTAL	261,600	36,600	25,000		100,000	100,000						
		G.O. BONDS	261,600	36,600	25,000		100,000	100,000						
P11003	4		OTHER	LOW INCOME HOUSING TAX CREDIT LOANS, STATEWIDE										
		CONSTRUCTION	23,262	19,062	4,200									
		TOTAL	23,262	19,062	4,200									
		G.O. BONDS	23,262	19,062	4,200									
P19015		NEW	KAHULUI CIVIC CENTER MIXED USE PROJECT, MAUI											
	PLANS	1			1									
	LAND ACQUISITION	1			1									
	DESIGN	497			497									
	CONSTRUCTION	2,000			2,000									
	EQUIPMENT	1			1									
	TOTAL	2,500			2,500									
G.O. BONDS	2,500			2,500										

STATE OF HAWAII

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

BED160

0108

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

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PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE			BUDGET PERIOD						SUCCEED YEARS
			COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
P19016			NEW	KULIOUOU VALLEY, OAHU									
			PLANS	1			1						
			DESIGN	49			49						
			CONSTRUCTION	100			100						
			TOTAL	150			150						
			G.O. BONDS	150			150						
PROGRAM TOTALS													
			PLANS	3	1		2						
			LAND ACQUISITION	1			1						
			DESIGN	2,245	1,699		546						
			CONSTRUCTION	540,962	209,662	54,200	2,100	150,000	125,000				
			EQUIPMENT	1			1						
			TOTAL	543,212	211,362	54,200	2,650	150,000	125,000				
			G.O. BONDS	543,212	211,362	54,200	2,650	150,000	125,000				

STATE OF HAWAII

PROGRAM ID:

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PROGRAM TITLE:

BED144

11010302

STATEWIDE PLANNING & COORDINATION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

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PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE											
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	BUDGET PERIOD		FY 21-22	FY 22-23	FY 23-24	FY 24-25	SUCCEED YEARS
									FY 19-20	FY 20-21					
OPTOD2	0007		NEW	STATE AGENCY TRANSIT-ORIENTED DEVELOPMENT, OAHU											
			PLANS		1,000		1,000								
			TOTAL		1,000		1,000								
			G.O. BONDS		1,000		1,000								
P18202			NEW	DBEDT, PROOF OF CONCEPT PLANNING AND DESIGN, STATEWIDE											
			PLANS		1		1								
			DESIGN		249		249								
			TOTAL		250		250								
			G.O. BONDS		250		250								
P18203			NEW	PROOF OF CNCPT PLAN AND DSGN FOR S. SHORE PRMNDE AND COASTL OPEN SPACE NTWK STUDY,OAHU											
			PLANS		1		1								
			DESIGN		249		249								
			TOTAL		250		250								
			G.O. BONDS		250		250								

STATE OF HAWAII

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11010302

STATEWIDE PLANNING & COORDINATION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78

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PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE			BUDGET PERIOD					SUCCEED		
				PROJECT TOTAL	PRIOR YRS	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	YEARS
COST ELEMENT/MOF														
PROGRAM TOTALS														
			PLANS	1,502	500	1,002								
			DESIGN	498		498								
			TOTAL	2,000	500	1,500								
			G.O. BONDS	2,000	500	1,500								