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## **DETAILS OF VARIANCES**



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## **ECONOMIC DEVELOPMENT**

## VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	496.00	383.00	- 113.00	23	510.00	401.00	- 109.00	21	510.00	509.00	- 1.00	0
EXPENDITURES (\$1000's)	331,432	229,266	- 102,166	31	82,315	27,489	- 54,826	67	268,132	272,669	+ 4,537	2
TOTAL COSTS												
POSITIONS	496.00	383.00	- 113.00	23	510.00	401.00	- 109.00	21	510.00	509.00	- 1.00	0
EXPENDITURES (\$1000's)	331,432	229,266	- 102,166	31	82,315	27,489	- 54,826	67	268,132	272,669	+ 4,537	2
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2012 CONSTANT \$ IN MILLIONS)	80524	83148	+ 2624	3	81410	84146	+ 2736	3				
2. REAL PERSONAL INCOME (2009 CONSTANT \$ IN MILLIONS)	61293	62469	+ 1176	2	62304	63522	+ 1218	2				
3. UNEMPLOYMENT RATE (% TENTHS)	2.3	2.6	+ 0.3	13	2.5	3.0	+ 0.5	20				
4. TOTAL EMPLOYMENT (THOUSANDS)	677	653	- 24	4	685	656	- 29	4				
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	92537	95627	+ 3090	3	95545	99259	+ 3714	4				
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)	79288	80112	+ 824	1	81984	83028	+ 1044	1				

## VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

### **PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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

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

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

See Lowest Level Programs for additional information.



# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

## **PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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

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

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

See Lowest Level Programs for additional information.

PROGRAM TITLE:

STRATEGIC MARKETING AND SUPPORT

12/6/19

PROGRAM-ID:

BED-100

PROGRAM STRUCTURE NO:

010101

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,047	3,544	- 1,503	30	1,655	454	- 1,201	73	3,453	4,204	+ 751	22
TOTAL COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,047	3,544	- 1,503	30	1,655	454	- 1,201	73	3,453	4,204	+ 751	22
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	+ 0	0	10	10	+ 0	0				
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	17500	18500	+ 1000	6	17500	18500	+ 1000	6				
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	30	28	- 2	7	25	25	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. # OF FIRMS ENROLLED IN ENTERPRIZE ZONE PROGRAM	250	251	+ 1	0	250	250	+ 0	0				
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	312	+ 112	56	200	600	+ 400	200				
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT	40	65	+ 25	63	35	50	+ 15	43				
PART IV: PROGRAM ACTIVITY												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	25	25	+ 0	0	25	25	+ 0	0				
2. OUTREACH ACTIVITIES	10	10	+ 0	0	10	10	+ 0	0				
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES	300	330	+ 30	10	300	330	+ 30	10				

**PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT**

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**PART I - EXPENDITURES AND POSITIONS**

Minimal spending on the Hawaii Community-Based Development Revolving Fund and no spending on the State Disaster Revolving Fund. The FY 19 federal grant was \$450,000, rather than the ceiling of \$700,000. The available federal funds carryover balance for FY 20 is roughly \$350,000. The FY 20 Q1 budget includes the federal fund ceiling from Act 5, SLH 2019, to correspond with the Form A-19 format rules related to non-reverting funds. Actual expenditures will occur throughout the fiscal year. We expect no significant expenditures for the rest of the year for these appropriations. Also, estimated expenditures do not include restrictions on general funds.

**PART II - MEASURES OF EFFECTIVENESS**

Item 2. Actual results are greater than planned due to additional funding for the program and increased export promotion activities.

**PART III - PROGRAM TARGET GROUPS**

Item 2. The number of community-based organizations, co-ops, and small businesses assisted has increased due to an expanded outreach program enacted by the Community Based Economic Development and Enterprise Zones programs.

Item 3. The number of small and medium-sized enterprises increased due to the expanded outreach efforts of the Hawaii State Trade Expansion Program.

**PART IV - PROGRAM ACTIVITIES**

Item 3. There has been a major initiative to expand outreach on enterprise zones, which led to the positive variance for FY 19 and is expected to continue in FY 20.



PROGRAM TITLE:

CREATIVE INDUSTRIES DIVISION

12/6/19

PROGRAM-ID:

BED-105

PROGRAM STRUCTURE NO:

010102

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	11.00	8.00	- 3.00	27	14.00	8.00	- 6.00	43	14.00	14.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,957	1,487	- 470	24	320	236	- 84	26	1,525	1,381	- 144	9
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	11.00	8.00	- 3.00	27	14.00	8.00	- 6.00	43	14.00	14.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,957	1,487	- 470	24	320	236	- 84	26	1,525	1,381	- 144	9
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	3.2	3.1	- 0.1	3	3.5	3.6	+ 0.1	3				
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	50	54	+ 4	8	53	54	+ 1	2				
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	15	15.132	+ 0.132	1	17	17	+ 0	0				
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	400	477	+ 77	19	350	400	+ 50	14				
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	800	825	+ 25	3	400	700	+ 300	75				
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	50	52	+ 2	4	40	48	+ 8	20				
7. \$ AMT OF ESTIMATED REBATE - ACT 88/89	53	90	+ 37	70	53	50	- 3	6				
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS	45	70	+ 25	56	45	30	- 15	33				
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)	200	190	- 10	5	200	200	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	90	100	+ 10	11	90	90	+ 0	0				
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	125	130	+ 5	4	135	135	+ 0	0				
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)	45	174	+ 129	287	55	65	+ 10	18				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	2800	3500	+ 700	25	2800	3000	+ 200	7				
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	15	11	- 4	27	18	20	+ 2	11				
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS	15	28	+ 13	87	18	18	+ 0	0				

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

01 01 02  
BED 105

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

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

1. Two (2) existing positions; Economic Development Specialist V and Economic Development Specialist VI in the Film Industry Branch are under recruitment.

2. One (1) branch chief position is filled with the temporary assignment while the Position Description (PD), which is outdated, is being rewritten to align with the goals and objectives of the creative industries division.

3. The Four (4) new positions\* which are critical to the improved operations of the focus areas of workforce, infrastructure and tax credit reporting, data analytics are in varying stages of draft PD's and recruitment. All hires are to be completed by January 31, 2020.

\*The recruitment for these positions is delayed by several months in order to meet a portion of the holdback amount of 12.5% for BED 105, along with some OCE reductions.

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

CID, with support by DBEDT Research and Economic Analysis Division (READ) established a baseline of metrics to track creative sector vibrancy/resilience. The sectors tracked expanded to align with satellite accounts developed by the U.S. Bureau of Economic Analysis.

The program refocused its measures of effectiveness in 2016-17 as reflected in Part II. The estimates and totals listed in FY18-19 and FY19-20 show more detail in the metrics which comprise the data sets which help to further define the growth of Hawaii's creative economy.

Item 3. The unit of measurement is in (thousands) for jobs.

Item 7. The establishment of Act 143, SLH 2017, for The Hawaii Motion Picture, Digital Media and Film Production Tax Credit set a limit on the annual dollar amount of rebates available to \$50 million per calendar year effective January 1, 2019.

Item 8: Both FY18 and FY19 saw a significant increase in neighbor island production totals due to two major feature films and reality television series filming on Kauai, Maui and Hawaii Islands. Estimates for FY20 are lower than anticipated to date, but expecting additional projects to increase these totals.

Planned or estimated tax credit rebate for FY19-20 is \$71 million. The carry forward of the estimated overage of \$21 million into FY20-21 will further the amount of rebate available for calendar year 2021 to \$29 million. These metrics will need to be updated again as the new Administrative Rules took effect November 17, 2019 which detail a more equitable allocation method. Program has not had adequate staffing to provide the updates based on the new allocation procedure. Figures will be updated once the information has been compiled/verified in December 2019.

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

1. Workforce Development metrics are still being compiled for both FY18-19 and FY19-20. Per Act 89 and now Act 143 require .1% contribution to public K-12 and University programs, as well as internships. The new fiscal operations staffing in BED105 will provide more granular details on the actual spend, value of the time of industry professionals and other metrics associated with these contributions. Target groups track metrics of +/- based on talent/workforce development efforts (Creative Lab Hawaii, Ohina Labs, Good Pitch Hawaii programs); the reach of film program initiatives statewide and; export of creative product in music licensed for film, television and commercials globally.

Item 3. The Estimated revenue generated from the Hawaii songwriters Creative Lab Hawaii Music Immersive program has grown exponentially. Revenue estimates were low, based on conservative outlook. However, the CLH music program has surpassed expectations. As with the CLH Media Immersives, job creation, monetization and export of the original IP of Hawaii residents in the arts including licensing original IP to film, television and international commercials has produced significant results

**PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION**

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and continues to grow each year.

**PART IV - PROGRAM ACTIVITIES**

Program Activities were refined to focus on film production permitting volume per year and number of locally developed media, arts, culture and music content projects that are export or investment ready annually.

Items 1, 2, and 3. Refined measurable activities in film, media content and music export which shows the volume of film production permitting per year, number of locally developed media and music content projects that are licensed, exported via media projects domestically or globally, or are at a seed stage of being investment ready.

Item 3. See item 3 in Part III above.

PROGRAM TITLE:

FOREIGN TRADE ZONE

12/6/19

PROGRAM-ID:

BED-107

PROGRAM STRUCTURE NO:

010103

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	17.00	12.00	-	5.00	29	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,279	2,253	-	26	1	560	508	-	52	9	1,878	1,878	+	0	0
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	17.00	12.00	-	5.00	29	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,279	2,253	-	26	1	560	508	-	52	9	1,878	1,878	+	0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	35	+	32	1067	3	3	+	0	0	3	3	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	21	+	18	600	3	3	+	0	0	3	3	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	-39	-	45	750	5	5	+	0	0	5	5	+	0	0
4. # OF NEW FIRMS USING FTZ PROGRAM	30	68	+	38	127	30	30	+	0	0	30	30	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	16	+	11	220	5	5	+	0	0	5	5	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	98	+	38	63	60	60	+	0	0	60	60	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NO DATA	-	4	100	4	NO DATA	-	4	100	4	NO DATA	-	4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	NO DATA	-	0	0	0	NO DATA	-	0	0	0	NO DATA	-	0	0
<b>PART III: PROGRAM TARGET GROUP</b>															
1. FIRMS USING FTZ PROGRAM (NO.)	250	376	+	126	50	250	376	+	126	50	250	376	+	126	50
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	324	-	176	35	500	324	-	176	35	500	324	-	176	35
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	72	+	2	3	70	70	+	0	0	70	70	+	0	0
<b>PART IV: PROGRAM ACTIVITY</b>															
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	2199	+	449	26	1750	1750	+	0	0	1750	1750	+	0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	6445	-	1155	15	7600	7600	+	0	0	7600	7600	+	0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	35	-	25	42	60	60	+	0	0	60	60	+	0	0
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	25	-	50	67	75	25	-	50	67	75	25	-	50	67

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

01 01 03  
BED 107

## **PROGRAM TITLE: FOREIGN TRADE ZONE**

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

The position variances in FY 19 and the first quarter of FY 20 are due to an inability to find qualified candidates. Interviews are ongoing.

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

Item 1. The variance is the result of a higher volume than anticipated in the previous year in light of continued trade volatility and uncertainty.

Item 2. The variance is the result of uncertain trade conditions under the federal administration's ongoing trade actions.

Items 3 and 4. The variances are the result of uncertain trade conditions affecting the State under the federal administration's ongoing trade actions.

Item 5. The variance is the result of the world-wide increase in oil prices.

Item 6. The variance is the result of uncertain trade conditions impacting the number of firms using the Foreign-Trade Zone (FTZ).

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

Item 8. No data available, but, revenues generally exceed expenses by about \$50,000 per annum.

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

Items 1 and 2. The variances in the number of firms using the FTZ and importing or exporting dutiable merchandise are due to uncertain trade conditions.

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

Item 1. The variance in the value of cargo in and out of the FTZ, except subzones, is due to uncertain trade conditions.

Item 2. The variance in the value of cargo in and out of subzones is due to oil price volatility.

Item 3. The variance in the value of cargo in and out of Pier 2 is due to uncertain trade conditions.

Item 5. The variance in marketing expenses is due to the Program reducing its marketing expenditures in an effort to maintain parity with program revenues within its special fund.

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PROGRAM-ID: BED-142

PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	26.00	22.00	- 4.00	15	26.00	23.00	- 3.00	12	26.00	26.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,223	2,028	- 195	9	621	501	- 120	19	2,705	2,661	- 44	2
TOTAL COSTS												
POSITIONS	26.00	22.00	- 4.00	15	26.00	23.00	- 3.00	12	26.00	26.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,223	2,028	- 195	9	621	501	- 120	19	2,705	2,661	- 44	2
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF PROCUREMENT VIOLATIONS	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	+ 0	0	95	95	+ 0	0	95	95	+ 0	0
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	+ 0	0	2.0	2.0	+ 0	0	2.0	2.0	+ 0	0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	100	+ 2	2	98	98	+ 0	0	98	98	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	327	325	- 2	1	327	316	- 11	3				
PART IV: PROGRAM ACTIVITY												
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	168	+ 18	12	150	175	+ 25	17				
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1250	1532	+ 282	23	1250	1550	+ 300	24				
3. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	0	- 5	100	5	5	+ 0	0				
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	807	- 693	46	1500	1000	- 500	33				

PROGRAM TITLE: TOURISM

12/6/19

PROGRAM-ID: BED-113

PROGRAM STRUCTURE NO: 0102

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	141,369	104,100	- 37,269	26	42,196	1,428	- 40,768	97	99,287	115,363	+ 16,076	16
TOTAL COSTS												
POSITIONS	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
EXPENDITURES (\$1000's)	141,369	104,100	- 37,269	26	42,196	1,428	- 40,768	97	99,287	115,363	+ 16,076	16
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	18.34	17.4	- 0.94	5	18.7	17.6	- 1.1	6				
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE	75	59	- 16	21	75	59	- 16	21				
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)	12750	14692	+ 1942	15	13280	14806.9	+ 1526.9	11				
4. % TRAVELERS CONSIDERING A TRIP TO HAWAI I	50	49	- 1	2	50	51	+ 1	2				
5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER	7.00	25.6	+ 18.6	266	7.00	NO DATA	- 7	100				
PART III: PROGRAM TARGET GROUP												
1. JAPANESE TRAVELERS TO THE US (MILLION)	3.6	3.597	- 0.003	0	3.6	3.56	- 0.04	1				
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	40.5	41.77	+ 1.27	3	40.5	45.9	+ 5.4	13				
PART IV: PROGRAM ACTIVITY												
1. # SPORTING EVENTS ACTUALLY FUNDED	21	21	+ 0	0	21	21	+ 0	0				
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LVING HWN	128	134	+ 6	5	128	172	+ 44	34				
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	12	21	+ 9	75	12	12	+ 0	0				
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	55	141	+ 86	156	55	112	+ 57	104				
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE	138000	49829	- 88171	64	138000	49900	- 88100	64				
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	48.0	47.8	- 0.2	0	48.0	51.6	+ 3.6	8				

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

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**PART I - EXPENDITURES AND POSITIONS**

FY 19 - The position variance is due to turnover; positions that were vacant were filled in the first quarter of FY 20. Anticipate filling the remaining positions later in the year. The expenditure variance is due to vacant positions and holdbacks.

FY 20 Q1 - Actual expenditures were less than planned due to delays in implementation of various initiatives. Will be caught up in the subsequent quarters net of restrictions.

**PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

**PART III - PROGRAM TARGET GROUPS**

No significant variances.

**PART IV - PROGRAM ACTIVITIES**

Item 1. The FY 19 variance is due to an underestimate of the planned amount. The FY 20 variance is due to changes in Budget Execution Instructions for allotment requests. Unlike FY 19, the interim Budget Execution Instructions required an initial Form A-19 to allot 25% of budgeted appropriation in the first quarter. The official Budget Execution Instructions for FY 20 (Executive Memorandum No. 19-02) required a separate first amendment to allocate funds for the full-year for each program's main operating accounts. The current year estimates are greater than planned due to the expectation of allotting collective bargaining adjustments as well as reverting/reallocating funds once or twice throughout the rest of the fiscal year for each program's main operating accounts.

Item 2. The variance is due to an increased amount of transactions to process. This trend is expected to continue.

Item 3. The variance is due to an overestimate of the number of grievances.

Item 4. The variance is due to an overestimate of the planned amount.



PROGRAM TITLE:

AGRICULTURE

12/6/19

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	326.00	249.00	- 77.00	24	337.00	260.00	- 77.00	23	337.00	337.00	+ 0.00	0
EXPENDITURES (\$1000's)	55,924	38,305	- 17,619	32	14,565	13,681	- 884	6	46,391	36,575	- 9,816	21
TOTAL COSTS												
POSITIONS	326.00	249.00	- 77.00	24	337.00	260.00	- 77.00	23	337.00	337.00	+ 0.00	0
EXPENDITURES (\$1000's)	55,924	38,305	- 17,619	32	14,565	13,681	- 884	6	46,391	36,575	- 9,816	21
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	900	679	- 221	25	900	900	+ 0	0				
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	520	621	+ 101	19	520	520	+ 0	0				

**PROGRAM TITLE: AGRICULTURE**

**01 03**

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**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

12/6/19

PROGRAM-ID:

AGR-101

PROGRAM STRUCTURE NO:

010301

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,251	4,709	- 2,542	35	1,715	1,715	+ 0	0	5,146	5,146	+ 0	0
TOTAL COSTS												
POSITIONS	9.00	8.00	- 1.00	11	9.00	8.00	- 1.00	11	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,251	4,709	- 2,542	35	1,715	1,715	+ 0	0	5,146	5,146	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LOANS APPROVED	25	20	- 5	20	25	25	+ 0	0	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)	4500	4454	- 46	1	4500	4500	+ 0	0	4500	4500	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS	4200	11161	+ 6961	166	10000	10000	+ 0	0	10000	10000	+ 0	0
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER	1200	812	- 388	32	1000	1000	+ 0	0	1000	1000	+ 0	0
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	900	679	- 221	25	900	900	+ 0	0	900	900	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	7000	7300	+ 300	4	7000	7300	+ 300	4	7000	7300	+ 300	4
2. POTENTIAL QUALIFIED AQUACULTURISTS	70	70	+ 0	0	70	70	+ 0	0	70	70	+ 0	0
3. AGRICULTURE/AQUACULTURE COOPERATIVES	25	25	+ 0	0	25	25	+ 0	0	25	25	+ 0	0
4. COMMERCIAL BANKS	5	6	+ 1	20	5	6	+ 1	20	5	6	+ 1	20
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF PUBLIC RELATIONS CONTACTS	75	69	- 6	8	50	50	+ 0	0	50	50	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS	700	643	- 57	8	700	700	+ 0	0	700	700	+ 0	0
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION	160	77	- 83	52	175	175	+ 0	0	175	175	+ 0	0
4. AMOUNT COLLECTED BY PROGRAM (000'S)	2250	2785	+ 535	24	2250	2250	+ 0	0	2250	2250	+ 0	0

**PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE**

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**PART I - EXPENDITURES AND POSITIONS**

Variations in FY 19 expenditures were due to position vacancies and the lower dollar amount in loan disbursements. Variations in positions are due to lack of qualified applicants for vacant positions.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. The number of loans approved was 20% below the planned amount due to the program concentrating its efforts on emergency loans and manning disaster recovery centers. Emergency loans totaled 40% of the loans approved and while the number of loans was below the planned amount, the dollar amount of loans was on target for FY 19.

Item 3. The annual acreage cultivated by borrowers well exceeded the planned amount and is due to the larger loan portfolio and ranch acreage. The estimated amount for FY 20 has been adjusted to the larger loan portfolio.

Item 4. The amount of employees or laborers utilized by borrowers was below the planned amount due to farm efficiencies and scaling down of operations due to the tight labor market, which made finding employees difficult.

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

**PART III - PROGRAM TARGET GROUPS**

Item 4. The number of commercial banks providing financial services to qualified individuals was above the planned amount due to the addition of a State chartered bank, which will help make more credit available for the agricultural community.

**PART IV - PROGRAM ACTIVITIES**

Item 3. The number of loan inquiries received was well below the planned amount. The program has made an increased effort to conduct public outreach to inform the agricultural industry about available loan programs.

Item 4. The amount collected by the program was above the projected number due to the larger loan portfolio and two significant loan payoffs. The program remains focused on collections and working with delinquent borrowers.

PROGRAM TITLE:

PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	182.00	147.00	- 35.00	19	184.00	148.00	- 36.00	20	184.00	184.00	+ 0.00	0
EXPENDITURES (\$1000's)	21,510	15,174	- 6,336	29	5,484	5,484	+ 0	0	16,456	5,756	- 10,700	65
TOTAL COSTS												
POSITIONS	182.00	147.00	- 35.00	19	184.00	148.00	- 36.00	20	184.00	184.00	+ 0.00	0
EXPENDITURES (\$1000's)	21,510	15,174	- 6,336	29	5,484	5,484	+ 0	0	16,456	5,756	- 10,700	65
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0				
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	520	621	+ 101	19	520	520	+ 0	0				

**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

12/6/19

PROGRAM-ID:

AGR-122

PROGRAM STRUCTURE NO:

01030201

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	120.00	100.00	- 20.00	17	124.00	98.00	- 26.00	21	124.00	124.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	15,362	10,217	- 5,145	33	3,952	3,952	+ 0	0	11,858	1,158	- 10,700	90
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	120.00	100.00	- 20.00	17	124.00	98.00	- 26.00	21	124.00	124.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	15,362	10,217	- 5,145	33	3,952	3,952	+ 0	0	11,858	1,158	- 10,700	90

	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0
2. NUMBER OF PEST INTERCEPTIONS	1500	1385	- 115	8	1700	1500	- 200	12
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	520	621	+ 101	19	520	520	+ 0	0
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	600	618	+ 18	3	600	600	+ 0	0
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	12	10	- 2	17	15	15	+ 0	0
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	25	20	- 5	20	35	20	- 15	43
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	85	97	+ 12	14	85	85	+ 0	0

<b>PART III: PROGRAM TARGET GROUP</b>								
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	46	47	+ 1	2	46	46	+ 0	0
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	7000	7574	+ 574	8	7000	7000	+ 0	0
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8200	8649	+ 449	5	8200	8200	+ 0	0
4. NUMBER OF IMPORT PERMIT REQUESTS	1000	1052	+ 52	5	1000	1000	+ 0	0
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	520	489	- 31	6	520	500	- 20	4
6. NUMBER OF CERTIFIED NURSERIES	170	136	- 34	20	170	140	- 30	18
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	1	+ 0	0	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	40	+ 0	0	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	35	38	+ 3	9	40	35	- 5	13
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	6	+ 1	20	10	12	+ 2	20

<b>PART IV: PROGRAM ACTIVITY</b>								
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	45	44	- 1	2	45	45	+ 0	0
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	6102	- 398	6	6500	6500	+ 0	0
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	8200	8532	+ 332	4	8200	8200	+ 0	0
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	300	175	- 125	42	420	420	+ 0	0
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	280	280	+ 0	0	352	352	+ 0	0
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	15	15	+ 0	0	15	15	+ 0	0
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	7	7	+ 0	0	8	8	+ 0	0
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	35	58	+ 23	66	35	35	+ 0	0

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

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**PART I - EXPENDITURES AND POSITIONS**

Variations were due to position vacancies and lower than expected special and federal fund expenditures. Variations in positions are due to lack of qualified applicants for vacant positions.

**PART II - MEASURES OF EFFECTIVENESS**

Item 2. The number of pest interceptions decreased due to staff focusing time and effort on high-risk, Not Known to Occur (NKO) Hawaii pests. Number of NKOs account for roughly half the interceptions turned in. A high level of compliance for origin inspections and certified nurseries resulted in reduced insect interceptions as well.

Item 3. Staff focusing on high-risk species that are NKO.

Item 5. Percentage of Chemical/Mechanical Control projects under high level of control for FY 19 decreased due to the loss of two staff to retirement and promotion; positions were not filled, in part, due to the lack of qualified applicants; and one position was downgraded to attract a greater number of qualified applicants.

Item 6. The number of pests under high level of biocontrol decreased due to climate change issues. The changing rain patterns are disrupting systems and delaying the surge in natural enemies to exert control over target pests. There will be a resurgence of pests, especially on Maui, where they experience prolonged droughts and numerous fires. Climate change issues will be exacerbated over time and the State will have to revisit long standing projects to pest resurgence.

Item 7. All Certified Nurseries are in compliance; origin inspections are at around 95% compliant.

**PART III - PROGRAM TARGET GROUPS**

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

Item 9. Enhanced diagnostics and identification support from collaborating agencies have increased the number of new infestations of insects and other pests detected per year. Pathways appear to be evolving and pests are more readily escaping detection at the border, as there is a surge in new pest detections that are away from the border and traditional high-risk sites such as nurseries. For FY 20, a decrease in detection is anticipated with a decrease in identification capacity on Hawaii Island.

Item 10. The number of widespread infestations of insects and other pests is expected to increase. Most prominently will be the expected expansion of distribution of little fire ants as more and more infestations are identified and the Hawaii Department of Agriculture has limited capacity to conduct necessary trace back/forward capacity. *Acalolepta aesthetica* infested areas will probably double in size within the next year.

**PART IV - PROGRAM ACTIVITIES**

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

Item 8. In FY 19, there was an increase in the number of seed tests and analysis conducted. The number of submissions is dependent upon the U.S. Department of Agriculture, U.S. Customs and Border Protection, and commercial seed distributors.



# VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	62.00	47.00	- 15.00	24	60.00	50.00	- 10.00	17	60.00	60.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,148	4,957	- 1,191	19	1,532	1,532	+ 0	0	4,598	4,598	+ 0	0
TOTAL COSTS												
POSITIONS	62.00	47.00	- 15.00	24	60.00	50.00	- 10.00	17	60.00	60.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,148	4,957	- 1,191	19	1,532	1,532	+ 0	0	4,598	4,598	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0	6	6	+ 0	0

**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE: RABIES QUARANTINE

12/6/19

PROGRAM-ID: AGR-131

PROGRAM STRUCTURE NO: 0103020201

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	36.32	28.32	- 8.00	22	34.32	30.32	- 4.00	12	34.32	34.32	+ 0.00	0
EXPENDITURES (\$1000's)	4,004	3,590	- 414	10	983	983	+ 0	0	2,950	2,950	+ 0	0
TOTAL COSTS												
POSITIONS	36.32	28.32	- 8.00	22	34.32	30.32	- 4.00	12	34.32	34.32	+ 0.00	0
EXPENDITURES (\$1000's)	4,004	3,590	- 414	10	983	983	+ 0	0	2,950	2,950	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED	3	7	+ 4	133	4	4	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. DOGS AND CATS QUARANTINED	800	1081	+ 281	35	700	700	+ 0	0				
2. POPULATION OF HAWAII	1450000	1200000	- 250000	17	1450000	1454000	+ 4000	0				
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS	250	336	+ 86	34	50	80	+ 30	60				
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS	750	745	- 5	1	650	650	+ 0	0				
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL	14400	13713	- 687	5	14400	14400	+ 0	0				
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT	200	103	- 97	49	200	200	+ 0	0				
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED	31	31	+ 0	0	32	32	+ 0	0				
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES	2	11	+ 9	450	2	12	+ 10	500				
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES	1400	995	- 405	29	1000	1000	+ 0	0				
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED	1400	1212	- 188	13	1500	1500	+ 0	0				

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

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AGR 131

## **PROGRAM TITLE: RABIES QUARANTINE**

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

The variances in expenditures are due to vacant positions. The variances in positions filled are due to the inability to find qualified candidates for vacant positions.

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

Item 2. The increase in alien pests detected is associated with the increase in tick infestations in the originating areas of the continental United States.

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

Item 1. The increased amount of animals quarantined is primarily due to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the Five-Day-or-Less Program, also known as 5 Day Or Less quarantine program, not released on arrival. A decrease is expected in FY 20 due to recent administrative rule changes affecting import requirements.

Item 2. The reason for the decrease in Hawaii's population is unknown.

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

Items 1. The FY 19 increase in the amount of animals quarantined is due primarily to the increased number of animals arriving before the date they are qualified for Direct Airport Release and an increase in the number of animals under the 5 Day Or Less program not released on arrival. A higher number of animals also arrived without any preparations done for the 5 Day or Less program, resulting in quarantine for 120 days. A decrease in these categories is expected in FY 20 due to recent administrative rule changes affecting import requirements. However, an increase in total animals entering the State can affect these numbers.

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

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

Item 7. The decrease in the number of animals sampled for internal parasites is likely due to shorter confinement periods in FY 19.

Item 8. The decrease in Service Dogs in FY 19 was unexpected and the reason is unknown; it is expected to increase in FY 20.

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

12/6/19

PROGRAM-ID:

AGR-132

PROGRAM STRUCTURE NO:

0103020202

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	25.68	18.68	- 7.00	27	25.68	19.68	- 6.00	23	25.68	25.68	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,144	1,367	- 777	36	549	549	+ 0	0	1,648	1,648	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	25.68	18.68	- 7.00	27	25.68	19.68	- 6.00	23	25.68	25.68	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,144	1,367	- 777	36	549	549	+ 0	0	1,648	1,648	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	5	+ 0	0	5	5	+ 0	0				
2. NO. OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE	111	111	+ 0	0	111	111	+ 0	0				
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG	8	8	+ 0	0	8	8	+ 0	0				
4. NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. LIVESTOCK PRODUCERS	2800	2800	+ 0	0	2800	2800	+ 0	0				
2. AQUACULTURE PRODUCERS	100	100	+ 0	0	100	100	+ 0	0				
3. HUMAN POPULATION	1450000	1420000	- 30000	2	1450000	1450000	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY	2000	350	- 1650	83	2000	400	- 1600	80				
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY	700000	501321	- 198679	28	800000	750000	- 50000	6				
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY	18000	20235	+ 2235	12	18000	19000	+ 1000	6				
4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY	20000	19400	- 600	3	20000	20000	+ 0	0				
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV	1800	1674	- 126	7	1800	1700	- 100	6				
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS	10	4	- 6	60	10	5	- 5	50				
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS	2000	2366	+ 366	18	2000	2200	+ 200	10				
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE	4500	4652	+ 152	3	4500	4900	+ 400	9				
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	6500	7401	+ 901	14	6000	6500	+ 500	8				
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED	2000	1731	- 269	13	2000	1800	- 200	10				

**PROGRAM TITLE: ANIMAL DISEASE CONTROL**

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**PART I - EXPENDITURES AND POSITIONS**

Variances in expenditures are due to vacancies and the absence of special fund expenditures. Variances in positions are due to difficulties in finding qualified candidates for vacant positions.

Item 10. The decrease in the number of aquatic animal health documents issued is due to a reduction in the documentation required for shrimp exportation to certain international destinations.

**PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

**PART III - PROGRAM TARGET GROUPS**

No significant variances.

**PART IV - PROGRAM ACTIVITIES**

Item 1. The decrease is due to the discontinuation of market hogs being imported into the State.

Item 2. The decrease is due to the delay of an anticipated start up of a new egg layer operation on Oahu, resulting in a reduction in the number of day-old chicks and hatched eggs entering the State.

Item 3. The increased number of inspections conducted are due an increase in the number of dogs and cats entering the State as a result of rabies quarantine rule changes.

Item 6. The decrease in investigations conducted is due to a reduced number of disease outbreaks.

Item 7. The increase is due to the higher number of laboratory tests required for the export of dairy cattle from the closure of Big Island Dairy.

Item 9. The increase is due to the higher number of laboratory tests conducted for imported animals, including an increase in the number of dogs and cats entering the State.

PROGRAM TITLE:

PRODUCT DEVELOPMENT AND MARKETING FOR AGR

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	64.00	45.00	- 19.00	30	64.00	47.00	- 17.00	27	64.00	64.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	13,571	9,738	- 3,833	28	3,507	2,623	- 884	25	13,210	14,094	+ 884	7
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	64.00	45.00	- 19.00	30	64.00	47.00	- 17.00	27	64.00	64.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	13,571	9,738	- 3,833	28	3,507	2,623	- 884	25	13,210	14,094	+ 884	7
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	24	30	+ 6	25	24	30	+ 6	25				
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	4	5	+ 1	25	4	5	+ 1	25				
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	20	28	+ 8	40	20	28	+ 8	40				

**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.



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

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	28.00	21.00	- 7.00	25	28.00	23.00	- 5.00	18	28.00	28.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,036	6,222	- 814	12	1,727	843	- 884	51	7,873	8,757	+ 884	11
TOTAL COSTS												
POSITIONS	28.00	21.00	- 7.00	25	28.00	23.00	- 5.00	18	28.00	28.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,036	6,222	- 814	12	1,727	843	- 884	51	7,873	8,757	+ 884	11

	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. NO. OF SEEDLINGS DISTRIBUTED AND/OR SOLD	100	99	- 1	1	100	100	+ 0	0
2. NO. OF ACRES OF TREE PLANTING OR REFORESTATION	100	5055	+ 4955	4955	100	667	+ 567	567
3. NO. OF LANDOWNERS/ORGANIZATNS/COMMUNITIS ASSISTED	100	127	+ 27	27	100	100	+ 0	0
4. % STATE FUNDING MATCHED AGAINST O/SIDE FUNDNG SRCS	100	97	- 3	3	100	100	+ 0	0
5. ACRES ACQRD/SCRD FOR FORST RSRV/OTHER FRSTRY PRPS	100	155	+ 55	55	100	400	+ 300	300
6. ACRES DEPRTMNTL LANDS UNDR COMMERCIAL TIMBER MGMT	100	1	- 99	99	100	2	- 98	98
7. \$ VALUE REVNUUE FR FORST PROD & OTHR FORST REV SRCS	100	221	+ 121	121	100	140	+ 40	40
8. NO. INFORMTIONL MATRLS PRODCD & OUTRCH EVNTS ATTND	100	100	+ 0	0	100	100	+ 0	0

<b>PART III: PROGRAM TARGET GROUP</b>								
1. FOREST PRODCT PRODCRS/PROCSSRS/RELTD BUSNS/INVSTRS	150	586	+ 436	291	150	150	+ 0	0
2. FOREST AND RANGE LANDOWNERS	50	338	+ 288	576	50	400	+ 350	700
3. BUSINESS COMMUNITY	50	25	- 25	50	50	25	- 25	50
4. EDUCATION COMMUNITY	NO DATA	8	+ 8	0	NO DATA	10	+ 10	0
5. WATERSHED PARTNERS	NO DATA	3	+ 3	0	NO DATA	10	+ 10	0
6. COMMUNITY VOLUNTEER ORGANIZATIONS	100	344	+ 244	244	100	300	+ 200	200

<b>PART IV: PROGRAM ACTIVITY</b>								
1. PRODCE & SUBSQNTL DISTRBTE &/OR SELL TREE SEEDLNCS	60000	59435	- 565	1	60000	60000	+ 0	0
2. PLANT OR REFOREST DEPARTMENTAL LANDS	150	7582	+ 7432	4955	150	1000	+ 850	567
3. PROVDE TECH FORSTRY ASSIST TO LNDWNRS/ORG/AGN/COMM	1000	1288	+ 288	29	1000	1000	+ 0	0
4. LEVERAGE STATE FUNDS/ASSOC SVCS THRU GRNTS/PRGM	2	1.9	- 0.1	5	2	2	+ 0	0
5. ACQUIRE/SECURE LANDS ADDTN TO FOREST RES SYS	2000	3095	+ 1095	55	2000	8000	+ 6000	300
6. DEVELOP DEPARTMENTAL LANDS FOR COMMERCL TIMBR MNGT	6000	46	- 5954	99	6000	100	- 5900	98
7. GENERATE REVENUES FROM NON-TRADTNL FOREST PRODUCTS	50000	154955	+ 104955	210	50000	70000	+ 20000	40

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

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**PART I - EXPENDITURES AND POSITIONS**

The number of positions filled in FY 19 and for the 1st quarter of FY 20 was less than budgeted due to vacancies attributed to staff promotions, retirements and resignations. One newly authorized position by the Legislature is established and certain temporary positions are being converted to permanent positions. The remaining vacancies are being recruited and should be 100% completed by the fourth quarter of FY 20.

The program expenditures for FY 19 were 12% below the allowed and budgeted ceiling. The program did not generate the projected revenues in S-347 due to commercial forestry projects and implementation delays.

Funds actually expended in the first quarter of FY 20 were less than budgeted due to transfers between State funds and Federal grant reimbursements; State funds must be expended before the Department can request Federal grant reimbursement, which is then returned to the State general fund. The variance is also due to the delay in contract and purchase order encumbrances.

**PART II - MEASURES OF EFFECTIVENESS**

2. The Department was 4955% above the target for trees planted or reforested. This variance is attributed to the ongoing large-scale reforestation projects in the Maui Kahikinui Forest Reserve. These areas naturally regenerate once grazing animals are removed from the forest. The Department is recommending an update to this estimate based on planned restoration during the current fiscal year.

3. The Department was 27% above the target for landowners, organizations, or communities assisted. This variance is attributed to the recent hiring of an Urban and Community Forester position that has done a substantial amount of community engagement and outreach. Also, the Department has been conducting community meetings as we work to update the forest reserve management plans.

5. The Department was 55% above the target of acres acquired thanks to the purchase of the Helemano Wilderness Area. The Department has several executive orders processing for addition to the Forest Reserve System and two large land acquisitions pending for FY 20 and is, thus, requesting a 300% increase to this goal.

6. The Department was 99% below the target for lands under commercial timber management due to only small-scale commercial sales through the forest reserves. As much of the Department's commercial timber production is focused on smaller scale sales at this time, we are requesting to reduce this goal by 98%.

7. The Department was 121% above the target for revenue from forest products and services. This variance is attributed to camping revenue in the forest reserve system, as well as the deposit of forest product revenue from the FY 18 Pu'u Wa'awa'a Koa Salvage Project. The Department is again requesting to increase this goal target by 40% from \$50,000 to \$70,000.

**PART III - PROGRAM TARGET GROUPS**

1. The Department was 291% above the target due to efforts to increase commercial timber management and non-timber forest products, as well as increasing business interest in investing in natural resource management.

2. The Department was 576% above the target largely due to the large number of landowners interested in technical support on forest management for their properties. The target goal should be increased to 400, a 700% increase.

3. This is a new target group for this reporting period; the target goal should be set at 25.

4. This is a new target group for this reporting period; the target goal should be set at 10.

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

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5. This is a new target group for this reporting period; the target goal should be set at 10.

6. The Department was 244% above the goal for target groups due to the recent hiring of an Urban and Community Forester position that has done a substantial amount of community engagement and outreach and engaged community volunteer organizations. The target goal should be revised to 300, a 200% increase.

**PART IV - PROGRAM ACTIVITIES**

2. The Department reforested an estimated 7,582 acres during FY 19, which is 4955% above our target. This variance is primarily attributed to the ongoing, large-scale reforestation projects in the Kahikinui Forest Reserve on Maui. These areas are continuing to regenerate naturally with only minimal planting now that grazing animals have been removed from the forest. The Department is recommending an increase to the goal to 1000, a 567% increase.

3. The Department engaged and provided technical assistance to at least 1,288 community organizations, private landowners, and forest industry groups during FY 19, which is a 29% increase from our target number. This variance is attributed to the recent hiring of an Urban and Community Forester. Also, the Department conducted statewide community meetings as the forest reserve management plans were updated.

5. The Department secured 3,095 acres of land through the purchase of the Helemano Wilderness Area and processing of executive orders into the Forest Reserve System during FY 19, which is 55% higher than the target amount. Additionally, the Department is still processing several executive orders for addition to the Forest Reserve System, and actively worked on acquisition projects of approximately 8,000 acres and anticipates the closing of these acquisitions in FY 20. Thus, we are recommending a 300% increase to 8,000 acres for FY 20.

6. The Department placed 46 acres of its land under commercial timber management during FY 19, which is 99% below our target. This variance is attributed to a focus on smaller-scale commercial harvesting opportunities for higher valued products. The Department is requesting a reduction to its overall goal to 100, which is 98% below target.

7. The Department created \$154,955 in revenue from forest products or services in the forest reserve system during FY 19, which is a 210% increase over our target. This variance is attributed to a continued strong interest in camping, as well as deposits of revenues from the FY 18 Pu'u Wa'awa'a commercial harvest.

PROGRAM TITLE:

QUALITY AND PRICE ASSURANCE

12/6/19

PROGRAM-ID:

AGR-151

PROGRAM STRUCTURE NO:

01030302

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	23.00	17.00	-	6.00	26	23.00	16.00	-	7.00	30	23.00	23.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,042	2,109	-	933	31	881	881	+	0	0	2,641	2,641	+	0	0
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	23.00	17.00	-	6.00	26	23.00	16.00	-	7.00	30	23.00	23.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,042	2,109	-	933	31	881	881	+	0	0	2,641	2,641	+	0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE	95	86	-	9	9	95	95	+	0	0					
2. % CERTIFICATION REQUESTS FULFILLED	100	100	+	0	0	100	100	+	0	0					
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT	3	3	+	0	0	3	3	+	0	0					
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER	100	100	+	0	0	100	100	+	0	0					
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES	95	89	-	6	6	95	95	+	0	0					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	5500	5500	+	0	0	5500	5500	+	0	0					
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	441	432	-	9	2	441	441	+	0	0					
3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK	22	19	-	3	14	22	19	-	3	14					
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS	12	8	-	4	33	12	12	+	0	0					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM	1000	674	-	326	33	1000	1000	+	0	0					
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES	2000	882	-	1118	56	2000	2000	+	0	0					
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED	950	916	-	34	4	950	650	-	300	32					
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED	24	24	+	0	0	24	12	-	12	50					
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED	24	24	+	0	0	24	12	-	12	50					
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED	12	12	+	0	0	12	12	+	0	0					
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	10	32	+	22	220	10	10	+	0	0					

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

01 03 03 02  
AGR 151

## **PROGRAM TITLE: QUALITY AND PRICE ASSURANCE**

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

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

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

No significant variances.

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

Item 3. The decrease in producers, producer-distributors and distributors of milk is due to the closing of one dairy.

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

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

Item 1. The variance is due to limited data available on fresh fruits and vegetables and Kauai coffee.

Item 2. The variance is due to limited data available for fresh fruits and vegetables.

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



**PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING**

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**PART I - EXPENDITURES AND POSITIONS**

Variations were due to position vacancies and expenditure restrictions and reduced federal fund expenditures. Position variations are due to the lack of qualified candidates for vacant positions.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. The number of activities that the Agricultural Development Division (ADD) created, conducted, or managed increased by 25% primarily due to activities created to increase food production, outreach to stakeholders recovering from the weather disasters, and international trade activities in collaboration with the Western United States Agricultural Trade Association (WUSATA) to maintain markets impacted by the potential trade tariffs. WUSATA activities are federally funded through the Market Access Program.

For FY 20, with no decreases in staffing, is estimated to result in similar performance levels as FY 19. The number of activities estimated for FY 20 is projected to remain as what was achieved in FY 19, although participation and interest in international trade activities from Hawaii companies is predicted to decrease, which will be offset by activities to increase food production and in support of those commodities such as floriculture, taro, and papaya that were heavily impacted by weather events. The increased focus on these activities, with increased focus on domestic and local activities, however, rely on funding that is not assured.

Item 2. The 50% increase is due to the increase in the number of activities conducted by producer groups, increased awareness of the activities (invitations to attend) and staff availability to attend. Producer groups are more organized, conducting more workshops, seminars, demonstrations and sending the information to ADD, requesting/inviting attendance, contributed to the increase.

For FY 20, with no decrease in staffing, is estimated to result in similar performance levels as FY 19. The outreach activities rely on funding, which is not assured.

Item 3. For FY 19, the additional Request for Proposals (RFP) was due to the support of continuing participation in the International Food Ingredients and Additives (IFIA) trade show in Japan.

For FY 20, ADD is planning to continue participation in IFIA based on the projected sales generated in FY 19 of over \$300,000. However, international trade shows are projected to attract less participation and ADD is estimating this will result in a decrease of RFPs for international trade activities other than Japan.

Item 4. In FY 19, the 40% increase, which is an increase of eight agreements, is due to more projects funded via State and federal programs, possibly due to increased funds allocated to programs.

For FY 20, ADD anticipates the performance level to be similar to FY 19 based on anticipated funding.

**PART III - PROGRAM TARGET GROUPS**

No significant variations.

**PART IV - PROGRAM ACTIVITIES**

Item 1. The National Organic Program transitioned from the Agricultural Marketing Service to the Farm Service Agency, which decreased the number of federal grant programs assigned to ADD.

# VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	71.00	49.00	- 22.00	31	80.00	57.00	- 23.00	29	80.00	80.00	+ 0.00	0
EXPENDITURES (\$1000's)	13,592	8,684	- 4,908	36	3,859	3,859	+ 0	0	11,579	11,579	+ 0	0
TOTAL COSTS												
POSITIONS	71.00	49.00	- 22.00	31	80.00	57.00	- 23.00	29	80.00	80.00	+ 0.00	0
EXPENDITURES (\$1000's)	13,592	8,684	- 4,908	36	3,859	3,859	+ 0	0	11,579	11,579	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE	300	0	- 300	100	300	200	- 100	33				
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12400	12055	- 345	3	12400	12055	- 345	3				



**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

12/6/19

PROGRAM-ID:

AGR-141

PROGRAM STRUCTURE NO:

01030401

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	39.00	23.00	-	16.00	41	37.00	29.00	-	8.00	22	37.00	37.00	+	0.00	0
EXPENDITURES (\$1000's)	4,433	3,110	-	1,323	30	1,166	1,166	+	0	0	3,500	3,500	+	0	0
TOTAL COSTS															
POSITIONS	39.00	23.00	-	16.00	41	37.00	29.00	-	8.00	22	37.00	37.00	+	0.00	0
EXPENDITURES (\$1000's)	4,433	3,110	-	1,323	30	1,166	1,166	+	0	0	3,500	3,500	+	0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12400	12055	-	345	3	12400	12055	-	345	3					
2. AGRICULTURAL LANDS LEASED (ACRES)	20000	20166	+	166	1	20000	21750	+	1750	9					
PART III: PROGRAM TARGET GROUP															
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS	615	600	-	15	2	615	600	-	15	2					
2. FARMS LEASED ON DEPT OF AG LANDS	475	365	-	110	23	485	375	-	110	23					
PART IV: PROGRAM ACTIVITY															
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS	77	70	-	7	9	75	70	-	5	7					
2. NUMBER OF NEW WATER SERVICES INSTALLED	10	3	-	7	70	10	5	-	5	50					
3. PIPELINE AND DITCHES MAINTAINED (MILES)	100	100	+	0	0	100	100	+	0	0					
4. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	360	325	-	35	10	360	360	+	0	0					
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED	25	28	+	3	12	25	25	+	0	0					

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

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**PART I - EXPENDITURES AND POSITIONS**

Variations were due to vacant positions and lower than expected special and revolving fund expenditures. Position variations are due to a lack of qualified candidates for vacant positions.

**PART II - MEASURES OF EFFECTIVENESS**

No significant variations.

**PART III - PROGRAM TARGET GROUPS**

Item 2. There were fewer leases transferred than anticipated from the Department of Land and Natural Resources (DLNR) for the Non-Agricultural Park Lands program; this is expected to continue in FY 20.

**PART IV - PROGRAM ACTIVITIES**

Item 2. In FY 19, prospective customers declined meter (water services) installation due to cost.

Item 4. There were fewer agricultural leases transferred from DLNR; thus, reducing the amount of necessary land field inspections conducted in FY 19.

Item 5. There was an increase in the number of engineer visits to dam sites for construction projects and vegetation control inspections.

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT AND RESEARCH

12/6/19

PROGRAM-ID:

AGR-161

PROGRAM STRUCTURE NO:

01030402

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	10.00	0.00	- 10.00	100	10.00	10.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	5,521	2,548	- 2,973	54	1,824	1,824	+ 0	0	5,471	5,471	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	10.00	0.00	- 10.00	100	10.00	10.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	5,521	2,548	- 2,973	54	1,824	1,824	+ 0	0	5,471	5,471	+ 0	0

	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. ACRES OF AGRICULTURAL LANDS DIRECTLY MANAGED	31031	22161	- 8870	29	31031	22250	- 8781	28
2. ACRES AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC	18346	18346	+ 0	0	18846	18346	- 500	3
3. NO. OF IRRIG AND INFRASTRC PROJ MANAGED BY ADC	4	4	+ 0	0	4	4	+ 0	0
4. NO. OF AG RELATED FACILITIES MANAGED BY ADC	1	1	+ 0	0	1	1	+ 0	0
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE	17	16	- 1	6	17	14	- 3	18
6. ACRES OF LAND AGRIC CONSERV EASEMNTS UNDER ADC	108	108	+ 0	0	108	108	+ 0	0
7. AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT	3	3	+ 0	0	3	3	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>								
1. ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE	85032	75494	- 9538	11	85032	75494	- 9538	11
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE	11	11	+ 0	0	11	11	+ 0	0
3. AG PRCESSING, MRSHALLING, PACKING, WAREHSING FACIL	3	2	- 1	33	3	2	- 1	33
4. PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS	148	148	+ 0	0	148	148	+ 0	0
5. AGRICULTURAL COOPERATIVES	6	5	- 1	17	6	5	- 1	17
6. LNDOWNRS INTRESTD IN PRSERVING AG LAND OR INFRASTR	4	4	+ 0	0	6	6	+ 0	0
7. PRVT GRPS, GOV AGNCIES WRKING AG OR LND/WTR ISSUES	19	19	+ 0	0	18	18	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>								
1. ACRES OF AGRICULTURAL LANDS MANAGED BY ADC (ACRES)	31638	22768	- 8870	28	31638	22856	- 8782	28
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS	9	9	+ 0	0	9	9	+ 0	0
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC	3	3	+ 0	0	3	3	+ 0	0
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC	1	1	+ 0	0	1	1	+ 0	0
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS	7	6	- 1	14	7	7	+ 0	0
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	148	169	+ 21	14	151	173	+ 22	15
7. ACRES COVRD BY AG CONS EASMNT TITLES HELD BY ADC	108	108	+ 0	0	108	108	+ 0	0
8. AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC	2	2	+ 0	0	2	2	+ 0	0

**PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH**

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**PART I - EXPENDITURES AND POSITIONS**

Variances were due to lower than anticipated revolving fund expenditures.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. Actual FY 19 and Planned FY 20: Net decrease in acreage is due to reconciling an input error which occurred in FY 18 that erroneously counted 8,870 acres of land as directly managed by the Agribusiness Development Corporation (ADC). While the ADC intends to acquire these lands in the future, they have not yet done so.

Item 5. Actual FY 19 and Planned FY 20: Decrease is due to the ADC determining it is not feasible to continue on a specific project.

**PART III - PROGRAM TARGET GROUPS**

Item 1. Actual FY 19 and Planned FY 20: Decrease is due to acquisition of more former plantation lands that will be used for diversified agriculture; therefore, less plantation land is available.

Item 3. Actual FY 19 and Planned FY 20: Decrease is due to the delay in the opening of a processing facility.

Item 5. Actual FY 19 and Planned FY 20: Decrease is due to ADC's discontinuation support of a project related to irrigation on Hawaii Island.

**PART IV - PROGRAM ACTIVITIES**

Item 1. Actual 19 and Planned FY 20 variances are due to the input error described in Part II, Item 1.

Item 5. Actual FY 19's decreased variance is due to the completion of a Capital Improvement Program project.

Item 6. The Actual FY 19 and Planned FY 20 increase in the number of producers are due to more farmers moving into ADC land.

## VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	32.00	26.00	- 6.00	19	33.00	28.00	- 5.00	15	33.00	33.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,638	3,026	- 612	17	869	869	+ 0	0	2,608	2,608	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	32.00	26.00	- 6.00	19	33.00	28.00	- 5.00	15	33.00	33.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,638	3,026	- 612	17	869	869	+ 0	0	2,608	2,608	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE	300	0	- 300	100	300	200	- 100	33				
2. NUMBER OF POSITIONS FILLED	60	64	+ 4	7	50	50	+ 0	0				
3. % OF VENDOR PAYMENTS MADE WITHN 30 DAYS	95	95	+ 0	0	95	95	+ 0	0				
4. % OF DATA PROCESSING REQUESTS COMPLETED	95	97	+ 2	2	95	95	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. INVENTORY OF IMPORTANT AG LANDS (ACRES)	13550	135800	+ 122250	902	137000	137000	+ 0	0				
2. EMPLOYEES (NUMBER)	338	342	+ 4	1	338	350	+ 12	4				
3. DIVISIONS (NUMBER)	6	6	+ 0	0	6	6	+ 0	0				
4. BRANCHES (NUMBER)	12	12	+ 0	0	12	12	+ 0	0				
5. ATTACHED AGENCIES (NUMBER)	1	1	+ 0	0	1	1	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS	25	23	- 2	8	25	23	- 2	8				
2. NUMBER OF PERSONNEL ACTIONS PROCESSED	1900	926	- 974	51	1900	1900	+ 0	0				
3. NUMBER OF PURCHASE ORDERS PROCESSED	2700	2266	- 434	16	2665	2400	- 265	10				
4. NUMBER OF PETTY CASH CHECKS PROCESSED	175	85	- 90	51	130	100	- 30	23				
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	600	587	- 13	2	600	600	+ 0	0				

**PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE**

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**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. No lands re-classified in FY 19; the department anticipates 200 acres to be re-classified in FY 20.

**PART III - PROGRAM TARGET GROUPS**

Item 1. Planned data reported in error; it should have been inputted as 135,500, not 13550.

**PART IV - PROGRAM ACTIVITIES**

Item 2. The variance is due to the implementation of HIPay; many transactions require the Department of Human Resources Development's assistance for completion.

Items 3 and 4. The variance is due to an increased use of pCards (purchasing card) for purchases made by the department.

PROGRAM TITLE:

FISHERIES AND AQUACULTURE

12/6/19

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0104

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	17.00	12.00	-	5.00	29	17.00	13.00	-	4.00	24	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,302	1,765	-	537	23	1,071	335	-	736	69	1,807	2,543	+	736	41
TOTAL COSTS															
POSITIONS	17.00	12.00	-	5.00	29	17.00	13.00	-	4.00	24	17.00	17.00	+	0.00	0
EXPENDITURES (\$1000's)	2,302	1,765	-	537	23	1,071	335	-	736	69	1,807	2,543	+	736	41
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF LICENSES ISSUED	4	4	+	0	0	4	4	+	0	0	4	4	+	0	0
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	754	750	-	4	1	773	775	+	2	0	773	775	+	2	0
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	83790	76400	-	7390	9	87980	82000	-	5980	7	87980	82000	-	5980	7
4. TOTAL AQUACULTURE EMPLOYMENT	500	478	-	22	4	500	500	+	0	0	500	500	+	0	0



**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE:

FISHERIES MANAGEMENT

12/6/19

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO:

010402

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	13.00	9.00	-	4.00	31	13.00	10.00	-	3.00	23	13.00	13.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,864	1,403	-	461	25	880	144	-	736	84	1,236	1,972	+	736	60
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	13.00	9.00	-	4.00	31	13.00	10.00	-	3.00	23	13.00	13.00	+	0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,864	1,403	-	461	25	880	144	-	736	84	1,236	1,972	+	736	60

	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
<b>PART II: MEASURES OF EFFECTIVENESS</b>										
1. NUMBER OF LICENSES ISSUED	4	4	+	0	0	4	4	+	0	0
2. FISHING RPTS CLLCTD & PRCSSD AS % OF TTL RPTS DUE	97	97	+	0	0	97	97	+	0	0
3. ONLINE COMMRL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE	41	42	+	1	2	42	43	+	1	2
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE	71	72	+	1	1	72	73	+	1	1
5. FISHING SUCCESS (FISH/TRIP)	2	2	+	0	0	2	2	+	0	0
6. NUMBER OF FISHERY MANAGEMENT AREAS	25	25	+	0	0	26	25	-	1	4
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTNT SPECIES	1	1	+	0	0	1	2	+	1	100
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)	6.5	6	-	0.5	8	7	6	-	1	14

<b>PART III: PROGRAM TARGET GROUP</b>												
1. LICENSED COMMERCIAL FISHERS (1000)	3.6	3.5	-	0.1	3	3.7	3.7	+	0	0		
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	2.1	1.8	-	0.3	14	2.2	1.8	-	0.4	18		
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	5	+	0	0	5	5	+	0	0		
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	6	+	0	0	6	6	+	0	0		
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)	5	5	+	0	0	5	5	+	0	0		
6. MARINE SPORT FISHERMEN (THOUSANDS)	155	155	+	0	0	156	156	+	0	0		
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)	147	147	+	0	0	148	148	+	0	0		
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES	12	12	+	0	0	12	12	+	0	0		

<b>PART IV: PROGRAM ACTIVITY</b>												
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	4	+	0	0	4	4	+	0	0		
2. FISH DATA COLL - CATCH RPTS PROCESSED (000'S)	640	608	-	32	5	645	610	-	35	5		
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(00'S)	1110	1126	+	16	1	1110	1150	+	40	4		
4. AQUARIUM PERMITS (HUNDREDS)	0	0	+	0	0	.7	0	-	0.7	100		
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	200	+	0	0	200	200	+	0	0		
6. NO. OF MTGS & CONTACTS WITH OTHER MNGT AGENCIES	13	14	+	1	8	13	14	+	1	8		
7. FISHERY MANAGEMENT AREAS MANAGED	28	28	+	0	0	29	28	-	1	3		
8. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION	54	51	-	3	6	55	52	-	3	5		
9. SURVEYS FOR FISHERMEN (THOUSANDS)	5.5	5	-	0.5	9	5.5	5	-	0.5	9		
10. SURVEYS OF FISHING AREAS	37	37	+	0	0	37	37	+	0	0		

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

01 04 02  
LNR 153

## **PROGRAM TITLE: FISHERIES MANAGEMENT**

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

FY 19: There were four positions vacant at the end of FY 19, including a program manager who was selected as the Division Administrator in March 2019. In addition, actual expenditures reflect a significant (\$461,000) scale down on spending for Federal-funded projects requiring State matching funds.

FY 20: By mid-October 2019, three of the four vacant positions were filled, including the program manager, Kauai aquatic biologists and the office assistant. Expenditures were down significantly (\$736,000) during the 1st quarter due to delays in posting of federal allotments, but is expected to increase over the remaining nine months of the fiscal year.

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

Item 3: Online purchases of commercial marine fishing licenses continue to increase gradually following a decade-long trend.

Item 4: Online reporting of commercial fish catches has continued to steadily increase for nearly a decade.

Item 7: This year plans are to include the tide pool area in the Pupukea MLCD and amend the crustaceans rule for Kona crabs, spiny lobsters and Samoan crabs.

Item 8: The number of fishermen interviewed decreased slightly as an employee was on extended leave last year, but the numbers should return back to normal upon the end of the extended leave.

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

Item 2: The number of commercial marine dealers dropped due to a new Hawaii Revised Statutes change to a weekly reporting period dealer report requirement. An estimated 35 dealers terminated their dealer reporting requirement.

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

Item 2: The decrease in fish catch reports last year, with similar numbers expected this year, is caused by the moratorium on the commercial aquarium fishery.

Item 4: The suspension of commercial aquarium fishing reflects the zeros posted for actual and estimated aquarium permits issued.

Item 8: The Division's priorities on commercial marine license fee increase, dealer reporting rule deadline, and the Mo'omomi management area curtailed rules on opih harvest, aquarium fishing, and ahi size limits.

Item 9: The number of fishermen surveys decreased marginally last fiscal year due to less survey hours conducted and similar results are expected again this year.

PROGRAM TITLE:

AQUACULTURE DEVELOPMENT PROGRAM

12/6/19

PROGRAM-ID:

AGR-153

PROGRAM STRUCTURE NO:

010403

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
<b>OPERATING COSTS</b>															
POSITIONS	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25	4.00	4.00	+	0.00	0
EXPENDITURES (\$1000's)	438	362	-	76	17	191	191	+	0	0	571	571	+	0	0
<b>TOTAL COSTS</b>															
POSITIONS	4.00	3.00	-	1.00	25	4.00	3.00	-	1.00	25	4.00	4.00	+	0.00	0
EXPENDITURES (\$1000's)	438	362	-	76	17	191	191	+	0	0	571	571	+	0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	754	750	-	4	1	773	775	+	2	0					
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	83790	76400	-	7390	9	87980	82000	-	5980	7					
3. TOTAL AQUACULTURE EMPLOYMENT	500	478	-	22	4	500	500	+	0	0					
<b>PART III: PROGRAM TARGET GROUP</b>															
1. AQUACULTURE OPERATIONS STATEWIDE	95	90	-	5	5	100	100	+	0	0					
<b>PART IV: PROGRAM ACTIVITY</b>															
1. INFORMATION SENT (NUMBER)	175	175	+	0	0	175	175	+	0	0					
2. PERMIT ASSISTANCE (NUMBER)	180	200	+	20	11	200	200	+	0	0					
3. DISEASE ASSISTANCE (NUMBER OF CASES)	250	250	+	0	0	250	250	+	0	0					
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)	4	4	+	0	0	4	4	+	0	0					

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

01 04 03  
AGR 153

## **PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM**

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

Variances were due to vacant positions and lower than anticipated expenditures from the Aquaculture Development Special Fund.

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

No significant variances.

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

No significant variances.

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

Item 2. There was an increased amount of producers seeking permit assistance to import finned aquaculture species.

### VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	8.00	5.00	- 3.00	38	9.00	5.00	- 4.00	44	9.00	8.00	- 1.00	11
EXPENDITURES (\$1000's)	95,176	59,792	- 35,384	37	10,545	7,398	- 3,147	30	94,983	84,516	- 10,467	11
TOTAL COSTS												
POSITIONS	8.00	5.00	- 3.00	38	9.00	5.00	- 4.00	44	9.00	8.00	- 1.00	11
EXPENDITURES (\$1000's)	95,176	59,792	- 35,384	37	10,545	7,398	- 3,147	30	94,983	84,516	- 10,467	11
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. INCREASE IN NUMBER OF COMPANIES FUNDED	5	0	- 5	100	10	0	- 10	100				
2. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	275	20	- 255	93	300	20	- 280	93				
3. TOTAL TENANT REVENUE (\$M)	71	93	+ 22	31	71	98	+ 27	38				
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	6.5	4.9	- 1.6	25	6.8	6.5	- 0.3	4				

**PROGRAM TITLE: TECHNOLOGY**

**01 05**

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**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

PROGRAM TITLE:

HAWAII STATE ENERGY OFFICE

12/6/19

PROGRAM-ID:

BED-120

PROGRAM STRUCTURE NO:

010501

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	5.00	4.00	- 1.00	20	5.00	4.00	- 1.00	20	5.00	5.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	18,429	17,337	- 1,092	6	846	547	- 299	35	2,365	2,499	+ 134	6
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	5.00	4.00	- 1.00	20	5.00	4.00	- 1.00	20	5.00	5.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	18,429	17,337	- 1,092	6	846	547	- 299	35	2,365	2,499	+ 134	6
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % OF SOLAR WATER HEATER VARIANCES PROCESSED TIMELY	NO DATA	100	+ 100	0	100	100	+ 0	0				
2. # OF BUSINESSES PARTICIPATING IN GREEN BUS. PROG.	NO DATA	33	+ 33	0	15	50	+ 35	233				
3. # OF ENERGY STAKEHOLDERS REACHED	NO DATA	193570	+ 193570	0	167360	201312	+ 33952	20				
4. % OF SESF 12 ACTIVATIONS THAT ARE STAFFED	NO DATA	100	+ 100	0	100	100	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF EMERGING AND EXISTING RE PROJECT ENTITIES	NO DATA	118	+ 118	0	120	118	- 2	2				
2. # OF POTENTIAL GBP PARTICIPANTS CONTACTED	NO DATA	86	+ 86	0	60	60	+ 0	0				
3. # OF BUILDING CODE ORGANIZATIONS	NO DATA	183	+ 183	0	6	43	+ 37	617				
4. # OF ENERGY STAKEHOLDERS AND POLICY MAKERS	NO DATA	1866	+ 1866	0	2046	1950	- 96	5				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF TECH. ASSIST. TO PUBLIC & PRIVATE ENTITIES	NO DATA	2795	+ 2795	0	1500	3368	+ 1868	125				
2. # OF ANALYSES & PROJECTS SUPPORTING CLEAN ENERGY	NO DATA	112	+ 112	0	18	42	+ 24	133				
3. # OF STAFF HOURS SUPPORTING THE EOC FOR SESF 12	NO DATA	1328	+ 1328	0	1328	1200	- 128	10				
4. # OF LEGISLATIVE MEASURES TRACKED AND ADDRESSED	NO DATA	126	+ 126	0	115	115	+ 0	0				



**PROGRAM TITLE: HAWAII STATE ENERGY OFFICE**

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**PART I - EXPENDITURES AND POSITIONS**

Positions: One vacant position was filled by Temporary Assignment.

Expenditures: Projects under the Volkswagen Beneficiary Mitigation Plan did not get underway in FY 19 as planned. Project execution will commence in FY 20. Additionally, expenditures from the Energy Security Special Fund were curtailed for long-term sustainability. Estimated expenditures exclude anticipated restrictions on general funds.

**PART II - MEASURES OF EFFECTIVENESS**

New measures of effectiveness were created for FB 2019-21. No data available for planned for FY 19.

**PART III - PROGRAM TARGET GROUPS**

New program target groups were created for FB 2019-21. No data available for planned for FY 19.

**PART IV - PROGRAM ACTIVITIES**

New program activities were created for FB 2019-21. No data available for planned for FY 19.

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PROGRAM-ID: BED-143

PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	1.00	-	2.00	67	4.00	1.00	-	3.00	75	4.00	3.00	-	1.00	25
EXPENDITURES (\$1000's)	10,448	9,969	-	479	5	2,135	203	-	1,932	90	6,342	3,551	-	2,791	44
TOTAL COSTS															
POSITIONS	3.00	1.00	-	2.00	67	4.00	1.00	-	3.00	75	4.00	3.00	-	1.00	25
EXPENDITURES (\$1000's)	10,448	9,969	-	479	5	2,135	203	-	1,932	90	6,342	3,551	-	2,791	44
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	275	20	-	255	93	300	20	-	280	93					
2. MKTG: # OF INDIVIDUALS OR COMPANIES ASSISTED	36200	18652	-	17548	48	36300	20000	-	16300	45					
PART III: PROGRAM TARGET GROUP															
1. # OF POTENTIAL TECH-BASED COMPANIES	1350	752	-	598	44	1400	800	-	600	43					
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	25	5	-	20	80	25	5	-	20	80					
PART IV: PROGRAM ACTIVITY															
1. # OF CONTACTS AND RESPONSES	57900	42365	-	15535	27	58000	58000	+	0	0					

**PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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**PART I - EXPENDITURES AND POSITIONS**

FY 19 positions variance - The Director and Secretary permanent positions were vacant.

FY 20 Q1 positions variance - The Director and Secretary permanent positions were vacant. One (1.00) full-time equivalent permanent position appropriated by Act 5, SLH 2019, was also vacant. Some positions are expected to be filled later in the year.

FY 19 expenditures were lower than budgeted primarily due to:

1) the budgeted appropriation for Hawaii Technology Development Corporation's (HTDC) special funds including excess capacity for flexibility should an opportunity arise - actual operating income and expenses are much lower; 2) the budgeted appropriation in the current year for federal-funded grants being placeholders for payroll expenses - actual payroll expenses are charged to the initial year of the grant; 3) not expending funds for the Hawaii technology loan program; and 4) no activity for newly assigned Hawaii Strategic Development Corporation powers as we will implement as we learn more about current investments.

FY 20 expenditures are also expected to be lower than budgeted for the same reasons stated above.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. HTDC lost control of the Manoa Innovation Center (MIC) in July 2018. Our facilities in Maui continue to be under-utilized, and vacancy remains high throughout the Kihei area.

Item 2. Our marketing efforts are also robust, and we are reaching more individuals. However, Maui remains slower in activity than on Oahu.

**PART III - PROGRAM TARGET GROUPS**

Item 1. The target group of companies that potentially would utilize the Manufacturing Extension Partnership Program and its Hawaii Small Business Innovation Research (HSBIR) Grant Program was lowered after a decrease in the appropriation funding of the HSBIR grant.

Item 2. The number of companies applying for tenancy or to become a virtual tenant at tech centers was lower in FY 19 than anticipated. With the loss of MIC, we expect a further drop off of activity.

**PART IV - PROGRAM ACTIVITIES**

Item 1. While hits to various HTDC websites have shown that activity is higher than planned, HTDC's revamped techjobs.org has yet to become fully operational. This resulted in less overall contacts and responses. New coworking space introduced at the Maui Research and Technology Center has garnered interest as an alternative to leasing space.

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

PROGRAM-ID: BED-145

PROGRAM STRUCTURE NO: 010503

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	6,810	2,344	- 4,466	66	0	0	+ 0	0	2	2	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	6,810	2,344	- 4,466	66	0	0	+ 0	0	2	2	+ 0	0
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	3000000	NO DATA	- 3000000	100	5000000	NO DATA	- 5000000	100				
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	2	NO DATA	- 2	100	1	NO DATA	- 1	100				
3. INCREASE IN NUMBER OF COMPANIES FUNDED	5	NO DATA	- 5	100	10	NO DATA	- 10	100				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ENTREPRENEURIAL START-UP COMPANIES	40	NO DATA	- 40	100	40	NO DATA	- 40	100				
2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDUS	20	NO DATA	- 20	100	20	NO DATA	- 20	100				
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	5	NO DATA	- 5	100	5	NO DATA	- 5	100				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	500000	NO DATA	- 500000	100	0	NO DATA	- 0	0				
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	1	NO DATA	- 1	100	2	NO DATA	- 2	100				
3. ENTREPRENEURIAL TRAINING PROGRAMS	0	NO DATA	- 0	0	0	NO DATA	- 0	0				

**PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

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**PART I - EXPENDITURES AND POSITIONS**

BED 145, Hawaii Strategic Development Corporation (HSDC), was absorbed by BED 143, Hawaii Technology Development Corporation (HTDC), pursuant to Act 5, SLH 2019.

**PART II - MEASURES OF EFFECTIVENESS**

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

**PART III - PROGRAM TARGET GROUPS**

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

**PART IV - PROGRAM ACTIVITIES**

BED 145, HSDC, was absorbed by BED 143, HTDC, pursuant to Act 5, SLH 2019.

PROGRAM TITLE:

NATURAL ENERGY LAB OF HAWAII AUTHORITY

12/6/19

PROGRAM-ID:

BED-146

PROGRAM STRUCTURE NO:

010504

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	8,489	5,280	- 3,209	38	1,975	1,059	- 916	46	5,926	4,631	- 1,295	22
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	8,489	5,280	- 3,209	38	1,975	1,059	- 916	46	5,926	4,631	- 1,295	22
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	6.5	4.9	- 1.6	25	6.8	6.5	- 0.3	4				
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	4500	4500	+ 0	0	4500	4700	+ 200	4				
3. TOTAL TENANT REVENUE (\$M)	71	93	+ 22	31	71	98	+ 27	38				
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	10	10	+ 0	0	10	10	+ 0	0				
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	+ 0	0	99.999	99.999	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. COMMERCIAL TENANTS	30	27	- 3	10	30	29	- 1	3				
2. PRE-COMMERCIAL TENANTS	13	10	- 3	23	13	12	- 1	8				
3. RESEARCH/EDUCATION/OTHER TENANTS	15	14	- 1	7	15	14	- 1	7				
4. PUBLIC OUTREACH PARTICIPANTS	6000	8000	+ 2000	33	6000	10000	+ 4000	67				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	480	526	+ 46	10	480	535	+ 55	11				
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)	150	150	+ 0	0	150	150	+ 0	0				
3. TOTAL NUMBER OF NELHA TENANTS	56	51	- 5	9	56	55	- 1	2				
4. PERCENTAGE OF NELHA LAND IN USE	47	47	+ 0	0	47	48	+ 1	2				
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)	150	150	+ 0	0	150	155	+ 5	3				
6. BEACH PARK USE (# OF ATTENDEES)	139000	139000	+ 0	0	139000	140000	+ 1000	1				
7. CEMP (# OF REGULATORY AGENCIES)	7	7	+ 0	0	7	7	+ 0	0				

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

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**PART I - EXPENDITURES AND POSITIONS**

Lower planned revenues due to the sale of a building. In addition, positions and expenditures are lower than planned to maintain special fund balance.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. The variance in FY 19 expenditures is due to actual revenue collected being lower than anticipated due to the sale of a building.

Item 3. The Natural Energy Laboratory of Hawaii Authority (NELHA) no longer collects total tenant revenue. A better indication of economic impact is total tenant expenditures, which are being reported. The title of this measure of effectiveness needs to be changed.

**PART III - PROGRAM TARGET GROUPS**

Item 1. NELHA had certain unexpected tenant turnovers, which led to the negative variance in commercial tenants.

Item 2. Lower pre-commercial tenant count is due to lower duration of stays and the failure of some start-up companies to also lower these numbers.

Item 4. Public outreach is exceeding expectations due to higher quality tours and outreach programs.

**PART IV - PROGRAM ACTIVITIES**

Item 1. Tenants have expanded their workforce due to success with their ventures.

# VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	51,000	24,862	- 26,138	51	5,589	5,589	+ 0	0	80,348	73,833	- 6,515	8
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	51,000	24,862	- 26,138	51	5,589	5,589	+ 0	0	80,348	73,833	- 6,515	8
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % FINANCING FOR UNDERSERVED TARGET	51	51.5	+ 0.5	1	51	75	+ 24	47				
2. ESTIMATED KWH PRODUCTION OVER LIFETIME (000)	35916	68782	+ 32866	92	35916	40000	+ 4084	11				
3. EST KWH REDUCTION OVER LIFETIME (000)	175	180	+ 5	3	175	175	+ 0	0				
4. EST BARRELS OF PETROLUUM DISPLACED (000)	129	42	- 87	67	129	25	- 104	81				
5. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)	63	21	- 42	67	63	11	- 52	83				
6. TOTAL GEMS LOANS DEPLOYED (000)	15000	18252	+ 3252	22	15000	20000	+ 5000	33				
7. ESTIMATED NET COST SAVINGS	43042	15716	- 27326	63	43042	10000	- 33042	77				
PART III: PROGRAM TARGET GROUP												
1. RESIDENTIAL RATE PAYERS (HOMEOWNERS/RENTERS)	NO DATA	97	+ 97	0	NO DATA	75	+ 75	0				
2. COMMERCIAL RATEPAYERS	NO DATA	8	+ 8	0	NO DATA	5	+ 5	0				
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE AND SERVICE CLEAR ENERGY LOANS	NO DATA	213	+ 213	0	NO DATA	250	+ 250	0				



**PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

**PART I - EXPENDITURES AND POSITIONS**

The Hawaii Green Infrastructure Authority's (HGIA) FY 19 budget includes appropriations for operating overhead, program expenses, and a loan ceiling for loans funded. Total loans funded during the year aggregated \$18.2 million. Overhead and program expenses of \$970,000 were offset by approximately \$4.5 million in revenue earned during the fiscal year.

HGIA's FY 20 budget includes appropriations for operating overhead, program expenses, a loan ceiling for loans funded, a bond ceiling for Green Energy Market Securitization (GEMS) bond payments and expenses, and a bond ceiling "cushion" required by the bond indenture documents for 1.5 times the bond payments or \$6.5 million. This \$6.5 million is not intended or expected to be spent and as such is not included in the estimated expenditure amount.

Budgeting is difficult because the actual timing of a loan being funded is dependent upon the solar contractor achieving specified milestones in the project contract for an approved GEMS loan. Projects typically take between 6 to 18 months to complete, making it challenging to predict the timing of loans being funded. As of June 30, 2019, HGIA had \$87.9 million in committed loans.

**PART II - MEASURES OF EFFECTIVENESS**

With only a little over \$30.0 million in GEMS funds left to lend, HGIA established a permitted interaction group to investigate, discuss, and make a recommendation for future loans. The recommendation of the permitted interaction group was to utilize the remaining funds to assist the under-served and hard to reach with clean energy financing, consisting of the following segments: (1) low and moderate income single family residential homeowners and renters; (2) small businesses (as defined by the U.S. Small Business Administration); (3) multi-family rental projects; and (4) nonprofits. Although limiting financing to these targeted, historically hard to reach segments will slow the deployment of loan funds, HGIA's board adopted these recommendations, effective September 1, 2019, in order to democratize clean energy, making financing available to those with limited options, to help lower their energy costs while helping our State achieve its aggressive clean energy goals.

Item 1. As such, the percent financing for the under-served target is eventually expected to increase from 51.5% to 100%. However, this metric will continue to be diluted for a period of time due to over 250 loans currently in process, resulting in a target of 75% for FY 20.

Measures of Effectiveness Metrics are applied and reported to the PUC when loans are approved and documents executed; however, as mentioned above, actual loan funding is dependent on milestone achievements by the contractor(s). Therefore, depending on the size and complexity of the project, a loan may be fully funded within 12 months or, as in the case of the Department of Education's (DOE) project, it may take three to four years for project completion. This often results in energy metrics being reported and funded in different fiscal periods.

While the estimated GEMS loans deployed (funded) is expected to increase to \$20.0 million, some energy metrics and net cost savings are expected to decline because of the time lag between metric reporting and actual funding, resulting in funds being deployed during FY 20 for projects currently under construction with energy metrics and cost savings already reported for FY 19.

**PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

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Item 2. The 92% variance over target for FY 19 for estimated kilowatt hour (kWh) production is the result of the volume of new photovoltaic (PV) loans approved during the past fiscal year. The program expects a modest 11% variance over target for FY 20 as new PV loan approvals are expected to slow with the limitation on eligible applicants and the longer (and harder) outreach and education required to reach these "hard to reach" populations.

Items 4, 5, 7. The 67%, 67%, and 63% variances under target for FY 19 for petroleum displaced, greenhouse gas avoided, and net cost savings, respectively, were the result of an oversight for FY 18 budgeting, which did not take into account that the metrics for the DOE energy efficiency project were already reported for FY 18. Similarly, as the DOE project is still in process, we are estimating a continued decrease in these three metrics for FY 20.

Item 6. Lastly, as mentioned above, we continue to fund projects in progress in subsequent fiscal years, hence the 22% variance over FY 19 target and 33% variance over FY 20 target are expected for total GEMS loans deployed.

**PART III - PROGRAM TARGET GROUPS**

The metric for Part III, Program Target Group, was changed for FY 20 to "Residential Rate Payers" and "Commercial Ratepayers." In previous years, the metric was "Entities and Customers Adopting Clean Energy Technologies." With this change, the planned target data was inadvertently left blank.

As indicated in Part II, HGIA expects its loan volume to decrease as it is typically harder to reach these under-served segments and the pace of adoption is slower. As a result, while the ratepayers benefitting from the GEMS program are those that the Legislature intended and are of significant impact to our most vulnerable populations, the number of homeowners, renters, nonprofits, small businesses, and multi-family projects are expected to decrease.

**PART IV - PROGRAM ACTIVITIES**

The metrics for Part IV, Program Activities, were changed for FY 20 to "Originate and Service Clean Energy Loans." In previous years, the metrics were "Total Number of Buildings Served" and "Number of Loans Approved." With this change, the planned target data was inadvertently left blank.

As mentioned above, although HGIA will double its efforts on grass-roots community outreach, we expect the volume of new loans originated and serviced to decrease. This number is further offset by premature payoffs. However, although the gross volume will decrease, the lower energy costs for these under-served families and organizations will be meaningful and impactful.

PROGRAM TITLE:

WATER AND LAND DEVELOPMENT

12/6/19

PROGRAM-ID:

LNR-141

PROGRAM STRUCTURE NO:

0106

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	28.00	22.00	- 6.00	21	28.00	24.00	- 4.00	14	28.00	28.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,590	2,690	- 900	25	645	528	- 117	18	3,131	3,062	- 69	2
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	28.00	22.00	- 6.00	21	28.00	24.00	- 4.00	14	28.00	28.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	3,590	2,690	- 900	25	645	528	- 117	18	3,131	3,062	- 69	2
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1	0	- 1	100	1	1	+ 0	0	1	1	+ 0	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)	250	0	- 250	100	250	250	+ 0	0	250	250	+ 0	0
4. STATE LANDS DEVELOPED (ACRES)	10	10	+ 0	0	10	10	+ 0	0	10	10	+ 0	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)	0	7	+ 7	0	1200	20	- 1180	98	1200	20	- 1180	98
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)	4	4	+ 0	0	4	4	+ 0	0	4	4	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. DEFACTO POPULTN BENEFITNG FR IMPRVMENTS (NO. IN MIL)	1.4	1.4	+ 0	0	1.4	1.4	+ 0	0	1.4	1.4	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	25	25	+ 0	0	25	25	+ 0	0	25	25	+ 0	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	30	30	+ 0	0	30	30	+ 0	0	30	30	+ 0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	30	33	+ 3	10	30	30	+ 0	0	30	30	+ 0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	20000	18000	- 2000	10	20000	20000	+ 0	0	20000	20000	+ 0	0
5. CIP EXPENDITURES (\$1,000)	45000	33868	- 11132	25	40000	40000	+ 0	0	40000	40000	+ 0	0
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)	1	0	- 1	100	1	1	+ 0	0	1	1	+ 0	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0

**PROGRAM TITLE: WATER AND LAND DEVELOPMENT**

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**PART I - EXPENDITURES AND POSITIONS**

FY 19 and FY 20 position variances are due to budgeted unfilled positions under recruitment. The program has experienced difficulties in recruitment due to the prolonged historically low unemployment rate and lack of interested and qualified applicants. In order to fill its vacancies, the program is attempting to recruit positions at all levels.

The differences in budgeted amounts and actual expenditures are primarily payroll savings due to staff vacancy and corresponding funds for activities to be performed and unused accrued vacation/sick leave fund for the Capital Improvement Program (CIP) Project staff.

**PART II - MEASURES OF EFFECTIVENESS**

Items 1 and 2: Reflects authorized water projects and their completion; program has sought but not been authorized funding for such projects.

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

Item 5: Reflects the shutdown in May 2018 of the only geothermal producer due to the eruption of the Kilauea East Rift Zone. The geothermal plant is not expected to come back online until late FY 20.

**PART III - PROGRAM TARGET GROUPS**

No significance variance.

**PART IV - PROGRAM ACTIVITIES**

Item 3: FY 19 actuals reflect greater number of projects authorized than initially projected due to increased CIP funding levels and the breakdown of lump sum appropriations into multiple projects/contracts.

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

Item 5: FY 19 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$77 million is encumbered in consultant and/or construction contracts for expenditure in FY 20 and beyond.

Item 7: No geothermal resource permit applications were received in FY 19.

# VARIANCE REPORT

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	21.00	17.00	- 4.00	19	21.00	18.00	- 3.00	14	21.00	21.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,893	3,175	+ 282	10	934	608	- 326	35	2,607	2,854	+ 247	9
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	21.00	17.00	- 4.00	19	21.00	18.00	- 3.00	14	21.00	21.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,893	3,175	+ 282	10	934	608	- 326	35	2,607	2,854	+ 247	9
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	218.9	218.9	+ 0	0	55.9	163	+ 107.1	192				
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	10	0	- 10	100	20	10	- 10	50				

**PART I - EXPENDITURES AND POSITIONS**

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

**PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.



**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

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**PART I - EXPENDITURES AND POSITIONS**

1. FY 19 positions: There were certain turnovers of staff, which led to the negative variance.
2. FY 19 expenditures: The positive variance is due to the Governor's release of emergency appropriation for salary, fringe, and other administrative costs.
3. FY 20 positions: The variance in the first quarter is due to three vacant positions (three Program Specialists), and the Hawaii Community Development Authority (HCDA) is working to fill the positions as soon as possible.
4. FY 20 expenditures: First quarter expenditures are less than planned, but HCDA plans to catch up in the last three quarters. Estimated expenditures exclude anticipated restrictions on general funds.

**PART II - MEASURES OF EFFECTIVENESS**

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

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

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

**PART III - PROGRAM TARGET GROUPS**

No significant variances.

**PART IV - PROGRAM ACTIVITIES**

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

Items 5 and 7. The lack of suitable and reliable infrastructure has delayed development in Kalaeloa. HCDA has submitted biennium requests to implement further infrastructure projects in Kalaeloa to seed future development.



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

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	29.00	23.00	- 6.00	21	29.00	24.00	- 5.00	17	29.00	29.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,030	9,060	- 7,970	47	9,038	1,789	- 7,249	80	8,816	16,064	+ 7,248	82
TOTAL COSTS												
POSITIONS	29.00	23.00	- 6.00	21	29.00	24.00	- 5.00	17	29.00	29.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,030	9,060	- 7,970	47	9,038	1,789	- 7,249	80	8,816	16,064	+ 7,248	82

	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. # OF HOMEBUYERS ASSISTED	944	1991	+ 1047	111	603	603	+ 0	0
2. # OF NEW RENTAL UNITS	180	495	+ 315	175	464	658	+ 194	42
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	355	355	+ 0	0	150	150	+ 0	0
4. # OF LEASE RENTS RENEGOTIATED	17	5	- 12	71	3	5	+ 2	67
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	1	1	+ 0	0	2	3	+ 1	50
<b>PART III: PROGRAM TARGET GROUP</b>								
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	2900	2900	+ 0	0	2900	2900	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>								
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	635	1184	+ 549	86	250	976	+ 726	290
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	452	681	+ 229	51	150	150	+ 0	0
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	253.2	207.9	- 45.3	18	20	113.6	+ 93.6	468
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	513	841	+ 328	64	0	0	+ 0	0
5. ASSIST FIRST-TIME HOMEBUYERS	944	1991	+ 1047	111	603	603	+ 0	0
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	+ 0	0	2	2	+ 0	0
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	2	3	+ 1	50	2	2	+ 0	0

**PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**PART I - EXPENDITURES AND POSITIONS**

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

The expenditure variance for FY 19 is primarily the result of a decrease in federal grant award expenditures.

In the first quarter of FY 20, actual expenditures for all appropriations were slightly delayed but will be offset by a catch-up during the next three quarters.

The FY 20 Q1 budget includes full budgeted appropriation for federal funds from Act 5, SLH 2019, (\$6,100,000) to correspond with Form A-19 formatting of non-reverting funds. Actual expenditures will occur throughout the fiscal year.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. The positive variance for FY 19 is a result of higher usage of Mortgage Credit Certificate assistance, and an earlier start for one project and an additional project not planned for FY 19.

Item 2. The positive variances in the number of new rental units for FYs 19 and 20 are a result of underestimating the number of rental units completed due to acceleration in project construction.

Item 3. No variances in the number of existing affordable rental housing preserved for FYs 19 and 20.

Item 4. The variances in renegotiated lease rents for FYs 19 and 20 are the result of the timing variance in the amount of executing renegotiated leases.

Item 5. No significant variance in leasehold to fee conversions for FY 19.

**PART III - PROGRAM TARGET GROUPS**

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

**PART IV - PROGRAM ACTIVITIES**

Item 1. The positive variances in the number of loan originations for FYs 19 and 20 are a result of the acceleration of projects due to various reasons, such as interest rates and construction costs.

Item 2. The positive variance in tax credits allocated for FY 19 is a result of the \$200 million appropriation to the Rental Housing Revolving Fund funding two additional eligible projects.

Item 3. The negative variance in the amount of tax-exempt revenue bonds issued for FY 19 is a result of one project being delayed until FY 20. The positive variance for FY 20 is a result of increased activity and interest in the program.

Item 4. The positive variance in the facilitation of real property development for FY 19 is a result of underestimating the number of projects approved under 201H.

Item 5. The positive variance in the number of homebuyers assisted for FY 19 is a result of underestimating Mortgage Credit Certificate assistance and anticipating early completion of one project and one unplanned project. The program is showing higher usage from first-time homebuyers due to low mortgage interest rates.

Item 7. The Hawaii Housing Finance and Development Corporation stated the variances in the number of applications processed for leasehold conversions for FYs 19 and 20 are insignificant.

PROGRAM TITLE:

OFFICE OF AEROSPACE

12/6/19

PROGRAM-ID:

BED-128

PROGRAM STRUCTURE NO:

0109

	FISCAL YEAR 2018-19				THREE MONTHS ENDED 09-30-19				NINE MONTHS ENDING 06-30-20			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,642	1,067	- 575	35	165	23	- 142	86	1,549	1,568	+ 19	1
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	1,642	1,067	- 575	35	165	23	- 142	86	1,549	1,568	+ 19	1
	FISCAL YEAR 2018-19				FISCAL YEAR 2019-20							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. SUPPORT THE DOE CHALLENGER PROGRAM	1	1	+ 0	0	1	1	+ 0	0	1	1	+ 0	0
2. INTERNATIONAL AEROSPACE ENTITIES	1	1	+ 0	0	1	1	+ 0	0	1	1	+ 0	0
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
4. OUTREACH EVENTS SPONSORED BY (PISCES)	10	10	+ 0	0	10	10	+ 0	0	10	10	+ 0	0
5. NATIONAL AEROSPACE ENTITIES	1	3	+ 2	200	1	1	+ 0	0	1	1	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HAWAII-BASED AEROSPACE ENTITIES	1	1	+ 0	0	1	1	+ 0	0	1	1	+ 0	0
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS	9	9	+ 0	0	9	9	+ 0	0	9	9	+ 0	0
3. STUDENTS AND INTERNS PARTICIPATION (PISCES)	16	16	+ 0	0	16	16	+ 0	0	18	18	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. EXPLORE POSSIBLE NEW INDUSTRIES (PISCES)	1	1	+ 0	0	1	1	+ 0	0	1	1	+ 0	0
2. AEROSPACE PROJECTS	4	4	+ 0	0	4	4	+ 0	0	4	4	+ 0	0
3. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS	4	4	+ 0	0	4	4	+ 0	0	4	4	+ 0	0
4. COMMUNITY OUTREACH GOAL	24	24	+ 0	0	24	24	+ 0	0	24	24	+ 0	0

# VARIANCE REPORT NARRATIVE FY 2019 AND FY 2020

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## **PROGRAM TITLE: OFFICE OF AEROSPACE**

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

The program was inactive from the personnel perspective due to no incumbent being in any position until mid-July. Due to the payroll lag, the personnel cost was lower than budgeted. Further, normal activities, such as contracting, were deferred to later quarters. We expect to catch up the expenditures by fiscal year-end. Estimated expenditures exclude anticipated restrictions on general funds.

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

Item 5. National Aerospace Entities are entities with national presence. The FY 19 entities of the Office of Aerospace Development are the National Aeronautics and Space Administration, Aerospace States Association, and Federal Aviation Administration. The positive variance for FY 19 is due to the fact that we have stepped up our engagement with national and international entities to grow aerospace in Hawaii.

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

No significant variances.

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

No significant variances.