

General Budget Information
and
Instructions for Completing Program Budget Request Forms

General Budget Information

1.0 Types of Cost Categories

- Financing Agreements
- Operating
- Capital Investment

1.1 Financing Agreements

1.1.1 Definition of Financing Agreement

Chapters 37 and 37D, HRS, provide separate requirements for the budgeting and management of “*financing agreements*” and related transactions.

A “*financing agreement*” includes any lease purchase agreement, installment sale agreement, loan agreement, line of credit, or other agreement to finance the improvement, use, or acquisition of real or personal property that is or will be owned or operated by the State or any agency or to refinance any such previously executed financing agreement including certificates of participation relating thereto.

“*Financing agreement*” applies, but is not limited to, agreements involving tangible personal property, software (including software, training, and maintenance contracts related to the operation of computer equipment), fixtures, and property rights (see Executive Memorandum (E.M.) No. 96-17, dated November 15, 1996, Relating to Financing Agreements).

1.2 Operating Costs

1.2.1 Definition of Operating Costs

Recurring costs to operate, support and maintain authorized programs.

1.2.2 Examples of Operating Costs

- Personnel salaries and wages.
- Employee fringe benefits.
- Expenses of a consumable nature, such as materials and supplies; travel expenses; utilities; stamps; consultant fees; building and equipment rentals.

- All repairs and maintenance of existing buildings and facilities (reroofing, repainting, resurfacing) in order to retain and restore their former condition, unless the construction cost exceeds 40 percent (40%) of the replacement value for the entire facility. See E.M. No. 97-07, as amended, for additional guidance.
- Equipment needed by staff and programs.
- All equipment and furnishings for existing buildings.
- All motor vehicles for programmatic purposes, including buses and ambulances.

1.3 Capital Investment Costs

1.3.1 Definition of Capital Investment Costs

Capital improvement costs are those costs which are required to support the operation of a program by providing facilities and other related physical support. The time stream of benefits will accrue over the expected life of the facility.

Acquisition and development of land, the design and construction of new facilities, and renovations and additions to existing facilities are expenses usually associated with capital investment costs.

1.3.2 Examples of Capital Investment Costs

- Advance planning for specific complexes, including the development of cost estimates and other support activities (feasibility study, site selection, master plan, long-range facility related plan, etc.).
- Acquisition of land and other related expenses, such as appraisal fee and cadastral engineering.
- Architectural and engineering design, including the preparation of an environmental impact statement and other necessary building permits and zoning clearances.
- Construction of facilities, including built-in equipment and fixtures to make the facility operable and other related engineering services.
- Initial furnishings and equipment essential for the proper functioning of the facility which cannot be provided by the existing inventory.
- Art-in-state buildings, as stipulated by Section 103-8.5, HRS.

- Projects that would renovate existing facilities as follows:
 - Extend or add to a facility to accommodate program growth.
 - Modify a facility in order to comply with standards which have been adopted since the construction of the facility (Occupational Safety and Health Administration, Environmental Protection Agency, programmatic, etc.) or to change its usage and utility.
 - Make significant improvements to a facility for better functional or operational efficiency.

1.3.3 Differences Between Operating and Capital Investment Costs

Equipment needed for on-going programs are operating cost items, while the initial equipment to make the physical plant functional are capital improvement cost items.

Small replaceable equipment items which are used for programmatic purposes and have a life expectancy of less than 20 years (slide projectors, weighing scales, cameras, portable microphones, etc.) are not allowable as capital improvement program (CIP) costs.

Major repair and maintenance (R&M) projects extend the useful life of a facility or provide for greater functional/operational efficiency through a significant improvement or upgrade. The life expectancy of major R&M projects should be generally over 15 years. Examples include: major reroofing, air conditioning equipment, refurbishing of building space or building infrastructure, major improvements to sports facilities, and repaving and improvement of a parking lot. All other R&M projects should be treated as operating costs.

2.0 Means of Financing

The 17 different types of funds to finance programs are called means of financing (MOF). The MOF of each of the three cost categories must be identified. The codes to indicate each MOF are listed below:

| <u>Code</u> | <u>Financing</u> |
|-------------|-----------------------------------|
| A | - General Fund |
| B | - Special Funds |
| C | - General Obligation (G.O.) Bonds |
| D | - G.O. Bonds Reimbursable |
| E | - Revenue Bonds |
| J | - Federal Aid Interstate |
| K | - Federal Aid Primary |
| L | - Federal Aid Secondary |
| M | - Federal Aid Urban |
| N | - Federal Funds |
| P | - Other Federal Funds |
| R | - Private Contributions |
| S | - County Funds |
| T | - Trust Funds |
| U | - Inter-departmental Transfers |
| W | - Revolving Funds |
| X | - Other Funds |

Program Performance Measures

3.0 Types of Performance Measures

- **Planned Levels of Program Effectiveness (Table A)** – the degree to which results and accomplishments are expected with the implementation of the Executive Budget.
- **Projected Target Groups (Table B)** – recipients or beneficiaries of the services provided by the program.
- **Program Activities (Table C)** – major activities that will be carried out by the program to achieve the planned levels of program effectiveness.

3.1 Performance Measures Data Collection

The Department of Budget and Finance's (B&F) web-based system, eANALYTICAL, will be used to capture data for Tables A, B and C. After preliminary budget recommendations have been made by B&F, the data for the approved measures should be updated to reflect the level of program goals that will be achieved by the implementation of the approved Executive Budget.

If a program has been included in your department's FB 2021-23 Program Review proposal and, therefore, related estimated/target data cannot be determined, enter "PR" for Program Review in the corresponding data field.

The performance measures and data in the Variance Report will come from the data input into eANALYTICAL.

The user manual for eANALYTICAL, available for download on the eANALYTICAL website, provides instructions on using the data capture system.

The Operating Budget

4.0 Components of the Operating Budget

- Table BJ Summary - summary of the detail tables
- Detail Tables by Cost Elements:
 - Personal Services (Tables BJ-1, BJ-1A, and BT-1)
 - Other Current Expenses (Table BJ-2)
 - Equipment (Table BJ-3)
 - Motor Vehicles (Table BJ-4)

All detail tables shall be updated in eBUDDI, B&F's web-based operating budget system. Table BJ Summaries will also be generated in eBUDDI. Please refer to your eBUDDI user manual for instructions to update your Table BJ Summary and detail tables.

Departments using their own budget systems should generate their own updated detail files and should follow these procedures as applicable.

4.1 Table BJ Summary

Departments using eBUDDI will be notified when to update their Table BJ Summaries. After Governor's decisions, update the BJ details in eBUDDI to incorporate approved budget requests so that the Table BJ Summaries can be generated by eBUDDI.

Departments using their own budget systems should submit Excel files/electronic files of their revised Table BJ Summaries and detail tables, as applicable.

4.2 Personal Services (Tables BJ-1, BJ-1A, and BT-1)

For FB 2021-23, all permanent and temporary positions in the budget details of Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020 (to be referenced as "Act 5, SLH 2019, as amended"), will not be updated with current incumbent information from the Department of Human Resources Development's (DHRD) Human Resources Management System. All departments are responsible to check all position-related information to ensure accuracy, to the extent possible, when updating their BJ details.

- Personal services includes the major objects of expenditure 20XX and 28XX only. 29XX, Services on a Fee Basis, is reflected on Table BJ-2, Other Current Expenses.
- Table BJ-1 – enter permanent positions only.
Table BT-1 – enter temporary positions only.
Table BJ-1A – enter other personal services costs, such as overtime, night differential, etc.

All three types of records are included in the personal services sections on eBUDDI.

- Salary Projections
 1. Salary amounts for FY 22 and FY 23 may be the same as the salaries from the BJ Details for FY 21 from Act 5, SLH 2019, as amended, unless position updates are made by the respective department. Because collective bargaining (CB) adjustments by position for FY 21 may not be available in time to update these details, departments may include a line-item CB adjustment for each MOF in the BJ-1A details for each respective program ID/organization code, as applicable, in FY 21, FY 22, and FY 23.
 2. No assumptions shall be made for future salary increases beyond currently approved CB contracts.
 3. Departments shall update position information to indicate vacant positions. Salaries for all vacant civil service positions shall generally be reduced to the entry step on the pay scale. The salary of a vacant exempt position may be maintained at the salary amount of the last incumbent.
 4. If a position is funded by more than one MOF, each MOF portion shall be shown on a separate line.

Because the BJ-1 and BT-1 files will be used as the basis for CB and other reports, it is important that they should reflect the most current information possible. Please ensure that each position title shows its corresponding bargaining unit, job code, and salary range levels as laid out in the DHRD Compensation Plan.

- Pseudo Position Numbers - A unique pseudo number must be assigned to each new position, i.e., a pseudo number cannot be used more than once by the same department.
 1. Positions requested for FY 22 will have pseudo numbers beginning with 92xxxA, and positions requested for FY 23 will have numbers beginning with 93xxxA (xxx is the arbitrary number assigned to the position, and A should be replaced with your department's alpha code).

Example: 92001M is a pseudo number for a position (001) that DAGS (M) is requesting for FY 22.

2. For further information on pseudo position numbers, contact your departmental coordinator.
- Show positions that are on loan from one department (or program) to another only in the department from which they are loaned. For example, if the Department of the Attorney General (AG) has assigned persons to the Department of Transportation (DOT), they should be included in the AG's personnel total.

Use MOF code U as the funding for these positions in the AG budget. DOT should show the cost of the positions as Other Current Expenses, using the appropriate MOF code (in this case, MOF B - special funds).

- Include employee fringe benefits as a BJ-1A line item only if the program is non-general funded.
- Do not include funds in the planning period for anticipated CB increases.

4.3 Other Current Expenses (Table BJ-2)

- Enter any object code and any description on any line of the Other Current Expenses file, except as shown below.
- Specific object codes have been assigned in the following three areas for budgeting purposes only:

Electronic Data Processing (EDP) Related Requests

71BB EDP Consultant Services

56DD Rental of Printer/Copy Machine

56EE Rental of Other EDP Equipment

57AA Other EDP Rentals

58AA R&M of Computer Equipment

Services-on-a-Fee Basis (Previously 2900)

29AA Personal Services Rendered by Other State Departments and Agencies (State Employees)

71AA Services-on-a-Fee Basis (Other than State Employees)

Purchases of Service, Culture and Arts Grants, and Subsidies

71CC Purchases of Health and Human Services

65XX Culture and Arts Grants

- Effective July 1, 1996, all real or personal property acquired by the State through leasing or other financial agreements as defined by Act 119, SLH 1996, will be budgeted on the BK tables. See Section 5.0 of these instructions for more discussion on this matter.

5.0 Current Lease Payments

In order to comply with Act 119, SLH 1996, the BK tables, which were formerly used for Research and Development costs, have been renamed "Operating Costs - Current Lease Payments" and are used to capture funding requirements for lease payments in the biennium budget.

Briefly, the purpose of the Act is to protect the State's credit rating by disclosing funding requirements for leases and other financing agreements in the Program and Financial Plan and Executive Budget. The Act also makes current lease payments a new cost element in the operating budget. See E.M. No. 96-17, dated November 15, 1996, Relating to Financing Agreements, for additional information.

Enter your funding requirements for these types of financing agreements on Table BK Summary and the appropriate BK detail records on eBUDDI.

Enter your financing agreement requirements on the BK tables only. Do not include them on the BJ tables with your other rental requirements or you will be double budgeting these amounts.

Use major object code 77 for equipment and motor vehicle financing agreements, and major object codes 55, 56 or 57 for items falling under other current expenses.

6.0 Revenue Estimates

Revenue estimates are updated quarterly by each department via eREV and are uploaded to the DAGS revenue collection system. The quarterly update information is also used in the Statewide Financial Plan and is one of the bases for computing expenditure allocations.

Departments should ensure that all revenues from ceded lands are reported. Payments to the Office of Hawaiian Affairs must be budgeted consistently in all affected departments.

Revenue estimate updates were due to B&F on July 31, 2020. These estimates will be used as the basis for evaluating the expenditure requirements of each program over the budget and planning period.

The Capital Improvement Budget

7.0 Components of the Capital Improvement Program Budget

- **Table P** – Required Appropriations
- **Table Q** – Expected Expenditures
- **Table R** – Project Justification

The three tables should be completed for each capital project requesting authorizations during the budget biennium. All requests should be input using eCIP, B&F's web-based capital improvement budget system. Please refer to your eCIP user manual for instructions on completing Table P, Q and R.

Form CIP Details (*Details of Scope of Work for CIP Requests*) shall be used to provide a well-defined scope of work and breakdown of costs for each G.O. and G.O. reimbursable (G.O.R.) bond funded request.

In addition, pursuant to Act 135, SLH 2014, and Act 150, SLH 2015, departments are required to provide estimates of operating costs for each proposed capital improvement project. Please fill out the **Form CIPOp** (*Estimated Operating Costs Related to CIP Requests*) and **Form CIPOpB** (*Department Summary of Estimated Operating Costs Related to CIP*) provided in Attachment 5 for this purpose.

7.1 Table R - Capital Project Information and Justification Sheet

Project information and justification are required for each project request that requires an appropriation during the biennial period. Information should be provided to address and clarify the following:

1. The scope of the project, and whether the scope conforms to appropriation language.
2. Benefits to be derived and target group(s).
3. Relationship of the requested project to other planned developments within the area, if applicable.
4. Factors considered in the development of the project timetable.
5. Consequences of possible deferral of this project.

6. Basis for estimating capital improvement requirements (e.g., enrollment, staffing, nature of program activities, traffic patterns and volume, need for recreational facilities, etc.).
7. Standards or criteria used to translate space and facilities required by operating program into specific requirements (e.g., square feet of space/position level, miles of highway, acres of recreational area/000s population). Published standards currently in use for major categories of capital facilities, such as school buildings, highways, etc., should be provided to B&F.
8. Analysis of the alternative ways of meeting capital requirements. These alternatives may include more efficient use of existing facilities; renovation and/or expansion of existing facilities; construction of new facilities; leasing facilities; and construction of temporary facilities. They may also include alternative definitions of service areas in combination with alternative minimum/maximum criteria governing the size of the facility (e.g., school boundaries).
9. Plot plan, drawn to scale if possible, to illustrate the following:
 - a. Existing buildings, roads, and applicable infrastructure in the area of the proposed project.
 - b. Outline of improvements, including: 1) existing improvements; 2) improvements under construction; 3) improvements previously authorized by the Legislature but not yet under construction; and 4) other proposed improvements.
 - c. Land use requirements in acres. Indicate setbacks, rights of way, easements, parking areas, landscaped areas, open areas, and building areas.
 - d. Location description. Requests for funds for projects with an undetermined location may be subject to further review.
 - e. Other details including: 1) notation of the plot plan structures which would be replaced by the proposed project; and 2) if the facility is to be used by more than one department, the expending agency should prepare and submit one plot plan showing the floor areas being used by each department.

7.2 Form PAB – General Obligation Bond Appropriations Questionnaire

Form PAB must be completed for any project which includes, as a source of its funding, G.O. or G.O.R. bond fund proceeds.

Questions are self-explanatory; however, B&F will endeavor to respond to written inquiries regarding Form PAB.

In order for G.O. and/or G.O.R. bonds to qualify for federal tax-exemptions, the Internal Revenue Code (IRC) requires that bond proceeds be used only for governmental purposes. Non-governmental (i.e., private activity uses) purposes do not meet IRC requirements in most situations. To better track the use (governmental versus non-governmental) of projects financed by G.O. and G.O.R. bond proceeds, expending agencies undertaking G.O. and G.O.R. funded projects are responsible for monitoring project use and reporting to B&F at certain stages of the project.

Departments are reminded that **Form PAB** must be reviewed and updated, if necessary, and submitted with current date and signature as the project progresses, as follows:

- At initial request for allotment/release of G.O. or G.O.R. bond funding for project planning and/or design;
- At subsequent request(s) for allotment/release of G.O. or G.O.R. bond funding for project land acquisition, construction, and/or equipment; and
- Upon completion and acceptance of the project.

If the proposed use of a project changes at any time to include non-governmental purposes, departments are required to request the approval of the changes by updating the **Form PAB** for the project and submitting the updated form to B&F for its approval. This would also include proposed changes in use of the project that have occurred subsequent to its completion for the life of the bond.

In addition to the federal rules, please be advised that Section 39-14(b), HRS, requires that “. . . no state officer or employee, or user of a project or program shall authorize or allow any change, amendment, or modification to a project or program financed or refinanced with the proceeds of the bonds which change, amendment, or modification thereto would affect the exclusion of interest on the bonds from gross income for federal income tax purposes unless the change, amendment, or modification shall have received the prior approval of the director of finance. Failure to receive the approval of the director of finance shall render any change, amendment, or modification void.”

The Budget Narrative

8.0 Budget Narrative (Sample 1)

- The budget narrative, also known as the program plan narrative, shall be completed using the “Narrative” feature in eBUDDI.
- The program structure number will automatically be filled in on the upper right-hand corner of the page.
- The program ID and description will automatically be filled in on the upper left corner of the page.
- The budget narratives should not exceed two pages. Additional pages can be submitted provided prior approval from B&F is obtained.
- Do not refer to input tables by their letter designations (e.g., Table A, B or C). Instead, refer to the type of data, e.g., target group data, personnel data, etc.
- Each narrative should contain all of the following sections, as provided in the online format:

A. Statement of Program Objective(s)

Use the objective from the State of Hawai'i Program Structure document, or as approved in the latest program structure update.

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

Briefly describe the significant items (new programs that will be started, trade-offs that will be made in order to accommodate these new programs, etc.) in your FB 2021-23 budget request. For new programs, discuss how these programs are appropriate functions of State government and how implementation by government will be as cost-effective as by the private sector.

Note that for FB 2021-23, however, the establishment of new programs is generally discouraged.

C. Description of Activities Performed

This section should contain a brief description of the major activities carried out by the program to achieve program effectiveness.

D. Statement of Key Policies Pursued

This section should clearly state the key policies pursued. This section should state how the activity will carry out the objectives and policies of Part I and Part III (Priority Directions) of the Hawai'i State Plan and the interim planning documents as stipulated by Administrative Directive No. 82-3, dated May 3, 1982.

E. Identification of Important Program Relationships

This section should identify important program relationships involved. Federal, City and County, and private sector programs, which have significant relationships to the current approved program, should be identified since obviously the State's activities should be integrated and coordinated with those of all of the other agencies. Particular reference shall be made to relationships with programs which further carry out the Priority Directions of the Hawai'i State Plan and the interim planning documents.

F. Description of Major External Trends Affecting the Program

Broad local, state, national and international trends affecting the program should be briefly discussed.

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

This section should contain: a discussion of significant discrepancies between previously planned cost, effectiveness, and program size levels and those actually achieved; comments on and an interpretation of cost, effectiveness and program size data over the upcoming budget period with special attention devoted to changes from the current budget period; comments on and an interpretation of cost, effectiveness and program size data over the four years of the planning period and how they relate to the corresponding data for the budget period.

H. Discussion of Program Revenue

This section is for indicating all revenues generated by (or expected to be generated by) the current program.

Program revenues do not include legislative appropriations or transfers from other departments. The narrative should explain the basis for all revenue estimates.

I. Summary of Analysis Performed

This section should contain a summary of special analytic study, program evaluation or other analytic report supporting a substantial change in the program where such a major change recommendation has been made.

The narrative should summarize the findings of any program analysis performed and explain the plans to accomplish program objectives and the programming of the plans over the next six years. A sample format follows:

- a. General Nature of the Problem
- b. Reasons for Attention at this Time
- c. Target Groups
- d. Client Groups
- e. Other Programs Relevant to this Problem (Including State, County, and Federal Programs)
- f. Objectives Related to this Problem
- g. Measures of Effectiveness Related to this Problem
- h. The Framework of the Analysis
- i. Alternatives
- j. Evaluation of Alternatives
- k. Recommendations
- l. Appendices (As Needed)

J. Further Considerations

Program analysis is not necessarily limited to the items specified in A through H. Some program managers may feel the need to include additional material and are encouraged to do so, keeping in mind the two-page limitation. If a further assessment of the program is warranted, an appendix should also be submitted. The length of the appendix will not be limited to any specific number of pages. However, the existence of an appendix should be noted in this section and that copies will be made available to interested parties.

9.0 Sample Form

The following form has been included:

Sample 1 – Budget Narrative Format and Instructions (submittals must be prepared in eBUDDI)

Program Plan Narrative

Sample 1

DEPXXX: SAMPLE PROGRAM NARRATIVE

00 00 00

A. Statement of Program Objectives

Use the objective from the State of Hawaii Program Structure document, or as approved in the latest program structure update.

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

Briefly describe the significant items (new programs that will be started, trade offs that will be made in order to accommodate these new programs, etc.) in your FB 2021-23 budget request. For new programs, discuss how these programs are appropriate functions of State government and how implementation by government will be as cost effective as by the private sector.

C. Description of Activities Performed

This section should contain a brief description of the major activities carried out by the program to achieve program effectiveness.

D. Statement of Key Policies Pursued

This section should clearly state the key policies pursued. This section should state how the activity will carry out the objectives and policies of Part I and Part III (Priority Directions) of the Hawaii State Plan and the interim planning documents as stipulated by Administrative Directive No. 82-3, dated May 3, 1982.

E. Identification of Important Program Relationships

This section should identify important program relationships involved. Federal, City and County, and private sector programs, which have significant relationships to the current approved program, should be identified since obviously the State's activities should be integrated and coordinated with those of all of the other agencies. Particular reference shall be made to relationships with programs which further carry out the Priority Directions of the Hawaii State Plan and the interim planning documents.

F. Description of Major External Trends Affecting the Program

Broad local, state, national and international trends affecting the program should be briefly discussed.

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

This section should contain: a discussion of significant discrepancies between previously planned cost, effectiveness, and program size levels and those actually achieved; comments on and an interpretation of cost, effectiveness and program size data over the upcoming budget period with special attention devoted to changes from the current budget period; comments on and an interpretation of cost, effectiveness and program size data over the four years of the planning period and how they relate to the corresponding data for the budget period.

H. Discussion of Program Revenues

This section is for indicating all revenues generated by (or expected to be generated by) the current program.

Program revenues do not include legislative appropriations or transfers from other departments. The narrative should explain the basis for all revenue estimates.

I. Summary of Analysis Performed

This section should contain a summary of special analytic study, program evaluation or other analytic report supporting a substantial change in the program where such a major change recommendation has been made.

The narrative should summarize the findings of any program analysis performed and explain the plans to accomplish program objectives and the programming of the plans over the next six years. A sample format follows:

- a. General Nature of the Problem
- b. Reasons for Attention at this Time
- c. Target Groups
- d. Client Groups

Program Plan Narrative

DEPXXX: SAMPLE PROGRAM NARRATIVE

00 00 00

e. Other Programs Relevant to this Problem (Including State, County, and Federal Programs)

f. Objectives Related to this Problem

g. Measures of Effectiveness Related to this Problem

h. The Framework of the Analysis

i. Alternatives

j. Evaluation of Alternatives

k. Recommendations

l. Appendices (As Needed)

J. Further Considerations

Program analysis is not necessarily limited to the items specified in A through H. Some program managers may feel the need to include additional material and are encouraged to do so, keeping in mind the two page limitation. If a further assessment of the program is warranted, an appendix should also be submitted. The length of the appendix will not be limited to any specific number of pages. However, the existence of an appendix should be noted in this section and that copies will be made available to interested parties.

UPDATE/DELETE FISCAL BIENNIUM BUDGET NARRATIVES

State of Hawaii
Department of Budget and Finance

Home List **Narratives** Reports Program Totals Excel My Profile User Manual Logoff

AGR Submit Previous 1 Next

| Program List | | |
|--------------|--|-------------------------|
| Program ID | Description | Actions |
| AGR101 | FINANCIAL ASSISTANCE FOR AGRICULTURE | Update Delete Narrative |
| AGR122 | PLANT PEST AND DISEASE CONTROL | Update Delete Narrative |
| AGR131 | RABIES QUARANTINE | Update Delete Narrative |
| AGR132 | ANIMAL DISEASE CONTROL | Update Delete Narrative |
| AGR141 | AGRICULTURAL RESOURCE MANAGEMENT | Update Delete Narrative |
| AGR151 | QUALITY AND PRICE ASSURANCE | Update Delete Narrative |
| AGR153 | AQUACULTURE DEVELOPMENT PROGRAM | Update Delete Narrative |
| AGR161 | AGRIBUSINESS DEVELOPMENT AND RESEARCH | Update Delete Narrative |
| AGR171 | AGRICULTURAL DEVELOPMENT & MARKETING | Update Delete Narrative |
| AGR192 | GENERAL ADMINISTRATION FOR AGRICULTURE | Update Delete Narrative |
| AGR812 | MEASUREMENT STANDARDS | Update Delete Narrative |
| AGR846 | PESTICIDES | Update Delete Narrative |

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To update the Budget Narrative for the selected Program ID, click on **Update**. To delete existing Budget Narratives for the selected Program ID, click on **Delete Narrative**.

Back To List Report

PROGRAM PLAN NARRATIVE REPORT INPUT
FB 2021 - 2023

| PROGRAM ID | PROGRAM STRUCTURE | PROGRAM TITLE |
|------------|-------------------|--------------------------------------|
| AGR101 | 010301 | FINANCIAL ASSISTANCE FOR AGRICULTURE |

Spell Check Narrative Fields

A. Statement of Program Objectives
To promote the agricultural and aquacultural development within the State by facilitating and granting of loans, as well as providing related financial services to qualified farmers, new farmers, food manufacturers, and aquaculturists that meet program qualification requirements.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)
A CIP request is being submitted for a cash infusion for the Agricultural Loan Revolving Fund in the amount of \$7.5 million in FY 20 and \$5.0 million in FY 21.

Hawaii-grown agricultural commodities and agricultural cooperatives providing a farm service to its members. An aquaculture loan program is

D. Statement of Key Policies Pursued

The intent of the Agricultural and Aquacultural Loan Programs is to further diversify and expand the State's economic base and to make the state more self-sufficient in food production.

Facilitate financing by other lenders such as banks, farm credit banks and other credit sources. Expand credit sources by seeking additional funding resources through participation, insured and cooperating loans and by facilitating loans by other lenders to maximize the State's limited resources.

E. Identification of Important Program Relationships

A constant liaison is maintained with various private lenders; farmer organizations; farm credit banks; various U.S., State, and County agencies such as the Farm Service Agency and the University of Hawaii.

Most of the borrowers under the Agricultural and Aquacultural Loan Programs require considerable oversight in the management and financial areas of their operations. A close relationship with the borrower is required to monitor the borrowers' progress and to prevent or reduce financial difficulties.

F. Description of Major External Trends Affecting the Program

The sluggish economy and the historical low interest rates have affected the program's revenue. The Division will need to continue close monitoring of existing accounts and continue to work with borrowers to reduce or minimize delinquencies. The program's operating expenditures have been reduced through position vacancies and cost cutting measures. However, cash flow remains tight and will need to be closely monitored.

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

The program has a budgeted ceiling of \$5.0 million for agricultural loans and \$.5 million for aquaculture loans. Credit from commercial sources remains tight, making it difficult for farmers to obtain credit. The program has received an increase in inquiries for emergency loans as a result of Tropical Storm Iselle.

H. Discussion of Program Revenues

Revenues are generated through interest and fees collected on loans. These revenues are deposited into the Agricultural Loan Reserve Fund or

H. Discussion of Program Revenues

Revenues are generated through interest and fees collected on loans. These revenues are deposited into the Agricultural Loan Reserve Fund or the Aquaculture Loan Reserve Fund which provides operating funds for the program. Principal payments are deposited into the Agricultural Loan Revolving Fund or the Aquaculture Loan Revolving Fund and are then used to fund future loans. The Department has the flexibility to transfer funds between the Agricultural Loan Revolving Fund and the Aquaculture Loan Revolving Fund, as the need arises.

I. Summary of Analysis Performed

None

J. Further Considerations

None

The **Program Plan Narratives Report Input** screen will display text boxes for updating the narratives for an existing Program ID or add narratives to the database if none exist. Narratives include the following sections:

- A. Statement of Program Objectives
- B. Description Request and Compliance with Section 37-68(1)(B)
- C. Description of Activities Performed
- D. Statement of Key Policies Pursued
- E. Identification of Important Program Relationships
- F. Description of Major External Trends Affecting the Program
- G. Discussion of Cost, Effectiveness, and Program Size Data
- H. Discussion of Program Revenues
- I. Summary of Analysis Performed
- J. Further Considerations

For further detailed explanation on what to fill in for the section contents, please refer to F.M. 20-15, FB 21-23 Executive Budget Request and the Program and Financial Plan for the Period 2021-27.

Clicking **Update Record** will update the narrative record into the database. If there is no previous narrative records, the "Update Record" button will be replaced with the "**Add Record**" button. After the **Update or Add Record** button is clicked a status message will report if the listing was updated.

Clicking **Reset** will reset all data to its original values and make no changes to the database.

To view BJ Narrative Reports, click on **Report** located at the upper right hand corner of the text box or got to **Reports Menu**.

REPORTS MENU

State of Hawaii
Department of Budget and Finance

Home List Narratives Reports Program Totals Excel My Profile Admin User Manual Logoff

| |
|----------------------------------|
| Detail Reports |
| Personnel Summary |
| Total by MOF |
| Operating Cost Summary |
| Budget Summary |
| BJ Edited Summary |
| BJ Edited Summary w/ Temp Counts |
| BJ Summary |
| Correlation Report |
| Discrepancy Report |
| Personnel FTE Check Report |
| Unfunded Personnel Report |
| Duplicate Line Number Report |
| Statewide PM Report |
| Position Ceiling Summary Report |
| P61 Report |
| P61-A Report |
| OBB80A1 Report |
| B1 Report |
| Select Budget Groupings Reports |
| Program Plan Narrative Report |

The **Reports** page is displayed after clicking on the **Reports** tab from the menu at the top of the screen. To view the Program Plan Narrative Reports, click on **Program Plan Narrative Report**.

PROGRAM PLAN NARRATIVE REPORT

The screenshot displays the eBUDDI web application interface. At the top, the logo for eBUDDI (Budget Development & Information System) is visible, along with the State of Hawaii Department of Budget and Finance logo. A navigation menu includes links for Home, List, Narratives, Reports, Program Totals, Excel, My Profile, User Manual, and Logoff. On the left side, a vertical menu lists various report options, including 'Program Plan Narrative Report'. The main content area features a form titled 'Program Plan Narrative Report' with the following elements:

- A 'Department' dropdown menu currently showing 'AGR'.
- A 'Program' dropdown menu with a scrollable list of options: ALL, AGR101, AGR122, AGR131, AGR132, AGR141, AGR151, AGR153, AGR161, AGR171, AGR192, and AGR812.
- A 'Sort Order' label with a 'Department' dropdown menu.
- A 'submit' button.

The **Program Plan Narrative Report** gives the user the option to run a single department or program id. The menu will only display the department and program id that the user is authorized for. Sort Order gives an option to sort by the department's program id order or program structure order.

After selecting the Department/Program, click on **Submit** to execute the report that will generate a PDF file in a new browser window.

Program Plan Narrative

AGR101: FINANCIAL ASSISTANCE FOR AGRICULTURE

01 03 01

A. Statement of Program Objectives

To promote the agricultural and aquacultural development within the State by stimulating, facilitating, and granting loans and providing related financial services to qualified farmers, new farmers, food manufacturers, and aquaculturists that meet program qualification requirements.

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

A budget request is being submitted to increase the special fund ceiling to fund increased fringe benefit costs.

C. Description of Activities Performed

Assist farmers, ranchers and aquaculturists in securing credit from private lenders through participation with lenders, insuring private lender loans and providing cooperating with other lenders.

The program's activities include providing direct loans to farmers who are unable to obtain credit from private lenders. The program operates several agricultural loan programs including qualified farmer, new farmer including farm trainees, food manufacturer for operations that utilize Hawaii-grown agricultural commodities and agricultural cooperatives providing a farm service to its members. An aquaculture loan program is available to assist qualified aquaculture operations.

The program offers emergency loans to help farm operations recover natural and economic disasters and may also provide operating loans to farmers situated on Department of Hawaiian Home Lands. The program also has an expedited loan program for loans \$25,000 and under. As a lender of last resort special emphasis is placed on loan servicing, including management and financial counseling.

D. Statement of Key Policies Pursued

The intent of the Agricultural and Aquacultural Loan Programs is to further diversify and expand the State's economic base and to make the state more self-sufficient in food production.

Facilitate financing by other lenders such as banks, farm credit banks and

other credit sources. Expand credit sources by seeking additional funding resources through participation, insured and cooperating loans and by facilitating loans by other lenders to maximize the State's limited resources.

Provide agriculture and aquaculture producers with credit during times of emergency when other sources of financing is not normally available. Policies are in accordance with the economic objectives of the State Agriculture Plan's economic implementing actions for diversified agriculture and aquaculture (Chapter VI D).

E. Identification of Important Program Relationships

A constant liaison is maintained with various private lenders; farmer organizations; farm credit banks; various U.S., State, and County agencies such as the Farm Service Agency and the University of Hawaii.

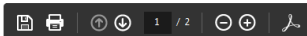
Most of the borrowers under the Agricultural and Aquacultural Loan Programs require considerable oversight in the management and financial areas of their operations. A close relationship with the borrower is required to monitor the borrowers' progress and to prevent or reduce financial difficulties.

F. Description of Major External Trends Affecting the Program

The sluggish economy and the historical low interest rates have affected the program's revenue. The Division will need to continue close monitoring of existing accounts and continue to work with borrowers to reduce or minimize delinquencies. The program's operating expenditures have been reduced through position vacancies and cost cutting measures. However, cash flow remains tight and will need to be closely monitored.

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

The program has a budgeted ceiling of \$5.0 million for agricultural loans and \$.5 million for aquaculture loans. Credit from commercial sources remains tight, making it difficult for farmers to obtain credit. The program has received an increase in inquires for emergency loans as a result of



Program Plan Narrative

AGR101: FINANCIAL ASSISTANCE FOR AGRICULTURE

01 03 01

Tropical Storm Iselle.

H. Discussion of Program Revenues

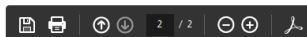
Revenues are generated through interest and fees collected on loans. These revenues are deposited into the Agricultural Loan Reserve Fund or the Aquaculture Loan Reserve Fund which provides operating funds for the program. Principal payments are deposited into the Agricultural Loan Revolving Fund or the Aquaculture Loan Revolving Fund and are then used to fund future loans. The Department has the flexibility to transfer funds between the Agricultural Loan Revolving Fund and the Aquaculture Loan Revolving Fund, as the need arises.

I. Summary of Analysis Performed

None

J. Further Considerations

None



- Detail Reports
- Personnel Summary
- Total by MOF
- Operating Cost Summary
- Budget Summary
- BJ Edited Summary
- BJ Edited Summary w/ Temp Counts
- BJ Summary
- Correlation Report
- Discrepancy Report
- Personnel FTE Check Report
- Unfunded Personnel Report
- Duplicate Line Number Report
- P61 Report
- P61-A Report
- Select Budget Groupings Reports
- Program Plan Narrative Report

Program Plan Narrative Report

| Department | Program |
|--|--|
| AGR ▼ | <div style="border: 1px solid gray; padding: 2px;"> <ul style="list-style-type: none"> ALL AGR101 AGR122 AGR131 AGR132 AGR141 AGR151 AGR153 AGR161 AGR171 AGR192 AGR812 </div> |
| Sort Order | |
| <div style="border: 1px solid gray; padding: 2px; display: inline-block;">Department ▼</div> | |
| <input type="button" value="submit"/> | |

The **Program Plan Narrative Report** also gives the user the option to run a single department with multiple programs. To select multiple programs just hold down the “Shift” key and with your mouse left click on all the programs you want selected. Select the print option and sort order you want used for this report. The menu will only display the department/programs that the user is authorized for.

After selecting the Department/Programs/Sort Order. Click on **Submit** to execute the report, which generate a PDF file in a new browser window.