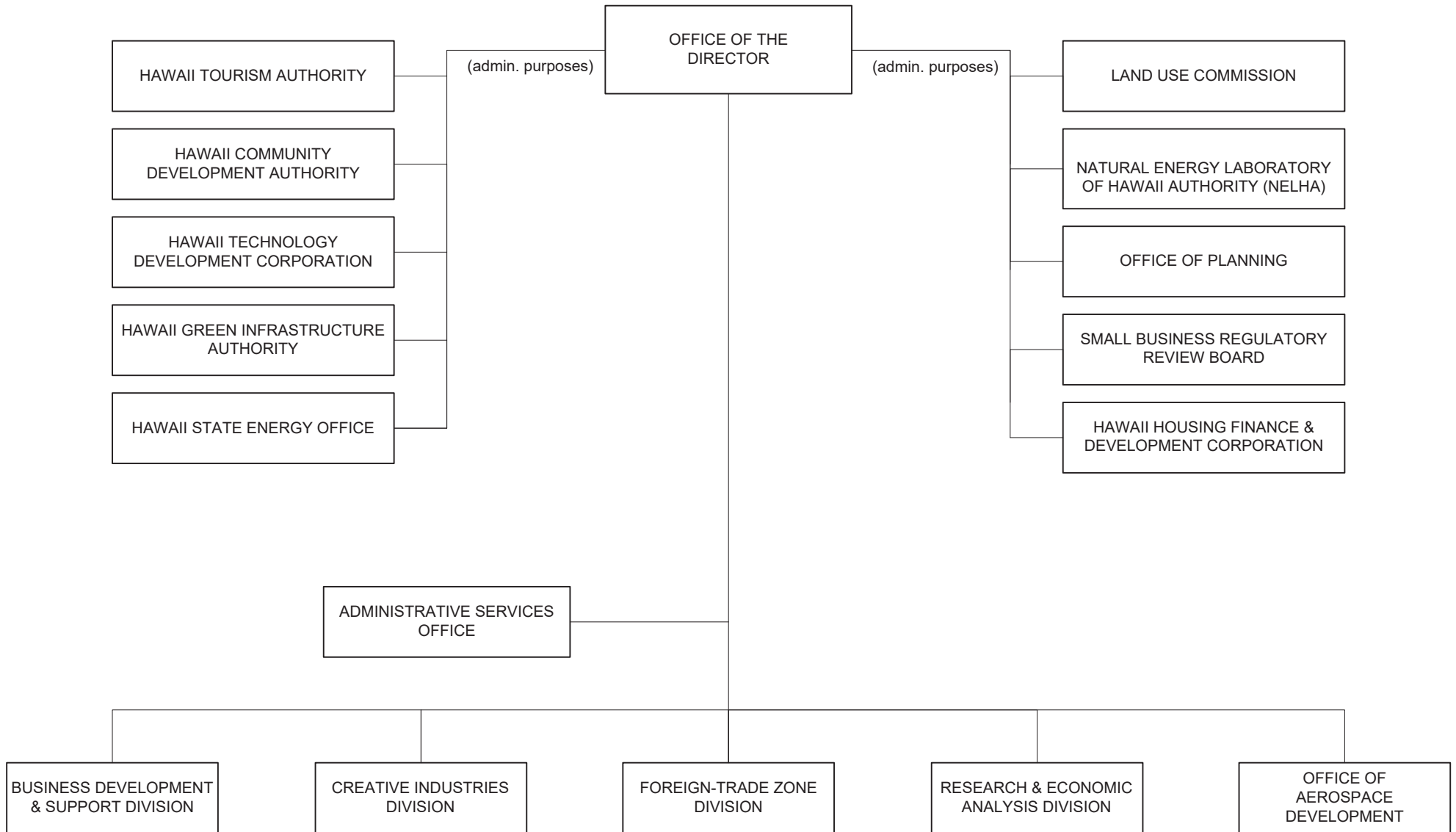




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**Department of Business, Economic  
Development and Tourism**

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



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

## Department Summary

### ***Mission Statement***

Achieve a Hawai'i economy that embraces innovation and is globally competitive, dynamic, and productive, providing opportunities of all Hawai'i's citizens to prosper within an affordable cost of living and sustainable environment.

### ***Department Goals***

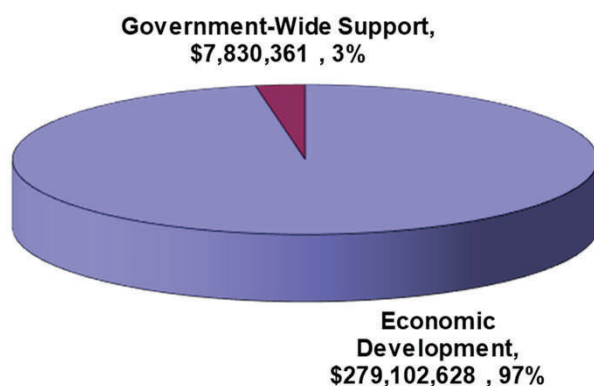
Through its divisions and attached agencies, foster planned community development, create affordable workforce housing units in high-quality living environments, and promote innovation sector job growth.

### ***Significant Measures of Effectiveness***

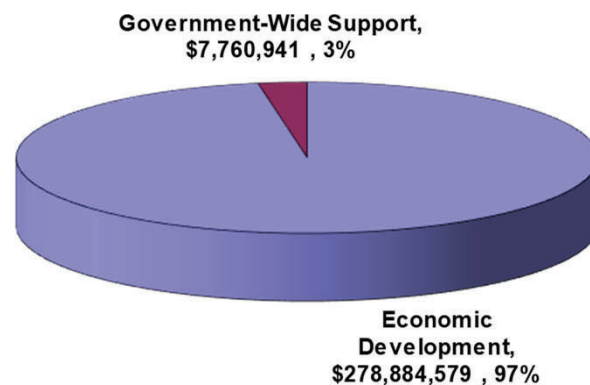
	<u>FY 2022</u>	<u>FY 2023</u>
1. Total Visitor Expenditures (\$ billions)	20.02	20.02
2. \$ Value of Total/Proj Sales-Trade & Export Promo	19,000	19,000
3. # of Companies Assisted by the Hawaii Technology Development Corporation	300	300
4. # of New Affordable Rental Units	430	250

### **FB 2021-2023 Operating Budget by Major Program Area**

#### **FY 2022**



#### **FY 2023**



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

### MAJOR FUNCTIONS

- Facilitating the diversification and rebalancing of Hawai'i's economy by supporting the strategic growth of economic activity.
- Providing economic data and research which contributes to economic development in Hawai'i. Providing economic forecasts for long-term statewide planning, conduct research, and publish the findings through a statewide statistical reporting system.
- Facilitating the growth and development of the commercial high technology industry of Hawai'i.
- Improving Hawai'i's business environment by supporting existing and emerging industries, attracting new investment and businesses to create more skilled, quality jobs in the state.
- Planning and developing live-work-play communities to attract and retain a workforce with the skills required for an innovation-driven and globally competitive economy.
- Sustaining the visitor industry by managing the strategic growth of Hawai'i's visitor industry consistent with the State's economic goals, cultural values, preservation of natural resources, and community interests.
- Meeting the demand for housing by creating low- and moderate-income homes for Hawai'i's residents.
- Supporting statewide economic efficiency, productivity, development, and diversification through the Hawai'i Clean Energy Initiative.

### MAJOR PROGRAM AREAS

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

#### **Economic Development**

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

BED 143	Hawai'i Technology Development Corporation
BED 146	Natural Energy Laboratory of Hawai'i Authority
BED 150	Hawai'i Community Development Authority
BED 160	Hawai'i Housing Finance and Development Corporation

#### **Government-Wide Support**

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

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

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
<b>Funding Sources:</b>	Perm Positions	105.00	105.00	86.00	86.00
	Temp Positions	36.00	36.00	24.00	24.00
General Funds	\$	15,931,926	15,931,926	12,532,910	12,325,441
Special Funds	Perm Positions	19.00	19.00	21.00	21.00
	Temp Positions	56.00	56.00	64.00	64.00
	\$	240,934,484	240,934,484	242,546,116	242,466,116
Federal Funds	Perm Positions	5.00	5.00	5.00	5.00
	Temp Positions	5.00	5.00	5.00	5.00
	\$	5,464,265	5,464,265	5,964,265	5,964,265
Other Federal Funds	Perm Positions	-	-	-	-
	Temp Positions	9.00	9.00	9.00	9.00
	\$	4,695,214	4,695,214	4,695,214	4,695,214
Private Contributions	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	1,000	1,000	-	-
Trust Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	241,000	241,000	241,000	241,000
Revolving Funds	Perm Positions	39.00	39.00	42.00	42.00
	Temp Positions	41.00	41.00	42.00	42.00
	\$	19,754,484	19,754,484	20,953,484	20,953,484
		168.00	168.00	154.00	154.00
		147.00	147.00	144.00	144.00
<b>Total Requirements</b>		<b>287,022,373</b>	<b>287,022,373</b>	<b>286,932,989</b>	<b>286,645,520</b>

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

1. Reduces \$1,050,000 in both FY 22 and FY 23 for the Business Development and Support Division.
2. Adds \$350,000 in special funds for both FY 22 and FY 23 to continue the Electric Vehicle Rebate Program for the Hawai'i State Energy Office (HSEO).
3. Reduces \$550,000 in both FY 22 and FY 23 to abolish the Pacific International Space Center for Exploration Systems (PISCES) program.
4. Reduces \$733,531; 2.00 permanent FTE; and 8.00 temporary FTE positions in both FY 22 and FY 23 and increases \$1,107,632; 2.00 permanent FTE; and 8.00 temporary FTE in special funds to convert positions from general to special funds for the HSEO.
5. Increases \$800,000 in revolving funds in both FY 22 and FY 23 to convert 3.00 unfunded permanent FTE and 1.00 temporary FTE positions from general funds to revolving funds for the Hawai'i Community Development Authority.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

## DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	169.00*	168.00*	154.00*	154.00*	154.0*	154.0*	154.0*	154.0*
	147.00**	147.00**	144.00**	144.00**	144.0**	144.0**	144.0**	144.0**
PERSONAL SERVICES	27,202,816	30,654,792	32,977,101	32,851,862	32,853	32,853	32,853	32,853
OTHER CURRENT EXPENSES	143,117,064	270,303,686	253,955,888	253,793,658	252,942	252,442	252,442	252,442
EQUIPMENT	35,256	13,700						
TOTAL OPERATING COST	170,355,136	300,972,178	286,932,989	286,645,520	285,795	285,295	285,295	285,295
BY MEANS OF FINANCING								
	106.00*	105.00*	86.00*	86.00*	86.0*	86.0*	86.0*	86.0*
	36.00**	36.00**	24.00**	24.00**	24.0**	24.0**	24.0**	24.0**
GENERAL FUND	19,829,761	30,543,008	12,532,910	12,325,441	12,324	12,324	12,324	12,324
	19.00*	19.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	56.00**	56.00**	64.00**	64.00**	64.0**	64.0**	64.0**	64.0**
SPECIAL FUND	135,215,965	240,541,954	242,546,116	242,466,116	241,617	241,617	241,617	241,617
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
FEDERAL FUNDS	2,471,577	5,464,265	5,964,265	5,964,265	5,965	5,465	5,465	5,465
	*	*	*	*	*	*	*	*
	9.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	1,209,639	4,695,214	4,695,214	4,695,214	4,695	4,695	4,695	4,695
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS	1,000	1,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	39,220	241,000	241,000	241,000	241	241	241	241
	39.00*	39.00*	42.00*	42.00*	42.0*	42.0*	42.0*	42.0*
	41.00**	41.00**	42.00**	42.00**	42.0**	42.0**	42.0**	42.0**
REVOLVING FUND	11,587,974	19,485,737	20,953,484	20,953,484	20,953	20,953	20,953	20,953
CAPITAL IMPROVEMENT COSTS								
PLANS	325,000	1,825,000	2,000,000	2,000,000				
LAND ACQUISITION	15,225,000	2,775,000						
DESIGN	250,000	250,000						
CONSTRUCTION	48,520,000	77,000,000	79,100,000	83,000,000				
EQUIPMENT	3,231,000							
TOTAL CAPITAL EXPENDITURES	67,551,000	81,850,000	81,100,000	85,000,000				

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
BY MEANS OF FINANCING								
G.O. BONDS	66,226,000	79,275,000	80,000,000	85,000,000				
REVOLVING FUND	1,325,000	2,575,000	1,100,000					
TOTAL PERM POSITIONS	169.00*	168.00*	154.00*	154.00*	154.0*	154.0*	154.0*	154.0*
TOTAL TEMP POSITIONS	147.00**	147.00**	144.00**	144.00**	144.0**	144.0**	144.0**	144.0**
TOTAL PROGRAM COST	237,906,136	382,822,178	368,032,989	371,645,520	285,795	285,295	285,295	285,295

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

	<u><b>FY 2022</b></u>	<u><b>FY 2023</b></u>
<b>Funding Sources:</b>		
General Obligation Bonds	80,000,000	85,000,000
Federal Funds	-	-
<b>Total Requirements</b>	<u>80,000,000</u>	<u>85,000,000</u>

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

1. Adds \$2,000,000 in both FY 22 and FY 23 for Planning for Transit-Oriented Development, Statewide.
2. Adds \$20,000,000 in FY 23 for a Cash Infusion for the Dwelling Unit Revolving Fund, Statewide.
3. Adds \$25,000,000 in FY 23 for a Cash Infusion for the Rental Housing Revolving Fund, Statewide.
4. Adds \$38,000,000 in both FY 22 and FY 23 for a Cash Infusion to Replace the Conveyance Tax Distribution to the Rental Housing Revolving Fund due to COVID-19 Emergency Proclamation, Statewide.
5. Adds \$40,000,000 in FY 22 for a Cash Infusion for the Rental Housing Revolving Fund for the Hawai'i Public Housing Authority School Street Senior Affordable Housing Project, O'ahu.



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

BED  
  
DEPARTMENT OF BUSINESS, ECON DEV & TOURISM

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT  
IN THOUSANDS OF DOLLARS

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE								SUCCEED YEARS	
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 23-24	FY 24-25	FY 25-26	FY 26-27
								FY 21-22	FY 22-23				
			PLANS	63,852	57,702	650	1,500	2,000	2,000				
			LAND ACQUISITION	40,467	22,467	15,225	2,775						
			DESIGN	20,093	19,593	500							
			CONSTRUCTION	647,340	365,490	45,850	75,000	78,000	83,000				
			EQUIPMENT	3,821	3,821								
TOTAL				775,573	469,073	62,225	79,275	80,000	85,000				
			GENERAL FUND	51,202	51,202								
			G.O. BONDS	714,471	412,971	57,225	79,275	80,000	85,000				
			G.O. BONDS REIMBURSABLE	4,900	4,900								
			REVOLVING FUND	5,000		5,000							



## **Operating Budget Details**

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	128.00*	127.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	139.00**	139.00**	137.00**	137.00**	137.0**	137.0**	137.0**	137.0**
PERSONAL SERVICES	23,663,655	26,838,485	28,999,820	28,884,980	28,886	28,886	28,886	28,886
OTHER CURRENT EXPENSES	140,146,246	266,222,472	250,038,332	249,935,123	249,083	248,583	248,583	248,583
TOTAL OPERATING COST	163,809,901	293,060,957	279,038,152	278,820,103	277,969	277,469	277,469	277,469
BY MEANS OF FINANCING								
	70.00*	69.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	33.00**	33.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
GENERAL FUND	15,605,816	26,996,052	9,002,338	8,864,289	8,863	8,863	8,863	8,863
	19.00*	19.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	56.00**	56.00**	64.00**	64.00**	64.0**	64.0**	64.0**	64.0**
SPECIAL FUND	135,215,965	240,541,954	242,546,116	242,466,116	241,617	241,617	241,617	241,617
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS	150,287	3,100,000	3,600,000	3,600,000	3,600	3,100	3,100	3,100
	*	*	*	*	*	*	*	*
	9.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	1,209,639	4,695,214	4,695,214	4,695,214	4,695	4,695	4,695	4,695
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS	1,000	1,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	39,220	241,000	241,000	241,000	241	241	241	241
	39.00*	39.00*	42.00*	42.00*	42.0*	42.0*	42.0*	42.0*
	41.00**	41.00**	42.00**	42.00**	42.0**	42.0**	42.0**	42.0**
REVOLVING FUND	11,587,974	17,485,737	18,953,484	18,953,484	18,953	18,953	18,953	18,953
CAPITAL IMPROVEMENT COSTS								
PLANS	325,000	325,000						
LAND ACQUISITION	15,225,000	2,775,000						
DESIGN	250,000	250,000						
CONSTRUCTION	48,520,000	77,000,000	79,100,000	83,000,000				
EQUIPMENT	3,231,000							
TOTAL CAPITAL EXPENDITURES	67,551,000	80,350,000	79,100,000	83,000,000				

OPERATING AND CAPITAL EXPENDITURES

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
BY MEANS OF FINANCING								
G.O. BONDS	66,226,000	77,775,000	78,000,000	83,000,000				
REVOLVING FUND	1,325,000	2,575,000	1,100,000					
TOTAL PERM POSITIONS	128.00*	127.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
TOTAL TEMP POSITIONS	139.00**	139.00**	137.00**	137.00**	137.0**	137.0**	137.0**	137.0**
TOTAL PROGRAM COST	231,360,901	373,410,957	358,138,152	361,820,103	277,969	277,469	277,469	277,469

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	66.00*	66.00*	59.00*	59.00*	59.0*	59.0*	59.0*	59.0*
	3.00**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
PERSONAL SERVICES	4,860,019	5,228,545	5,381,469	5,381,469	5,381	5,381	5,381	5,381
OTHER CURRENT EXPENSES	5,282,682	21,066,730	4,614,477	4,614,477	4,615	4,615	4,615	4,615
TOTAL OPERATING COST	10,142,701	26,295,275	9,995,946	9,995,946	9,996	9,996	9,996	9,996
BY MEANS OF FINANCING								
	50.00*	50.00*	43.00*	43.00*	43.0*	43.0*	43.0*	43.0*
	3.00**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
GENERAL FUND	7,279,467	21,298,180	4,930,314	4,930,314	4,930	4,930	4,930	4,930
	16.00*	16.00*	16.00*	16.00*	16.0*	16.0*	16.0*	16.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	2,429,999	2,475,180	2,543,717	2,543,717	2,544	2,544	2,544	2,544
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	277,200	700,000	700,000	700,000	700	700	700	700
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	156,035	1,821,915	1,821,915	1,821,915	1,822	1,822	1,822	1,822
TOTAL PERM POSITIONS	66.00*	66.00*	59.00*	59.00*	59.0*	59.0*	59.0*	59.0*
TOTAL TEMP POSITIONS	3.00**	3.00**	3.00**	3.00**	3.0**	3.0**	3.0**	3.0**
TOTAL PROGRAM COST	10,142,701	26,295,275	9,995,946	9,995,946	9,996	9,996	9,996	9,996

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	868,910	918,602	956,329	956,329	956	956	956	956
OTHER CURRENT EXPENSES	2,100,191	19,174,310	2,795,760	2,795,760	2,796	2,796	2,796	2,796
TOTAL OPERATING COST	2,969,101	20,092,912	3,752,089	3,752,089	3,752	3,752	3,752	3,752
BY MEANS OF FINANCING	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	2,535,866	17,570,997	1,230,174	1,230,174	1,230	1,230	1,230	1,230
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	277,200	700,000	700,000	700,000	700	700	700	700
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	156,035	1,821,915	1,821,915	1,821,915	1,822	1,822	1,822	1,822
TOTAL PERM POSITIONS	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	2,969,101	20,092,912	3,752,089	3,752,089	3,752	3,752	3,752	3,752

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	10	10	10	10	10	10
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	17500	19000	19000	19000	19000	19000	19000	19000
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	25	25	25	25	25	25	25	25
<b>PROGRAM TARGET GROUPS</b>								
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	250	250	250	250	250	250	250	250
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	200	200	200	200	200	200	200
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT	35	35	40	40	40	40	40	40
<b>PROGRAM ACTIVITIES</b>								
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	25	25	25	25	25	25	25	25
2. OUTREACH ACTIVITIES	10	10	10	10	10	10	10	10
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES	300	300	300	300	300	300	300	300
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	2	2	2	16	16	16	16	16
NON-REVENUE RECEIPTS	12	12	12	12	12	12	12	12
TOTAL PROGRAM REVENUES	14	14	14	28	28	28	28	28
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
GENERAL FUNDS				14	14	14	14	14
ALL OTHER FUNDS	14	14	14	14	14	14	14	14
TOTAL PROGRAM REVENUES	14	14	14	28	28	28	28	28

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

## Program Plan Narrative

### BED100: STRATEGIC MARKETING AND SUPPORT

01 01 01

#### **A. Statement of Program Objectives**

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

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

1. Reduce amount available to make CBED loans (\$128,550A/\$128,550A). DBEDT will lose out on an approved \$1.0 million grant from the Economic Development Administration (EDA). DBEDT's Community Based Economic Development Program (CBED) offers loans to eligible small businesses that support economic development in their communities. The CBED loan program can support a broad range of small businesses including agricultural producers and manufacturing businesses. Loans may be used for: Start-up costs and working capital; Construction or improvement of facilities; Purchase of equipment; Payment of production and marketing expenses including materials, labor and services. This loan program will help those firms negatively affected by Covid-19 and are unable to obtain assistance elsewhere.

2. Reduce amount for marketing trade and investment with China and reduce expenses related to overseas offices. (\$200,000A/\$200,000A) Essentially these cuts will close down the Oversea Offices and sever stable linkages between Hawaii'i and the Greater China region.

Closure of the Beijing office (SHOB) will mean:

- o Hawaii'i will lose a privilege as one of only three state offices that were legally approved by the Chinese central government.

- o Hawaii'i may disconnect with government in China since SHOB understands well and keeps a very strong relationship with the offices among the Chinese central government, as well as the provincial officials, such as the Sister-States provinces (Guangdong and Hainan), and those officials are very supportive to the SHOB. Especially for Guangdong Province, because of the historical background, no other states have such a close relationship with China.

- o With the recovery plan from Covid-19, SHOB just established an 11-session webinar on various topics to help Hawaii'i companies from October, 2020 to March, 2021, from starting a business and building a Hawaii'i branded business in China to marketing and advertising within the Chinese market; Hawaii'i companies have a chance to learn and establish a business or connect businesses in China, including an opportunity with Alibaba, a Chinese mega-company, one of the world's largest online and mobile commerce firms. With great panelists and great feedback from the Hawaii'i companies, we could see more opportunities for Hawaii'i companies to do business in China in the future, and helping the companies to expand their market and to grow their profit. By closing the SHOB, Hawaii'i companies will lose an important tool to connect their business in China.

Closure of the Taipei Office (SHOT):

- o SHOT has been existence for 27 years, and the central government of Taiwan subsidizes 40 percent of the rent from year 2020 till now.

- o Hawaii'i may lose the long-lasting relationship with the government in Taiwan:

- o Ministry of Foreign Affairs provides annual budget for SHOT to attend the Food and Product Show to promote Made in Hawaii'i products.

- o Bureau of Trade, Ministry of Economic provides funding to invite Hawaii government officials and company to Taiwan to attended "U.S. business day" event, to promote export assistant and investment attractions.

- o SHOT successfully lobbies the Council of Indigenous Peoples (CIP) to conduct two of the international conferences/event/workshop in Hawaii'i, and successfully lobbies the CIP to sponsors five of the Pacific country to participate the FestPAC, total of the ground costs of 150 people, the FestPAC is postponed to 2024.

- o SHOT assists Taiwan Government officials and Sister-State County delegation to visit Hawaii'i, as well as assists and accompanies Hawaii'i State Legislator to visit Taiwan.



# Program Plan Narrative

## BED100: STRATEGIC MARKETING AND SUPPORT

01 01 01

3. Reduce amount of Economic Development Funding (\$1,050,000A/\$1,050,000A). DBEDT will lose out on a provisionally approved \$1.2 million grant from U.S. Dept. of Defense, Office of Economic Adjustment. The grant which has been given a provisional approval, would allow DBEDT to move into Phase III of the Industry Resiliency Grant. Phase III is designed to offer both technical assistance for local defense contractors to meet new acquisition regulations related to cyber security, as well as provide the impetus for the formation of a defense industry alliance which would work to contracts increase the number of contracting opportunities for local businesses. The failure to push these efforts forward has the potential for local businesses to be non-compliant with DoD requirements and decrease the amount of military procurement awarded to local companies.

DBEDT will lose \$750,000 grant from the SBA. Since 2011, DBEDT has received grant funds from Small Business Administration to support the Hawaii State Trade Expansion Program (HiSTEP), an export development program designed to 1) Expand exports and revenues from exports of Hawaii produced goods and services; 2) Grow the number of Hawaii companies active in global markets; and 3) Penetrate new markets for Hawaii produced goods and services. HiSTEP has received over \$4.5 million in SBA funds which has supported more than 900 companies with export training and business advising, trade shows, trade missions and direct financial assistance. These activities resulted in a total of \$105 million in export sales, supported 971 jobs, and generated \$7 million in tax revenues. As the effects of the pandemic continue to take its toll on our economy, Hawaii companies are looking for ways to grow sales, and exporting is one way for them to achieve that. HiSTEP is more important than ever.

### C. Description of Activities Performed

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

zone tax incentives; (b) rural development stimulation programs; and (c) community-based economic development grants and technical assistance. Cut in essentially entire budget will result in all activities drastically curtailed.

### D. Statement of Key Policies Pursued

BDSD will not be able to meet its policies that are based on creating new jobs and diversifying Hawaii's economic base. Towards these objectives, export promotion policies and import substitution policies will not be pursued together with business and investment attraction measures.

### E. Identification of Important Program Relationships

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

### F. Description of Major External Trends Affecting the Program

Reduction of essentially the entire Division's budget will not allow for the division to pursue its job creating and state income generation objectives especially during the post Covid period.

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

## Program Plan Narrative

### **BED100: STRATEGIC MARKETING AND SUPPORT**

01 01 01

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

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

The Division has been very proactive in leveraging its existing funds to obtain federal grants.

#### **H. Discussion of Program Revenues**

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

#### **I. Summary of Analysis Performed**

The effectiveness of major strategies previously summarized are measured through: (1) number of jobs generated; (2) number of trade and investment leads serviced; (3) number of firms involved in exporting; and (4) dollar increase in exports of products and services. BDSD works towards long-term relationship building and working in concert with specific industries and organizations towards common goals as evidence of successful programming. External factors interrelate so closely with most program activities that accurate independent analysis is usually not possible. Area strategic studies have produced community-approved goals, objectives and projects but do not normally include effectiveness components.

#### **J. Further Considerations**

The Division has been very proactive in leveraging its existing funds to obtain federal grants.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	14.00*	14.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	761,506	784,315	759,122	759,122	759	759	759	759
OTHER CURRENT EXPENSES	911,670	754,298	680,595	680,595	681	681	681	681
TOTAL OPERATING COST	1,673,176	1,538,613	1,439,717	1,439,717	1,440	1,440	1,440	1,440
BY MEANS OF FINANCING								
	14.00*	14.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	1,643,176	1,508,613	1,409,717	1,409,717	1,410	1,410	1,410	1,410
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	30,000	30,000	30,000	30,000	30	30	30	30
TOTAL PERM POSITIONS	14.00*	14.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	1,673,176	1,538,613	1,439,717	1,439,717	1,440	1,440	1,440	1,440

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	4.0	3.3	3.5	4.0	4.0	4.0	4.0	4.0
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	53	53	55	55	60	60	60	60
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	17	17	19	19	21	21	21	21
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	400	200	350	350	400	400	400	400
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	692	346	605	605	800	800	800	800
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	40	35	45	45	50	50	50	50
7. \$ AMT OF ESTIMATED REBATE - ACT 275	50	50	50	50	50	50	70	70
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS	45	15	50	50	55	55	55	55
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)	190	100	200	200	250	250	250	250
<b>PROGRAM TARGET GROUPS</b>								
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	90	90	95	100	100	100	100	100
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	135	450	450	500	600	600	600	600
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)	128	150	150	150	150	150	150	150
<b>PROGRAM ACTIVITIES</b>								
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	2800	800	2000	2900	3200	3200	3200	3200
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	18	75	100	100	100	100	100	100
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS	20	23	25	27	30	35	35	35
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1	451	451	451	451	451	451	451
TOTAL PROGRAM REVENUES	1	451	451	451	451	451	451	451
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
GENERAL FUNDS	1	451	451	451	451	451	451	451
TOTAL PROGRAM REVENUES	1	451	451	451	451	451	451	451

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

# Program Plan Narrative

## BED105: CREATIVE INDUSTRIES DIVISION

01 01 02

### A. Statement of Program Objectives

The Creative Industries Division (CID) is the State's lead agency tasked with development and sustainability of Hawaii's creative economy through advocating and expanding business and export opportunities for knowledge-based industries.

Comprised of two branches; The Hawaii Film Office (HFO) and the Arts and Culture Development Branch (ACDB), the division focuses maintaining and expanding a vibrant media and entertainment sector while developing more local Hawaii based creative products and service for export. CID focuses its strategies on three pillars; workforce/talent development, infrastructure development and access to capital and global export distribution of locally originated content. 2018 metrics show Hawaii's creative workforce represents 53,464 jobs or 6.1% of the State's total civilian jobs, 3,957 businesses, 4.5% of the State's total GDP estimated at \$4 billion annually and accounted for 10% job growth between 2008 and 2018.

CID has the responsibility for developing and executing a COVID economic recovery plan for Hawaii's creative and innovation economy, a leading sector for job creation in the State. This broadly encompasses the sectors of film, music, interactive media, fashion and applied design, virtual reality, augmented reality and publishing/literary arts.

Additional Impacts: Hawaii is one of five states in the nation disproportionately impacted by effects of COVID19. "Arts, culture, and creativity are one of three key sectors (along with science and technology as well as business and management) that drive regional economies. Hawaii job losses in creative sectors are greater than the national average of 30.3%, ranking Hawaii the third most impacted in these areas in the nation."\* (Source: Brookings Institute June 2020 Report: Lost Art: Measuring COVID's Impact on the Nation's Creative Economy.

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

Recommended B&F reductions and impacts; Positions proposed for abolishment:

- 1) #15079, Bus Dev Pgm Manager (Branch Chief), EM-05: \$122,772
- 2) #44000 Econ Dev Spclst V (Film Permitting), SR-24: \$59,616

- 3) #120760, Econ Dev Specialist VI (Tax Credit Mgmt), SR-26C: \$64,476
- 4) #123268, Accountant V, (Tax Credit Support), SR-24C: \$59,616
- 5) #TBD, Act 5, SLH 2019, Film Spclst IV (Film Ops), SR-22C: \$52,956

Cumulative Effect of Abolishment of Positions:

Loss of the branch chief position is a major impact to the structure of this division and affects implementation of our recovery and resiliency role in Hawaii's innovation and knowledge-based industry growth. Oversight of all Branch Chief duties would have to transfer to the administrator who is at capacity with additional duties.

Abolishment of the Department and Legislative Auditors Office recommended 2-person staff to manage the Hawaii Motion Picture, Digital Media, Film Production Tax Credit Program (HRS 235-17, Act 275) will compromise DBEDT's ability to effectuate and provide responsible data collection, certification and reporting to the Legislature, Administration, industry and the public. This will also impact the implementation and oversight of DBEDT's delegation to CID to handle all aspects of the Research Tax Credit given our experience with Act 275. Request these positions be maintained.

The division understands fully the dire situation our state is in financially. The current role in our State's Hawaii 2.0 economic recovery plan for Hawaii's creative and innovation economy will have a negative impact in out years if we are not able to focus on the workforce and job growth for future workforce opportunities which are possible with remote work in creative and technology sectors. A recommendation is to maintain 2 to three of the above positions based on priority and statutory functions.

Other Current Expenses (OCE) Restrictions A funds:

Creative Industries Workforce Development & Infrastructure Dev: \$33,703  
Hawaii Film Studio Repair and Maintenance: \$30,000

Division believes it can provide the necessary upskilling, talent development and access to global markets with the proposed \$33,703 reduction. Contracting of services is imperative given the recommended cut to Branch Chief position. The reduction of \$30,000 A funds would still provide enough baseline support for the Hawaii Film Studio

# Program Plan Narrative

## BED105: CREATIVE INDUSTRIES DIVISION

01 01 02

with remaining A and B funds.

### **C. Description of Activities Performed**

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

### **D. Statement of Key Policies Pursued**

1. Development of an economy which embraces innovation, is globally competitive, dynamic and productive, and provides opportunities for all Hawaii's citizens.
2. Management of the statewide film permitting, film tax incentive and developing new creative media/film studio and broadband infrastructure.
3. Igniting opportunities for entrepreneurs and companies who have the potential to launch products or services which are exported, building sustainable, globally relevant businesses.

### **E. Identification of Important Program Relationships**

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

### **F. Description of Major External Trends Affecting the Program**

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

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

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

### **H. Discussion of Program Revenues**

1. Hawaii Film Studio: \$50,000/mo; \$600,000/year gross - to General Fund
2. Kalaeloa Stage Facility: \$30,000/mo; \$360,000/year gross
3. CreativeSpace808, aka ID8 Studios, Entrepreneurs Sandbox: Starts Q3 FY 21
4. Foreign Trade Zone Creative Hub - Post Production: \$20,000/year gross
5. Estimated taxes generated by total production spend in 2019 estimated at \$40M.

## Program Plan Narrative

### **BED105: CREATIVE INDUSTRIES DIVISION**

01 01 02

#### **I. Summary of Analysis Performed**

2018 Creative Economy represents 53,464 jobs or 6.1% of the State's total civilian jobs, 3,957 businesses, 4.5% of the State's total GDP contributing \$4 billion to our economy and accounted for 10% job growth between 2008 and 2018.

#### **J. Further Considerations**

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

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

Capital: CID manages the Hawaii Film and Creative Industries Development Fund (Act 228) as well as the Motion Picture, Television and Digital Media Tax Credit Program. Film and Television offshore production energizes and stimulates Hawaii's economy as evidenced with the June 2020 phased restart for recovery for local production, then August 2020 for offshore production. Anticipated production revenues though greatly reduced due to COVID19 are estimated to reach \$200 million.



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

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	16.00*	16.00*	16.00*	16.00*	16.0*	16.0*	16.0*	16.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,298,207	1,443,728	1,512,265	1,512,265	1,512	1,512	1,512	1,512
OTHER CURRENT EXPENSES	1,101,792	1,001,452	1,001,452	1,001,452	1,002	1,002	1,002	1,002
TOTAL OPERATING COST	2,399,999	2,445,180	2,513,717	2,513,717	2,514	2,514	2,514	2,514
BY MEANS OF FINANCING	16.00*	16.00*	16.00*	16.00*	16.0*	16.0*	16.0*	16.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	2,399,999	2,445,180	2,513,717	2,513,717	2,514	2,514	2,514	2,514
TOTAL PERM POSITIONS	16.00*	16.00*	16.00*	16.00*	16.0*	16.0*	16.0*	16.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	2,399,999	2,445,180	2,513,717	2,513,717	2,514	2,514	2,514	2,514



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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	7.8	3	3	3	3	3	3	3
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	10.6	3	3	3	3	3	3	3
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	-8.7	5	5	5	5	5	5	5
4. # OF NEW FIRMS USING FTZ PROGRAM	24	30	30	30	30	30	30	30
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	-4.2	5	5	5	5	5	5	5
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	166	60	60	60	60	60	60	60
7. SATIS RATING BY FTZ USERS (1-5 SCALE)		4	4	4	4	4	4	4
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)		0	0	0	0	0	0	0
<b>PROGRAM TARGET GROUPS</b>								
1. FIRMS USING FTZ PROGRAM (NO.)	321	250	250	250	250	250	250	250
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	786	500	500	500	500	500	500	500
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	64	70	70	70	70	70	70	70
<b>PROGRAM ACTIVITIES</b>								
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	2370	1750	1750	1750	1750	1750	1750	1750
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7128	7600	7600	7600	7600	7600	7600	7600
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	32	60	60	60	60	60	60	60
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	0	0	0	0	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	13	75	75	75	75	75	75	75
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	9	9	9	9	9	9	9	9
CHARGES FOR CURRENT SERVICES	2,171	2,261	2,261	2,261	2,261	2,261	2,261	2,261
TOTAL PROGRAM REVENUES	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270
TOTAL PROGRAM REVENUES	2,180	2,270	2,270	2,270	2,270	2,270	2,270	2,270

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

# Program Plan Narrative

## **BED107: FOREIGN TRADE ZONE**

**01 01 03**

### **A. Statement of Program Objectives**

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

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

The program has no requests for FY 22 and FY 23.

### **C. Description of Activities Performed**

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

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

### **D. Statement of Key Policies Pursued**

1. Operate the program as a self-sustaining enterprise so that operating expenditures are covered by operating revenues.

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

### **E. Identification of Important Program Relationships**

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

### **F. Description of Major External Trends Affecting the Program**

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

## Program Plan Narrative

**BED107: FOREIGN TRADE ZONE**

**01 01 03**

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

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

### **H. Discussion of Program Revenues**

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

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

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

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

**BED142**  
**010104**  
**GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

**OPERATING AND CAPITAL EXPENDITURES**

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	26.00*	26.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	1,931,396	2,081,900	2,153,753	2,153,753	2,154	2,154	2,154	2,154
OTHER CURRENT EXPENSES	1,169,029	136,670	136,670	136,670	136	136	136	136
TOTAL OPERATING COST	3,100,425	2,218,570	2,290,423	2,290,423	2,290	2,290	2,290	2,290
BY MEANS OF FINANCING	26.00*	26.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	3,100,425	2,218,570	2,290,423	2,290,423	2,290	2,290	2,290	2,290
TOTAL PERM POSITIONS	26.00*	26.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	3,100,425	2,218,570	2,290,423	2,290,423	2,290	2,290	2,290	2,290

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<u>MEASURES OF EFFECTIVENESS</u>								
1. # OF PROCUREMENT VIOLATIONS	0	0	0	0	0	0	0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	95	95	95	95	95	95
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	98	98	98	98	98	98	98
<u>PROGRAM TARGET GROUPS</u>								
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	327	327	327	327	327	327	327	327
<u>PROGRAM ACTIVITIES</u>								
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	150	150	150	150	150	150	150
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1250	1250	1250	1250	1250	1250	1250	1250
3. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	5	5	5	5	5	5	5
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	1500	1500	1500	1500	1500	1500	1500

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

# Program Plan Narrative

## **BED142: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

01 01 04

### **A. Statement of Program Objectives**

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

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

Abolish unfunded positions. Remove the following 2 FTE positions in FY 22 and FY23:

ACCOUNT CLERK III    #26504 A 1.00 Perm FTE  
FISCAL OFFICER I    #12888 A 1.00 Perm FTE

### **C. Description of Activities Performed**

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

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

### **D. Statement of Key Policies Pursued**

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

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

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

### **E. Identification of Important Program Relationships**

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

### **F. Description of Major External Trends Affecting the Program**

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

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

None.

### **H. Discussion of Program Revenues**

None.

### **I. Summary of Analysis Performed**

None.

### **J. Further Considerations**

None.

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

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	29.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
PERSONAL SERVICES	3,747,198	3,950,093	4,194,100	4,194,100	4,194	4,194	4,194	4,194
OTHER CURRENT EXPENSES	78,597,459	137,533,316	137,533,316	137,533,316	137,534	137,534	137,534	137,534
TOTAL OPERATING COST	82,344,657	141,483,409	141,727,416	141,727,416	141,728	141,728	141,728	141,728
BY MEANS OF FINANCING	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	29.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
SPECIAL FUND	82,344,657	141,483,409	141,727,416	141,727,416	141,728	141,728	141,728	141,728
TOTAL PERM POSITIONS	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
TOTAL TEMP POSITIONS	29.00**	29.00**	29.00**	29.00**	29.0**	29.0**	29.0**	29.0**
TOTAL PROGRAM COST	82,344,657	141,483,409	141,727,416	141,727,416	141,728	141,728	141,728	141,728

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	11.47	7.8	11.94	14.32	16.18	17.8	17.8	17.8
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE	75%	75%	75%	75%	75%	75%	75%	75%
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)	10122	6876	10522	12613	14253	15678	15678	15678
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII	50%	50%	50%	50%	50%	50%	50%	50%
<b>PROGRAM TARGET GROUPS</b>								
1. JAPANESE TRAVELERS TO THE US (MILLION)	3.6	1	2.52	3.76	4.62	5.08	5.08	5.08
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
<b>PROGRAM ACTIVITIES</b>								
1. # SPORTING EVENTS ACTUALLY FUNDED	21	9	7	19	19	19	19	19
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LIVING HWN	128	0	34	34	128	128	128	128
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	12	0	3	3	12	12	12	12
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	55	105	105	105	105	105	105	105
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE	138000	60000	60000	60000	60000	60000	60000	60000
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	48.0	28.6	50	50	50	50	50	50
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
TAXES	108,500	108,500	108,500	108,500	108,500	108,500	108,500	108,500
REVENUES FROM THE USE OF MONEY AND PROPERTY	9,727	7,123	7,183	7,183	7,183	7,183	7,183	7,183
CHARGES FOR CURRENT SERVICES	24	24	24	24	24	24	24	24
NON-REVENUE RECEIPTS	4,941	3,900	3,900	3,900	3,900	3,900	3,900	3,900
TOTAL PROGRAM REVENUES	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607
TOTAL PROGRAM REVENUES	123,192	119,547	119,607	119,607	119,607	119,607	119,607	119,607

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



# Program Plan Narrative

**BED113: TOURISM**

**01 02**

## **A. Statement of Program Objectives**

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

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

The program has no operating or CIP requests for FY 22 and FY 23.

## **C. Description of Activities Performed**

In 2020, the Hawaii Tourism Authority (HTA) developed an updated HTA Five-Year Strategic Plan 2020-2025 (HTA Strategic Plan) to guide the organization in addressing issues and creating opportunities that will move Hawai'i's visitor industry forward.

The Strategic Plan presents measures and objectives to increase economic activity through maintaining or increasing average Per-Person-Per-Day spending and therefore total visitor spending, while also emphasizing resident and visitor satisfaction. This includes a focus on brand marketing and brand sustainability through the perpetuation of our native culture, the preservation and emphasis of our natural resource assets and strengthening of our local community.

COVID-19 has substantially impacted Hawaii's tourism economy. Going forward, the HTA will place emphasis on economic recovery by driving demand for our state as a visitor destination, through the execution of our annual tourism marketing plan, which the HTA develops using the HTA Strategic Plan as its guide. This will be accomplished through centralized efforts of the HTA and supervised functions of our global partners for major market areas. HTA tracks performance of our global partners

through systematic reviews of key performance indicators and other initiatives. Of equal importance, HTA will aim toward maintaining an appropriate balance of better managing Hawaii as a destination, through strengthening our communities and emphasizing the importance of responsible travel. The State's post-COVID effort is the opportunity to reshape tourism and malama our home.

## **D. Statement of Key Policies Pursued**

HTA's strategic plan outlines four measures we deem as key policies to pursue:

1. Resident satisfaction. Through a survey, HTA monitors whether residents agree that tourism brings more benefits than problems and agree that tourism positively affects residents' families.
2. Visitor satisfaction. HTA surveys satisfaction on the overall Hawaii vacation rating.
3. Average daily spending. Through its branding efforts, HTA aims to maintain or increase average Per-Person-Per-Day spending.
4. Total spending. Through its branding efforts, HTA aims to maintain or increase total direct spending.

## **E. Identification of Important Program Relationships**

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

## **F. Description of Major External Trends Affecting the Program**

Tourism remains the number one economic engine for Hawai'i, accounting for approximately 19.2 percent of the state's civilian employment and 16.2 percent of the gross state product. The stability of

## Program Plan Narrative

### BED113: TOURISM

01 02

the State's economy is consistently at risk from major economic crises. Historical examples of crises that significantly impacted tourism demand include:

1. September 11, 2001 terrorist attacks.
2. The Japan tsunami of March 2011.
3. The Kauai flooding and volcanic eruptions on Hawaii Island in 2018.
4. COVID-19's pandemic in 2020.

These events showed the vulnerability of the tourism industry to any crisis and, likewise, the importance of strategic flexibility. Looking forward, significant uncertainties remain.

The challenge for tourism's and the State's economic recovery is immense. With that challenge comes the opportunity to reshape tourism as it should be, centered around responsible visitation and a push for higher spending.

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

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

Visitor Statistics:	2019 Actuals
Visitor Arrivals:	10.39 million
Per Person Per Day Spending:	\$196.10/per day
Total Statewide Economic Impact:	\$17.84 billion

#### **H. Discussion of Program Revenues**

Tourism Special Fund (TSF). HRS Section 237D provides that \$79 million in Transient Accommodations Tax (TAT) shall be allocated to the TSF and \$16.5 million shall be allocated to the Convention Center Enterprise Special Fund each fiscal year. However, effective May 2020, HTA's TAT allocation was suspended due to the COVID-19 pandemic.

Out of \$600.3 million in TAT received in fiscal year 2019, HTA received \$99.5 million for the Tourism Special fund and Convention Center Enterprise Special Fund, \$103 million was distributed to counties, \$3 million was allocated to the Department of Land and Natural Resources (DLNR), \$1.251.5 million was provided to the Turtle Bay Conservation Easement Fund, \$57.3 million was deposited to the Mass Transit Special Fund and \$339.9 million was added to the general fund.

#### **I. Summary of Analysis Performed**

The following information demonstrates how tourism contributes to Hawai'i's economy. In 2019, Hawai'i's tourism economic sector: 1) Produced 16.2 percent of Gross State Product; 2) Accounted for approximately 217,000 jobs supported (direct, indirect, induced) or 32.9 percent of total employment for the State; and 3) Contributed \$2.08 billion tax dollars (TAT and other taxes) to state government.

#### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	9.00*	8.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
	63.00**	63.00**	61.00**	61.00**	61.0**	61.0**	61.0**	61.0**
PERSONAL SERVICES	6,258,969	6,398,934	7,054,268	6,939,428	6,940	6,940	6,940	6,940
OTHER CURRENT EXPENSES	51,314,096	96,077,503	96,995,616	96,892,407	96,041	95,541	95,541	95,541
TOTAL OPERATING COST	57,573,065	102,476,437	104,049,884	103,831,835	102,981	102,481	102,481	102,481
BY MEANS OF FINANCING								
	9.00*	8.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
	27.00**	27.00**	17.00**	17.00**	17.0**	17.0**	17.0**	17.0**
GENERAL FUND	6,203,511	3,686,655	2,570,484	2,432,435	2,432	2,432	2,432	2,432
	*	*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
SPECIAL FUND	50,441,309	95,533,365	97,724,983	97,644,983	96,795	96,795	96,795	96,795
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS			500,000	500,000	500			
	*	*	*	*	*	*	*	*
OTHER FEDERAL FUNDS	880,402	995,214	995,214	995,214	995	995	995	995
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS	1,000	1,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	39,220	241,000	241,000	241,000	241	241	241	241
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	7,623	2,019,203	2,018,203	2,018,203	2,018	2,018	2,018	2,018
CAPITAL IMPROVEMENT COSTS								
LAND ACQUISITION	15,225,000	2,775,000						
CONSTRUCTION	1,170,000							
EQUIPMENT	3,230,000							
TOTAL CAPITAL EXPENDITURES	19,625,000	2,775,000						

OPERATING AND CAPITAL EXPENDITURES

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
BY MEANS OF FINANCING								
G.O. BONDS	19,625,000	2,775,000						
TOTAL PERM POSITIONS	9.00*	8.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
TOTAL TEMP POSITIONS	63.00**	63.00**	61.00**	61.00**	61.0**	61.0**	61.0**	61.0**
TOTAL PROGRAM COST	77,198,065	105,251,437	104,049,884	103,831,835	102,981	102,481	102,481	102,481

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	5.00*	5.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
	22.00**	22.00**	21.00**	21.00**	21.0**	21.0**	21.0**	21.0**
PERSONAL SERVICES	2,157,260	2,112,189	2,590,014	2,475,174	2,476	2,476	2,476	2,476
OTHER CURRENT EXPENSES	513,672	808,076	1,923,658	1,843,658	993	493	493	493
TOTAL OPERATING COST	2,670,932	2,920,265	4,513,672	4,318,832	3,469	2,969	2,969	2,969
BY MEANS OF FINANCING								
	5.00*	5.00*	*	*	*	*	*	*
	22.00**	22.00**	13.00**	13.00**	13.0**	13.0**	13.0**	13.0**
GENERAL FUND	2,481,712	2,598,265	1,659,040	1,544,200	1,544	1,544	1,544	1,544
	*	*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
	**	**	8.00**	8.00**	8.0**	8.0**	8.0**	8.0**
SPECIAL FUND	150,000	81,000	2,113,632	2,033,632	1,184	1,184	1,184	1,184
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS			500,000	500,000	500			
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	39,220	241,000	241,000	241,000	241	241	241	241
TOTAL PERM POSITIONS	5.00*	5.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
TOTAL TEMP POSITIONS	22.00**	22.00**	21.00**	21.00**	21.0**	21.0**	21.0**	21.0**
TOTAL PROGRAM COST	2,670,932	2,920,265	4,513,672	4,318,832	3,469	2,969	2,969	2,969

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. # OF BUSINESSES PARTICIPATING IN GREEN BUS. PROG.	15	15	20	20	20	25	25	25
2. # OF ENERGY STAKEHOLDERS REACHED	167360	166088	169400	172700	176100	179300	182700	186000
3. % OF SESF 12 ACTIVATIONS THAT ARE STAFFED	100	100	100	100	100	100	100	100
4. # MEDIA OUTLETS REACHED	NO DATA	75	80	85	90	95	100	105
<b>PROGRAM TARGET GROUPS</b>								
1. # OF EMERGING AND EXISTING RE PROJECT ENTITIES	120	133	135	140	145	150	155	160
2. # OF POTENTIAL GBP PARTICIPANTS CONTACTED	60	60	50	50	50	50	50	50
3. # OF BUILDING CODE ORGANIZATIONS	6	10	10	10	10	10	10	10
4. # OF ENERGY STAKEHOLDERS AND POLICY MAKERS	2046	2015	2055	2095	2135	2175	2200	2260
<b>PROGRAM ACTIVITIES</b>								
1. # OF TECH. ASSIST. TO PUBLIC & PRIVATE ENTITIES	1500	1300	1300	1300	1300	1300	1300	1300
2. # OF ANALYSES & PROJECTS SUPPORTING CLEAN ENERGY	18	24	24	24	24	24	24	24
3. # OF STAFF HOURS SUPPORTING THE EOC FOR SESF 12	1328	420	420	420	420	420	420	420
4. # OF LEGISLATIVE MEASURES TRACKED AND ADDRESSED	115	200	200	200	200	200	200	200
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
TAXES	3,800	3,800	3,700	3,700	3,700	3,700	3,700	3,700
REVENUES FROM THE USE OF MONEY AND PROPERTY	2	2	2	2	2	2	2	2
REVENUE FROM OTHER AGENCIES: FEDERAL		283						
CHARGES FOR CURRENT SERVICES	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
TOTAL PROGRAM REVENUES	17,802	18,085	17,702	17,702	17,702	17,702	17,702	17,702
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	3,800	4,083	3,700	3,700	3,700	3,700	3,700	3,700
ALL OTHER FUNDS	14,002	14,002	14,002	14,002	14,002	14,002	14,002	14,002
TOTAL PROGRAM REVENUES	17,802	18,085	17,702	17,702	17,702	17,702	17,702	17,702

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

## Program Plan Narrative

**BED120: HAWAII STATE ENERGY OFFICE**

**01 05 01**

### **A. Statement of Program Objectives**

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

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

Trade-off/Transfers:

1. Transfer funds from OCE to PS to cover payroll shortage - MOF A \$88,208/\$88,208 recurring;
2. Transfer funds from OCE to PS to fund 2 unfunded positions (Energy Analyst and Energy Program Specialist) - MOF A \$108,000/\$108,000 recurring;
3. Transfer Research Statistician V position and funds to BED130/FA - MOF A (1.00)/(1.00) (\$64,476)/(\$64,476) recurring;

Other Requests:

4. Convert permanent Energy Conservation Program Manager to temporary Energy Efficiency & Renewable Energy Manager - MOF A;
5. Request an expenditure ceiling for the Energy Security Special Fund to continue the Electric Vehicle Charging System Rebate Program - MOF B \$350,000/\$350,000;
6. Request an expenditure ceiling for the Energy Security Special Fund to provide funds to leverage federal grant funding - MOF B \$500,000/\$500,000;
7. Request an expenditure ceiling for the Energy Security Special Fund to pay Special Fund Assessments - MOF B \$155,000/\$75,000 recurring;
8. Convert 10 positions from General Funds to Special Funds - MOF A (10.0/10.0) (\$733,531/\$733,531)/MOF B 10.0/10.0 \$1,107,632/\$1,107,632.

9. Federal fund appropriation for State Energy Program recurring federal award - MOF N \$500,000/\$500,000;

10. Abolish 1 unfunded position (Energy Analyst) - MOF A (1.00/1.00) recurring;

Program Review:

11. Reduce 1 management staff FTE and associated costs - MOF A (1.00/1.00)(\$73,308)/(\$146,516) recurring;
12. Reduce OCE - Services on a Fee - MOF A (\$113,210/\$113,210) recurring; and
13. Reduce 1 project staff FTE and associated costs - MOF A (1.00/1.00) (\$41,532)/(\$83,064) recurring.

### **C. Description of Activities Performed**

Over the past ten-plus years, the Hawaii Clean Energy Initiative (HCEI) has accomplished many of its objectives, becoming fully woven into the fabric of the Hawaii State Energy Office. As part of the continued evolution of the HCEI, broader engagement with non-energy industry stakeholders and the community at-large is critical to the forward momentum of Hawaii's clean energy transformation. The State of Hawaii, US Department of Energy (USDOE), and industry leaders acted as co-pilots in creating and advocating for the landmark Initiative. Now we must engage broader public participation in order to move forward together with a collective clean energy vision that addresses broader economic development solutions elevating the quality of life for everyone in Hawaii.

Within this overall mandate and broader energy ecosystem, the Hawaii State Energy Office focuses on the following top priorities now as the critical path to a resilient clean energy economy experiencing COVID and an uncertain road to recovery:

1. Energy Assurance and Resiliency;
2. Renewable Energy Project Development;
3. Energy Efficiency;
4. Clean Transportation; and
5. Stakeholder and Community Outreach and Engagement.

# Program Plan Narrative

**BED120: HAWAII STATE ENERGY OFFICE**

**01 05 01**

## **D. Statement of Key Policies Pursued**

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

## **E. Identification of Important Program Relationships**

U.S. Departments of Energy, Interior, Agriculture, Defense; Environmental Protection Agency; National Renewable Energy Laboratory; Hawaii Energy; the Hawaiian Electric Companies; Kauai Island Utility Cooperative; county energy coordinators; fossil fuel importers, refiners, and distributors; renewable energy companies and trade groups.

## **F. Description of Major External Trends Affecting the Program**

The major energy trends affecting the State include increasing and volatile oil prices and changing demand due to COVID-19 and economic recovery; increased challenges to integrate additional intermittent renewable power sources; an uncertainty in clean energy tax incentives; and an increasing focus on Hawaii as a testbed for deployment of advanced energy technologies. Declining prices for solar photovoltaic panels and battery storage have supported, and will continue to support, the deployment of renewable energy systems in Hawaii and elsewhere. A shift in policy at the federal level has had a negative impact on the nation's clean energy transformation. Fortunately, Hawaii and a number of other states are stepping up to fill the void of leadership on clean energy and a new federal administration indicates it will be more supportive of policies and activities in alignment with Hawaii's energy and decarbonization goals.

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

In alignment with the state's statutory and administrative energy priorities, HSEO must be adequately funded and staffed to effectively plan and execute policies and programs to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy economy.

## **H. Discussion of Program Revenues**

HSEO's Energy Security Special Fund (ESSF) derives revenue from the Environmental Response, Energy, and Food Security Tax and from solar water heater variance request processing fees. The ESSF was established under Act 208 (2008) to provide HSEO with a reliable funding source for carrying out Hawaii's energy security and jobs creation agenda. The current allocation from the tax does not support all personnel and programmatic needs of HSEO.

## **I. Summary of Analysis Performed**

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

## **J. Further Considerations**

None.



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	4.00*	3.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
	14.00**	14.00**	13.00**	13.00**	13.0**	13.0**	13.0**	13.0**
PERSONAL SERVICES	1,308,238	1,382,202	1,399,725	1,399,725	1,400	1,400	1,400	1,400
OTHER CURRENT EXPENSES	3,520,009	4,325,863	4,130,394	4,107,185	4,106	4,106	4,106	4,106
TOTAL OPERATING COST	4,828,247	5,708,065	5,530,119	5,506,910	5,506	5,506	5,506	5,506
BY MEANS OF FINANCING								
	4.00*	3.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
	5.00**	5.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
GENERAL FUND	3,721,799	1,088,390	911,444	888,235	888	888	888	888
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	217,423	1,605,258	1,605,258	1,605,258	1,605	1,605	1,605	1,605
	*	*	*	*	*	*	*	*
	9.00**	9.00**	9.00**	9.00**	9.0**	9.0**	9.0**	9.0**
OTHER FEDERAL FUNDS	880,402	995,214	995,214	995,214	995	995	995	995
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
PRIVATE CONTRIBUTIONS	1,000	1,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND	7,623	2,018,203	2,018,203	2,018,203	2,018	2,018	2,018	2,018
CAPITAL IMPROVEMENT COSTS								
LAND ACQUISITION	15,225,000	2,775,000						
TOTAL CAPITAL EXPENDITURES	15,225,000	2,775,000						
BY MEANS OF FINANCING								
G.O. BONDS	15,225,000	2,775,000						
TOTAL PERM POSITIONS	4.00*	3.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
TOTAL TEMP POSITIONS	14.00**	14.00**	13.00**	13.00**	13.0**	13.0**	13.0**	13.0**
TOTAL PROGRAM COST	20,053,247	8,483,065	5,530,119	5,506,910	5,506	5,506	5,506	5,506

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. # OF COMPANIES ASSTD WITH HTDC INNOVATION PROGRAMS	24	25	300	300	300	300	300	300
2. MKTG: # OF INDIVIDUALS OR COMPANIES ASSISTED	36300	36300	36300	36300	36300	36300	36300	36300
<b>PROGRAM TARGET GROUPS</b>								
1. # MANUFACTURERS APPLYING FOR SERVICES/ASST.	NO DATA	200	200	200	200	200	200	200
2. # OF COMPANIES APPLYING FOR PROGRAM SERVICES	NO DATA	500	500	500	500	500	500	500
<b>PROGRAM ACTIVITIES</b>								
1. # OF CONTACTS AND RESPONSES	58000	58000	58000	58000	58000	58000	58000	58000
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	85	51	51	18	18	18	18	18
REVENUE FROM OTHER AGENCIES: FEDERAL	2,200	4,500	2,700	2,700	500	500		
REVENUE FROM OTHER AGENCIES: ALL OTHER		90						
CHARGES FOR CURRENT SERVICES	678	108	108	108	108	8	8	8
TOTAL PROGRAM REVENUES	2,963	4,749	2,859	2,826	626	526	26	26
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	697	249	159	126	126	26	26	26
ALL OTHER FUNDS	2,266	4,500	2,700	2,700	500	500		
TOTAL PROGRAM REVENUES	2,963	4,749	2,859	2,826	626	526	26	26

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

# Program Plan Narrative

**BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

**01 05 02**

## **A. Statement of Program Objectives**

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

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

Operating Request:

1. Reduce MOF R ceiling by \$1,000 recurring.
2. Abolish unfunded positions. Remove the following 3 FTE positions in FY 22 and FY 23:

HTDC EXECUTIVE SECRETARY	101971 A (1.00) Perm
HTDC TECH MARKETING SPECIALIST	107907 A (1.00) Temp
EXECUTIVE DIRECTOR	101615 A (1.00) Perm

3. Reduction of the HSBIR grant program by \$159,759 in general funds for both FY 22 and FY 23.
4. Eliminate Neighbor Island Innovation Initiative and neighbor island outreach by reducing \$11,500 in general funds for both FY 22 and FY 23.
5. Eliminate office space and related expenses and work remotely 100% by reducing \$23,210 in FY 22 and \$46,419 in FY 23.

## **C. Description of Activities Performed**

1. Provide infrastructure to support technology company formation: a) operation of innovation programs at the Maui Research & Technology Center (MRTC) and the Entrepreneurs Sandbox (Sandbox). The programs provide mentoring, training, support services, and office space. Before the COVID closures, the Sandbox conference rooms were used 29 out of 31 days in January 2020. The large event space is used for

coworking during the day and hosted events 98 out of 245 days between October and January. All of the 9 offices are rented. Due to COVID-19 the Sandbox programming has been moved online. The Sandbox is currently producing 2 recurring webinars plus several additional workshops on relevant topics such as e-commerce and online resume building each month. On Maui, HTDC has partnered with the Maui Business Brainstormers and the SBDC to host quarterly virtual workshops. HTDC will pursue federal and private funding to support the programs; b) development of technology parks that support small manufacturers and/or technology-based companies. Current projects are the Hilo Innovation and Manufacturing Center and the First Responder Tech Campus; c) Support Hawaii based accelerator programs. The accelerator programs provide seed funding and training to select companies with high growth potential. Each accelerator has secured a minimum of 1:1 match for the grant; HTDC will pursue federal and private funding to support the accelerator programs; d) operation of the Neighbor Island Innovation Initiative (NI3). Due to lack of availability of state funds, HTDC will continue to pursue federal and county funds to support the program.

2. Administer matching grant programs for Hawaii tech and manufacturing small businesses: a) Hawaii Small Business Innovation Research (SBIR) program - 26 applications received, 24 funded, \$1.3 million awarded matched by \$55 million in Federal SBIR awards. HTDC hosts informational and training workshops throughout the year and throughout the state to encourage new companies to participate and help accelerate the advancement of their technologies. Since 2018 HTDC has been awarded annually a \$125,000 federal grant from the US Small Business Administration to expand the SBIR program participation on the Neighbor Islands; b) Manufacturing Assistance Program - 45 applications received, 18 funded, \$485,692 awarded matched by \$3.5 million company investment. The program provides incentives for manufacturers to expand and improve their global competitiveness. The program hosts informational sessions throughout the state;

3. Secure funding and operate federally funded programs: a) Hawaii Center for Advanced Transportation Technologies (HCATT) has on-going demonstration projects at Joint Base Pearl Harbor Hickam (JBPHH). The program has secured a total of \$32 million in funding; and b) Innovate Hawaii is the federal National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) center for Hawaii.

# Program Plan Narrative

## **BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

**01 05 02**

The program is operating on a \$2.5 million federal 5-year agreement, awarded in 2017, to help small to medium size manufacturing companies become more globally competitive. The 5-year agreement has since been increased to \$3.05 million, boosting total funds brought in and spent in the State. In addition to the increased agreement, the program secured an additional \$2 million in federal grants this past year.

4. Promote the tech sector to encourage participation, stakeholder investment and growth: a) HTDC is founding member of the TRUE initiative, a public-private partnership focused on shared technology solutions to common business problems. The program is almost entirely sponsored by the private sector. b) host and sponsor conferences, workshops, and networking events. HTDC will pursue federal and private funding to support the events. c) update the HTDC website and social media outlets for promoting the technology sector (e.g., Facebook pages, Twitter); d) operate the TechJobsHawaii.org website; e) public relations, publications, editorials, and spots on tech-related television programs; and f) expansion of the digital currency innovation lab promoting new financial technology in the state f) provides the State annual economic metrics of HTDC program outcomes.

5. Stimulate the growth of Hawaii's Tech Workforce Organized roundtable discussion with local employers on gaps in the workforce and training needs. Work with tech training organizations, workforce organizations and educational institutions on curriculum development. HTDC hosts an Annual Holiday Tech Job Fair to showcase the job opportunities while kamaaina are home for Christmas.

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

### **D. Statement of Key Policies Pursued**

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

### **E. Identification of Important Program Relationships**

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

### **F. Description of Major External Trends Affecting the Program**

1. The reduction of state budget has directed HTDC to prioritize federal and private sector priorities to move our mission forward. This past year, HTDC received more funds each from the federal government and private sector than the State.

2. COVID-19 revealed the Hawai'i economy's vulnerability with a drop in tourism. HTDC programs are highly leveraged opportunities to help diversify the economy. Diversifying the economy depends on consistent investment over time, not a one-time investment.

3. Local manufacturing and online commerce are opportunities for the Hawai'i economy. Investment into local manufacturing and programs supporting e-commerce and efficient logistics are needed. The digital currency innovation lab offers Hawai'i a competitive advantage for new technology adoption.

4. The larger Hawai'i business community is starting to build alignment around innovation, entrepreneurship, and collaboration. Many siloed initiatives are starting to come together.

## Program Plan Narrative

**BED143: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

**01 05 02**

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

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

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

### **H. Discussion of Program Revenues**

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

### **I. Summary of Analysis Performed**

None.

### **J. Further Considerations**

None.

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID: BED145  
PROGRAM STRUCTURE NO: 010503  
PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORP (HIST)

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OTHER CURRENT EXPENSES		2,000						
TOTAL OPERATING COST	0	2,000	0	0	0	0	0	0
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		1,000						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		1,000						
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST		2,000						

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
3. INCREASE IN NUMBER OF COMPANIES FUNDED	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
<b>PROGRAM TARGET GROUPS</b>								
1. ENTREPRENEURIAL START-UP COMPANIES	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
<b>PROGRAM ACTIVITIES</b>								
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
3. ENTREPRENEURIAL TRAINING PROGRAMS	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	18	10	5	5	5	5	5	5
REVENUE FROM OTHER AGENCIES: ALL OTHER		200	200	200	200	200	200	200
TOTAL PROGRAM REVENUES	18	210	205	205	205	205	205	205
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
ALL OTHER FUNDS	18	210	205	205	205	205	205	205
TOTAL PROGRAM REVENUES	18	210	205	205	205	205	205	205

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

## Program Plan Narrative

**BED145: HAWAII STRATEGIC DEVELOPMENT CORP (HIST)**

**01 05 03**

### **A. Statement of Program Objectives**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

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

Operating request to eliminate the special fund (\$1,000B/\$1,000B) and revolving fund (\$1,000W/\$1,000W) ceilings for BED145.

### **C. Description of Activities Performed**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **D. Statement of Key Policies Pursued**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **E. Identification of Important Program Relationships**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **F. Description of Major External Trends Affecting the Program**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

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

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **H. Discussion of Program Revenues**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **I. Summary of Analysis Performed**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.

### **J. Further Considerations**

BED145 was absorbed by BED143 during the Fiscal Year 2019-20 Legislative session.



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	22.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
PERSONAL SERVICES	2,035,335	2,103,324	2,222,219	2,222,219	2,222	2,222	2,222	2,222
OTHER CURRENT EXPENSES	2,644,648	5,805,572	5,805,572	5,805,572	5,806	5,806	5,806	5,806
TOTAL OPERATING COST	4,679,983	7,908,896	8,027,791	8,027,791	8,028	8,028	8,028	8,028
BY MEANS OF FINANCING	*	*	*	*	*	*	*	*
	22.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
SPECIAL FUND	4,679,983	7,908,896	8,027,791	8,027,791	8,028	8,028	8,028	8,028
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	1,170,000							
EQUIPMENT	3,230,000							
TOTAL CAPITAL EXPENDITURES	4,400,000							
BY MEANS OF FINANCING								
G.O. BONDS	4,400,000							
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	22.00**	22.00**	22.00**	22.00**	22.0**	22.0**	22.0**	22.0**
TOTAL PROGRAM COST	9,079,983	7,908,896	8,027,791	8,027,791	8,028	8,028	8,028	8,028

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	5.6	5.8	5.5	5.8	6.0	6.5	7.0	7.5
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	4500	4500	5500	5500	6000	6500	7000	7500
3. TOTAL TENANT EXPENDITURES (\$M)	100	100	110	120	130	140	150	160
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	10	10	10	10	10	10	10	10
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	99.999	99.999	99.999	99.999	99.999	99.999
<b>PROGRAM TARGET GROUPS</b>								
1. PUBLIC EDUCATIONAL OUTREACH PARTICIPANTS	1000	1000	3000	5000	6000	6000	6500	6500
<b>PROGRAM ACTIVITIES</b>								
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	550	560	570	580	590	600	620	630
2. TOTAL VOLUME OF SEAWATER PUMPED MONTHLY (MGALS)	600	600	605	610	620	630	630	630
3. TOTAL NUMBER OF NELHA TENANTS	56	58	60	62	65	80	85	90
4. PERCENTAGE OF NELHA LAND IN USE	47	48	50	51	53	55	58	60
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)	160	165	175	180	185	190	195	200
6. BEACH PARK USE (# OF ATTENDEES)	70000	70000	100000	110000	125000	140000	145000	150000
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	2,190	2,256	2,323	2,395	2,466	2,540	2,540	2,540
REVENUE FROM OTHER AGENCIES: FEDERAL	111							
CHARGES FOR CURRENT SERVICES	3,125	3,219	3,315	3,416	3,517	3,623	3,623	3,623
TOTAL PROGRAM REVENUES	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163
TOTAL PROGRAM REVENUES	5,426	5,475	5,638	5,811	5,983	6,163	6,163	6,163

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

# Program Plan Narrative

**BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY**

**01 05 04**

## **A. Statement of Program Objectives**

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

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

NELHA is not requesting additional operating or CIP funds for FY 22 and FY 23.

## **C. Description of Activities Performed**

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

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

6) Provide informational and educational material and lectures to school classes (K-12 and university level), professional associations, community groups, international visitors, legislators, and the general public.

## **D. Statement of Key Policies Pursued**

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

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

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

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

# Program Plan Narrative

**BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY**

**01 05 04**

## **E. Identification of Important Program Relationships**

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

## **F. Description of Major External Trends Affecting the Program**

1. The cost of electricity continues to have a significant impact on NELHA operations.
2. NELHA has developed into a world-class site for the production of algae and other marine aquaculture products and a significant portion of the State's overall aquaculture industry is based at NELHA.
3. Worldwide focus on advanced energy technology and other forms of alternative energy which will assist NELHA in attracting new businesses and research to HOST Park.
4. Worldwide demand for desalinated drinking water from NELHA has developed into one of the State's largest export industries.
5. Private sector interests have supported new projects and construction.
6. The resiliency of businesses at HOST Park has been demonstrated during the Great Pandemic of 2020 with no businesses closing and six new businesses moving into the park.

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

NELHA continues to operate in a self-sufficient manner and receives no general fund support for its operations. NELHA has received CIP funds for public goods such as infrastructure development to benefit the overall community. A 2018 analysis by UHERO indicates that NELHA generated an economic impact of \$104 million, 525 jobs and \$5M in State tax revenue annually.

## **H. Discussion of Program Revenues**

Revenues continue to increase and current projections show that based on current lease structure, they are continued to show healthy growth and increase over the next five years. In addition, NELHA receives several Federal grants annually.

## **I. Summary of Analysis Performed**

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

## **J. Further Considerations**

HOST Park began in 1974 and is over 45 years old. The park is making a significant economic impact and specifically in West Hawaii. However, some of the buildings and infrastructure in the park are aging and need to be renovated and/or replaced. In addition, until recently, electricity costs continue to be a significant cost and burden on businesses located in the park. Accordingly, NELHA needs to provide office space, modernize its pumping system and stabilize electrical costs to maintain an ecosystem favorable to continued economic development. As such, NELHA considers the completion of an incubator/accelerator; automation of its seawater system; and the development of a sustainable integrated energy district in HOST Park as mission critical activities.

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

**BED138**  
**010505**  
**HAWAII GREEN INFRASTRUCTURE AUTHORITY**

**OPERATING AND CAPITAL EXPENDITURES**

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
PERSONAL SERVICES	758,136	801,219	842,310	842,310	842	842	842	842
OTHER CURRENT EXPENSES	44,635,767	85,135,992	85,135,992	85,135,992	85,136	85,136	85,136	85,136
TOTAL OPERATING COST	45,393,903	85,937,211	85,978,302	85,978,302	85,978	85,978	85,978	85,978
BY MEANS OF FINANCING	*	*	*	*	*	*	*	*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
SPECIAL FUND	45,393,903	85,937,211	85,978,302	85,978,302	85,978	85,978	85,978	85,978
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
TOTAL PROGRAM COST	45,393,903	85,937,211	85,978,302	85,978,302	85,978	85,978	85,978	85,978

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<u>MEASURES OF EFFECTIVENESS</u>								
1. % FINANCING FOR UNDERSERVED TARGET	51.0%	85%	85.0%	70.0%	60.0%	50.0%	50%	50%
2. ESTIMATED KWH PRODUCTION OVER LIFETIME (000)	35,916	20,000	35,916	10,000	10,000	10,000	20,000	30,000
3. EST KWH REDUCTION OVER LIFETIME (000)	174,806	100	50	50	50	50	100	150
4. EST BARRELS OF PETROLUUM DISPLACED (000)	129	12	6	6	6	6	12	18
5. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)	63	6	3	3	3	3	6	9
6. TOTAL GEMS LOANS DEPLOYED (000)	15,000	10,000	5,000	5,000	5,000	5,000	10,000	15,000
7. ESTIMATED NET COST SAVINGS	43,042	5,000	2,500	2,500	2,500	2,500	5,000	7,500
<u>PROGRAM TARGET GROUPS</u>								
1. RESIDENTIAL RATE PAYERS (HOMEOWNERS/RENTERS)		75	40	0	0	0	0	0
2. COMMERCIAL RATEPAYERS		5	5	5	5	5	10	15
<u>PROGRAM ACTIVITIES</u>								
1. ORIGINATE AND SERVICE CLEAR ENERGY LOANS		400	400	400	400	400	400	400

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

# Program Plan Narrative

**BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

**01 05 05**

## **A. Statement of Program Objectives**

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

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

The program has no operating or CIP requests for FY 22 and FY 23.

## **C. Description of Activities Performed**

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

Shortly after Program launch, due to the adverse economic impact of Net Energy Metering (NEM) on the utilities, the Public Utilities Commission (PUC) suspended NEM in October 2015. This significantly changed the market for solar PV resulting in the demand for related solar loans to dramatically decline, which caused the Program to temporarily stall as it re-evaluated options and re-strategized its future vision and focus.

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

## **D. Statement of Key Policies Pursued**

There are two significant policy objectives for GEMS and the HGIA: 1) to help the State of Hawaii reach its clean energy goals by 2045 by financing and facilitating the installation of clean energy technologies; and

2) to use innovative financing and market mechanisms that leverage public dollars, rely less on rebates, and build lasting public/private partnerships so that long-term sustainable financing models can be created to support clean energy project deployment.

## **E. Identification of Important Program Relationships**

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

## **F. Description of Major External Trends Affecting the Program**

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

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

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

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

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

GEMS Funds Committed To Date: \$74.5 Million

GEMS Funds Available to Lend: \$53.8 Million

Excess Revenues Over Expenses: FY2018\* \$1,304,140

Job Created/Retained: 863.4

State of Hawaii Tax Revenues Generated: \$10,653,350

Total Estimated kWh Production/Reduction Over Lifetime: 722,956,799

Total Petroleum Displaced Over Lifetime (Estimated Barrels): 444,022.1

## Program Plan Narrative

01 05 05

### BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY

Total Greenhouse Gas Avoided Over Lifetime (Estimated Metric Tons CO2): 217,557.5

% Underserved Households Served: 80.8% (target is 51%)

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

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

#### H. Discussion of Program Revenues

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

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

#### I. Summary of Analysis Performed

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

Due to the significant amount of capital required, leadership by government is critical to support and complement the private capital markets in order to enable public finance authorities to leverage private investment with limited public funds with the objective of accelerating

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

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

#### J. Further Considerations

None.



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 0107  
PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
PERSONAL SERVICES	1,976,595	2,523,412	3,397,101	3,397,101	3,397	3,397	3,397	3,397
OTHER CURRENT EXPENSES	564,939	650,000	650,000	650,000	650	650	650	650
TOTAL OPERATING COST	2,541,534	3,173,412	4,047,101	4,047,101	4,047	4,047	4,047	4,047
BY MEANS OF FINANCING								
	11.00*	11.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	2.00**	2.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	939,174	797,544	834,082	834,082	834	834	834	834
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		550,000	550,000	550,000	550	550	550	550
	10.00*	10.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
	**	**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
REVOLVING FUND	1,602,360	1,825,868	2,663,019	2,663,019	2,663	2,663	2,663	2,663
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	2,500,000							
TOTAL CAPITAL EXPENDITURES	2,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	2,500,000							
TOTAL PERM POSITIONS	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	5,041,534	3,173,412	4,047,101	4,047,101	4,047	4,047	4,047	4,047

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
PERSONAL SERVICES	1,976,595	2,523,412	3,397,101	3,397,101	3,397	3,397	3,397	3,397
OTHER CURRENT EXPENSES	564,939	650,000	650,000	650,000	650	650	650	650
TOTAL OPERATING COST	2,541,534	3,173,412	4,047,101	4,047,101	4,047	4,047	4,047	4,047
BY MEANS OF FINANCING								
	11.00*	11.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	2.00**	2.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	939,174	797,544	834,082	834,082	834	834	834	834
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		550,000	550,000	550,000	550	550	550	550
	10.00*	10.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
	**	**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
REVOLVING FUND	1,602,360	1,825,868	2,663,019	2,663,019	2,663	2,663	2,663	2,663
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	2,500,000							
TOTAL CAPITAL EXPENDITURES	2,500,000							
BY MEANS OF FINANCING								
G.O. BONDS	2,500,000							
TOTAL PERM POSITIONS	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	5,041,534	3,173,412	4,047,101	4,047,101	4,047	4,047	4,047	4,047

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	163	0	400	446	20	400	238	238
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	224	0	623	786.5	123	556	385	385
3. # OF NEW HOUSING UNITS IN KAKAAKO	267	0	751	723	0	350	349	349
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	0	0	0	0	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	105	115	115	115	115	115	115	115
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	10	20	20	20	20	20	20	20
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	60	60	60	60	60	60	60	60
<b>PROGRAM TARGET GROUPS</b>								
1. # OF RESIDENTS IN KAKAAKO	30280	30280	30280	30280	30280	30280	302880	30280
2. # OF EMPLOYEES IN KAKAAKO	25330	25330	25330	25330	25330	25330	25330	25330
3. # OF BUSINESSES IN KAKAAKO	1266	1266	1266	1266	1266	1266	1266	1266
4. # OF LANDUSERS WITHIN KALAELOA	25	35	35	35	35	35	35	35
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	6025	6050	6050	6050	6050	6050	6050	6050
<b>PROGRAM ACTIVITIES</b>								
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	94	125	125	125	125	125	125	125
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	0	0	0	0	0	0	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	0	0	0	0	0	0	0
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	65	65	65	65	65	65	65	65
5. NEW PLANNING IN KALAELOA (\$M)	25	25	0	0	0	0	0	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	2	5	0	0	0	0	0	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	2	2	0	0	0	0	0	0
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1,315	1,287	1,284	1,284	1,284	453	453	453
REVENUE FROM OTHER AGENCIES: ALL OTHER	98	98	98	98	98	98	98	98
CHARGES FOR CURRENT SERVICES	441	441	414	398	398	398	398	398
TOTAL PROGRAM REVENUES	1,854	1,826	1,796	1,780	1,780	949	949	949
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
ALL OTHER FUNDS	1,854	1,826	1,796	1,780	1,780	949	949	949
TOTAL PROGRAM REVENUES	1,854	1,826	1,796	1,780	1,780	949	949	949

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

# Program Plan Narrative

**BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01**

## **A. Statement of Program Objectives**

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

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

Operating requests include:

Increasing the BED150KA ceiling by \$45,954 and decreasing from BED150KL. The appropriation was meant to cover Kakaako's personal services (BED150KA) and was assigned to Kalaeloa (BED150KL) in error. Without this transfer, there will be a shortfall in Kakaako's personal services appropriation.

Converting 3.00 permanent positions and \$0 for each fiscal year from general funds to \$680,000 in revolving funds for both FY 22 and FY 23. The difference is for salaries and fringe benefits. These positions are currently identified in the Kakaako budget.

Converting 1.00 temporary position and \$0 for each fiscal year from general funds to \$120,000 in general funds for both FY 22 and FY 23. The difference is for salary and fringe benefits. The position is currently identified in the Kalaeloa budget.

## **C. Description of Activities Performed**

For legislatively designated Community Development Districts, HCDA is mandated to develop and implement community development plans for each district which generally include community development guidance policies, a district-wide infrastructure improvement program, and community development rules. An HCDA community development plan is the product of public input, with the resulting subject to the administrative rule-making process. Major activities during the plan

implementation stage include: a) Planning and regulatory functions in the administration of the plan and rules; b) Infrastructure systems improvements under the district-wide improvement program; c) Development and maintenance of commercial and public facilities (parks, parking garages, etc.); and d) Development and maintenance of State lands.

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

## **D. Statement of Key Policies Pursued**

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

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

## **E. Identification of Important Program Relationships**

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

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

## Program Plan Narrative

**BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01**

infrastructure"; and 6) Improve Hawaii's small business environment.

### **F. Description of Major External Trends Affecting the Program**

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

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

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

The increase in land values due to infrastructure improvements and new developments benefits the City and County of Honolulu through increased property taxes. In terms of State and Functional Plan objectives, the returns are in the functional areas of optimal land use, increased construction and economic activity, new housing units, new public facilities, and improved business and residential community areas.

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

### **H. Discussion of Program Revenues**

Direct program revenues, whose use is restricted by statute and case law, include: (a) fees in lieu of public facilities dedication fees and reserved housing fees received from private developers; (b) improvement

district property assessments received from property owners who benefit from infrastructure systems improvements made; (c) lease rents collected on HCDA-managed lands/facilities; and (d) permit and other fees charged to offset some of the administrative processing costs. Non-cash receipts include land dedicated by private developers for public facilities. Other potential revenue sources would be a yet-to-be-established business improvement district program, and Federal programs.

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	29.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	41.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
PERSONAL SERVICES	6,747,269	8,634,377	8,865,973	8,865,973	8,867	8,867	8,867	8,867
OTHER CURRENT EXPENSES	3,277,011	9,284,374	9,684,374	9,684,374	9,683	9,683	9,683	9,683
TOTAL OPERATING COST	10,024,280	17,918,751	18,550,347	18,550,347	18,550	18,550	18,550	18,550
BY MEANS OF FINANCING	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
FEDERAL FUNDS	150,287	3,100,000	3,100,000	3,100,000	3,100	3,100	3,100	3,100
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS	52,037	3,000,000	3,000,000	3,000,000	3,000	3,000	3,000	3,000
	29.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
	41.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
REVOLVING FUND	9,821,956	11,818,751	12,450,347	12,450,347	12,450	12,450	12,450	12,450
CAPITAL IMPROVEMENT COSTS								
PLANS	325,000	325,000						
DESIGN	250,000	250,000						
CONSTRUCTION	44,850,000	77,000,000	79,100,000	83,000,000				
EQUIPMENT	1,000							
TOTAL CAPITAL EXPENDITURES	45,426,000	77,575,000	79,100,000	83,000,000				
BY MEANS OF FINANCING								
G.O. BONDS	44,101,000	75,000,000	78,000,000	83,000,000				
REVOLVING FUND	1,325,000	2,575,000	1,100,000					
TOTAL PERM POSITIONS	29.00*	29.00*	29.00*	29.00*	29.0*	29.0*	29.0*	29.0*
TOTAL TEMP POSITIONS	41.00**	41.00**	41.00**	41.00**	41.0**	41.0**	41.0**	41.0**
TOTAL PROGRAM COST	55,450,280	95,493,751	97,650,347	101,550,347	18,550	18,550	18,550	18,550

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. # OF HOMEBUYERS ASSISTED	328	200	1116	778	450	750	730	730
2. # OF NEW RENTAL UNITS	810	1099	201	225	724	261	500	500
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	0	70	162	150	150	150	150	150
4. # OF LEASE RENTS RENEGOTIATED	3	3	1	1	1	1	1	1
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	0	0	2	2	2	2	2	2
<b>PROGRAM TARGET GROUPS</b>								
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	4000	4000	4000	4000	4000	4000	4000	4000
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT								
<b>PROGRAM ACTIVITIES</b>								
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	797	250	250	250	250	250	250	250
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	1007	150	150	150	150	150	150	150
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	84	129	50	50	50	50	50	50
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	0	0	500	300	500	100	100	100
5. ASSIST FIRST-TIME HOMEBUYERS	328	200	1116	778	450	750	730	730
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	5	6	0	0	0	0	0	0
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	1	5	2	2	2	2	2	2
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
TAXES	38,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
REVENUES FROM THE USE OF MONEY AND PROPERTY	31,622	31,348	31,517	31,151	31,133	31,133	31,133	31,133
REVENUE FROM OTHER AGENCIES: FEDERAL	2,334	2,283	2,225	1,367	407			
CHARGES FOR CURRENT SERVICES	8,357	8,613	7,675	7,733	7,747	7,759	7,759	7,759
NON-REVENUE RECEIPTS	427,723	328,786	120,559	84,721	75,935	122,103	93,167	93,167
TOTAL PROGRAM REVENUES	508,036	401,030	191,976	154,972	145,222	190,995	162,059	162,059
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	2,334	2,283	2,225	1,367	407			
ALL OTHER FUNDS	505,702	398,747	189,751	153,605	144,815	190,995	162,059	162,059
TOTAL PROGRAM REVENUES	508,036	401,030	191,976	154,972	145,222	190,995	162,059	162,059

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

# Program Plan Narrative

**BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**01 08**

## **A. Statement of Program Objectives**

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

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

Fiscal Biennium 2021-2023 operational budget includes the following requests:

1. Transfer operational budget from Housing Finance to Housing Development in revolving funds - \$96,000 in other current expense for both FY 2022 and FY 2023.
2. Transfer one (1) FTE position from Housing Finance to Housing Development in revolving funds - transfer ceiling of \$165,178 for personal services effective FY 2022.
3. Increase ceiling for Housing Development operational budget in revolving funds - \$400,000 for both FY 2022 and FY 2023.

Fiscal Biennium 2021-2023 CIP budget includes the following requests:

1. Dwelling Unit Revolving Fund Infusion, Statewide - \$20,000,000 for FY 2023.
2. Rental Housing Revolving Fund Infusion, Statewide - \$25,000,000 for FY 2023.
3. Rental Housing Revolving Fund Infusion, Statewide - \$38,000,000 each year for FY 2022 and FY 2023. Infusion to replace funding from conveyance taxes during this period.
4. Rental Housing Revolving Fund Infusion for financing the Hawaii Public Housing Authority (HPHA) Senior Affordable Housing Project on Oahu - \$40,000,000 for FY 2022.

## **C. Description of Activities Performed**

The Hawaii Housing Finance and Development Corporation (HHFDC) is mandated to facilitate the development of affordable for-sale and rental housing under the policies, direction, and oversight of a nine-member Board of Directors. The HHFDC works with private and public partners to increase the supply of permanent, affordable housing, as well as preserve the existing inventory of rental housing using its financing and development tools. Because of the COVID-19 pandemic, HHFDC shifted its priority programming to focus on administering a major rent relief and housing assistance program in FY 2021 pursuant to Act 9, SLH 2020 and the Governor's Executive Order No. 20-08.

## **D. Statement of Key Policies Pursued**

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

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

## **E. Identification of Important Program Relationships**

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

## **F. Description of Major External Trends Affecting the Program**

The HHFDC's production and efficacy is dependent on the state of the real estate market and the construction industry, the condition of the financial markets, and the economy in general. The demand for



## Program Plan Narrative

### **BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**01 08**

affordable housing, as well as the capacity to increase supply statewide, is dependent on these external factors.

In response to the COVID-19 pandemic, orders under the emergency proclamation to control the spread had economic impacts that has led to reduction in income for many families in Hawaii and entail vulnerability to eviction and foreclosure. As a result, Act 9, SLH 2020 and the Governor's Executive Order no. 20-08, appropriated \$100,000,000 of CARES Act funds to HHFDC to administer a community-based Housing Relief and Resiliency program to help households at risk of eviction with rental assistance payments and provide households facing mortgage foreclosure with counseling and loan modification assistance.

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

HHFDC has a 5-year production plan (FY 2020 to FY 2024) in place to assist in the finance and development of approximately 8,133 workforce/affordable units (HHFDC Annual Report 2019). HHFDC requests additional resources to effectively manage and administer programs that address the increasing need for affordable housing and work towards solving the current housing crisis. The transfer request of one position from Housing Finance to Housing Development is necessary to align resources with program goals.

#### **H. Discussion of Program Revenues**

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

Revenues from the Housing Finance program activities includes:

1. The Hula Mae Single Family Program produce revenues pledged to the repayment of the bonds issued to fund the program.

2. Revenues generated from the Mortgage Credit Certificate Program and Low Income Housing Tax Credit Program reflects applicable fees charged to applicants.
3. Revenues from the Rental Assistance Revolving Fund primarily reflect funding of rental subsidy obligations and earned interest income.
4. Rental Housing Revolving Fund obtains revenues generated by a share of  
the conveyance tax proceeds, except for Fiscal Biennium 2021-2023 where conveyance tax proceeds have been replaced with General Obligation Bond Fund proceeds.

#### **I. Summary of Analysis Performed**

Not applicable.

#### **J. Further Considerations**

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	73,605	103,124	106,909	106,909	107	107	107	107
OTHER CURRENT EXPENSES	1,110,059	1,610,549	560,549	560,549	560	560	560	560
TOTAL OPERATING COST	1,183,664	1,713,673	667,458	667,458	667	667	667	667
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
GENERAL FUND	1,183,664	1,213,673	667,458	667,458	667	667	667	667
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		500,000						
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	1,183,664	1,713,673	667,458	667,458	667	667	667	667

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<u>MEASURES OF EFFECTIVENESS</u>								
1. SUPPORT THE DOE CHALLENGER PROGRAM	1	1	1	1	0	0	0	0
2. # OF INTL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	1	1	1	1	1	1	1
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	5	5	5	0	0	0	0
4. # OF NTL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	1	1	1	1	1	1	1
<u>PROGRAM TARGET GROUPS</u>								
1. # OF LOCAL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	1	1	1	1	1	1	1
2. # OF HI-BASED EDU & RSRCH INST INITIATIVES PURSUED	9	9	9	9	0	0	0	0
<u>PROGRAM ACTIVITIES</u>								
1. # OF AEROSPACE PROJECTS PARTICIPATED IN	4	4	4	4	4	4	4	4
2. # OF COMMUNITY OUTREACH EVENTS PARTICIPATED IN	24	24	12	12	12	12	12	12

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

# Program Plan Narrative

**BED128: OFFICE OF AEROSPACE**

**01 09**

## **A. Statement of Program Objectives**

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

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

Executive Budget Adjustment: Funding for PISCES has been eliminated.

## **C. Description of Activities Performed**

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

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

## **D. Statement of Key Policies Pursued**

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

## **E. Identification of Important Program Relationships**

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

## **F. Description of Major External Trends Affecting the Program**

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

# Program Plan Narrative

**BED128: OFFICE OF AEROSPACE**

**01 09**

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

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

OAD has been subjected to severe reductions in funding due to departmental restrictions in the past Fiscal Biennium. These limited resources notwithstanding, OAD has been able to promote Hawaii aerospace assets through national and international aerospace venues, facilitate support for locally based international aerospace conference in space situational (and domain) awareness, contribute to national policy discussions and support for aerospace, bring in aerospace contracting opportunities for the University of Hawaii, and establish contacts and partnerships for future investments in Hawaii.

## **H. Discussion of Program Revenues**

Extramural funding for OAD is primarily generated through grants from NASA, FAA, and other federal agencies, such as the EDA, interested in leveraging Hawaii's strategic location, resources and capabilities to

advance aeronautics and space exploration programs. Hawaii's selection as one of six national test sites for Unmanned Aerial Systems (UAS) and efforts to obtain a commercial spaceport license for the State (to bring space tourism, hypersonics, and other commercial space transportation programs to Hawaii) will create jobs, attract capital, and enable workforce development.

## **I. Summary of Analysis Performed**

Not applicable.

## **J. Further Considerations**

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

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO:

11

PROGRAM TITLE:

GOVERNMENT-WIDE SUPPORT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
PERSONAL SERVICES	3,539,161	3,816,307	3,977,281	3,966,882	3,967	3,967	3,967	3,967
OTHER CURRENT EXPENSES	2,970,818	4,081,214	3,917,556	3,858,535	3,859	3,859	3,859	3,859
EQUIPMENT	35,256	13,700						
TOTAL OPERATING COST	6,545,235	7,911,221	7,894,837	7,825,417	7,826	7,826	7,826	7,826
BY MEANS OF FINANCING	36.00*	36.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
	3.00**	3.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	4,223,945	3,546,956	3,530,572	3,461,152	3,461	3,461	3,461	3,461
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
FEDERAL FUNDS	2,321,290	2,364,265	2,364,265	2,364,265	2,365	2,365	2,365	2,365
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS		1,500,000	2,000,000	2,000,000				
TOTAL CAPITAL EXPENDITURES		1,500,000	2,000,000	2,000,000				
BY MEANS OF FINANCING								
G.O. BONDS		1,500,000	2,000,000	2,000,000				
TOTAL PERM POSITIONS	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
TOTAL TEMP POSITIONS	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
TOTAL PROGRAM COST	6,545,235	9,411,221	9,894,837	9,825,417	7,826	7,826	7,826	7,826

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: **1101**  
PROGRAM TITLE: **EXEC DIRECTN, COORD, & POLICY DEVELOPMENT**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
PERSONAL SERVICES	3,539,161	3,816,307	3,977,281	3,966,882	3,967	3,967	3,967	3,967
OTHER CURRENT EXPENSES	2,970,818	4,081,214	3,917,556	3,858,535	3,859	3,859	3,859	3,859
EQUIPMENT	35,256	13,700						
TOTAL OPERATING COST	6,545,235	7,911,221	7,894,837	7,825,417	7,826	7,826	7,826	7,826
BY MEANS OF FINANCING	36.00*	36.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
	3.00**	3.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	4,223,945	3,546,956	3,530,572	3,461,152	3,461	3,461	3,461	3,461
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
FEDERAL FUNDS	2,321,290	2,364,265	2,364,265	2,364,265	2,365	2,365	2,365	2,365
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS		1,500,000	2,000,000	2,000,000				
TOTAL CAPITAL EXPENDITURES		1,500,000	2,000,000	2,000,000				
BY MEANS OF FINANCING								
G.O. BONDS		1,500,000	2,000,000	2,000,000				
TOTAL PERM POSITIONS	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
TOTAL TEMP POSITIONS	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
TOTAL PROGRAM COST	6,545,235	9,411,221	9,894,837	9,825,417	7,826	7,826	7,826	7,826

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

**110103**

**POLICY DEVELOPMENT & COORDINATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
PERSONAL SERVICES	3,539,161	3,816,307	3,977,281	3,966,882	3,967	3,967	3,967	3,967
OTHER CURRENT EXPENSES	2,970,818	4,081,214	3,917,556	3,858,535	3,859	3,859	3,859	3,859
EQUIPMENT	35,256	13,700						
TOTAL OPERATING COST	6,545,235	7,911,221	7,894,837	7,825,417	7,826	7,826	7,826	7,826
BY MEANS OF FINANCING	36.00*	36.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
	3.00**	3.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	4,223,945	3,546,956	3,530,572	3,461,152	3,461	3,461	3,461	3,461
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
FEDERAL FUNDS	2,321,290	2,364,265	2,364,265	2,364,265	2,365	2,365	2,365	2,365
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS		1,500,000	2,000,000	2,000,000				
TOTAL CAPITAL EXPENDITURES		1,500,000	2,000,000	2,000,000				
BY MEANS OF FINANCING								
G.O. BONDS		1,500,000	2,000,000	2,000,000				
TOTAL PERM POSITIONS	41.00*	41.00*	39.00*	39.00*	39.0*	39.0*	39.0*	39.0*
TOTAL TEMP POSITIONS	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
TOTAL PROGRAM COST	6,545,235	9,411,221	9,894,837	9,825,417	7,826	7,826	7,826	7,826



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	20.00*	20.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
PERSONAL SERVICES	2,001,616	2,175,990	2,220,476	2,220,476	2,220	2,220	2,220	2,220
OTHER CURRENT EXPENSES	1,983,039	3,742,902	3,635,076	3,631,887	3,633	3,633	3,633	3,633
EQUIPMENT	35,256	13,700						
TOTAL OPERATING COST	4,019,911	5,932,592	5,855,552	5,852,363	5,853	5,853	5,853	5,853
BY MEANS OF FINANCING	15.00*	15.00*	12.00*	12.00*	12.0*	12.0*	12.0*	12.0*
	3.00**	3.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
GENERAL FUND	1,698,621	1,568,327	1,491,287	1,488,098	1,488	1,488	1,488	1,488
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
	5.00**	5.00**	5.00**	5.00**	5.0**	5.0**	5.0**	5.0**
FEDERAL FUNDS	2,321,290	2,364,265	2,364,265	2,364,265	2,365	2,365	2,365	2,365
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
CAPITAL IMPROVEMENT COSTS								
PLANS		1,500,000	2,000,000	2,000,000				
TOTAL CAPITAL EXPENDITURES		1,500,000	2,000,000	2,000,000				
BY MEANS OF FINANCING								
G.O. BONDS		1,500,000	2,000,000	2,000,000				
TOTAL PERM POSITIONS	20.00*	20.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
TOTAL TEMP POSITIONS	8.00**	8.00**	7.00**	7.00**	7.0**	7.0**	7.0**	7.0**
TOTAL PROGRAM COST	4,019,911	7,432,592	7,855,552	7,852,363	5,853	5,853	5,853	5,853

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. # PROJECTS REQ MULTI-AGNCY COORD LED/COCHAIR BY OP	6	4	4	4	4	4	4	4
2. # OF PLANS/STUDIES/RPTS PREPRD IN A TIMELY MANNER	4	3	3	3	3	3	3	3
3. # OF BOARDS/COMMITTEES/COUNCILS OP SERVES AS MMBER	14	8	8	8	8	8	8	8
4. #LUC DECISIONS UPPLDNG OP POS AS % TOT LUC DECSNS	100	100	100	100	100	100	100	100
5. # ACRES INVOLVED IN LUC DECISIONS SPRTG OP POSTN	600	600	600	600	600	600	600	600
6. % FEDCON APPS CONSISTNT W CZM ENFORCEABLE POLICIES	100	100	100	100	100	100	100	100
7. # STATE AGENCIES CONTRIB DATA TO STATE GEODATABASE	15	15	15	15	15	15	15	15
8. UTILIZATION OF STATE'S GEOSPATIAL DATA (MIL)	25	15	15	15	15	15	15	15
9. # OF GIS SOFTWARE LICENSES DISTRIBUTED	400	400	350	350	350	350	350	350
<b>PROGRAM TARGET GROUPS</b>								
1. STATE RESIDENT POPULATION (THOUSANDS)	1428	1466	1466	1466	1466	1514	1514	1514
2. NO. OF FEDERAL, STATE AND COUNTY AGENCIES	30	30	30	30	30	30	30	30
3. NO. OF LANDOWNER/DEVELOPR, ENVIRNMT, CIVIC STKHLDRS	15	15	15	15	15	15	15	15
<b>PROGRAM ACTIVITIES</b>								
1. # SPECIAL PLANS/PLNGG REPORTS DEVELOPED/REVIEWED	2	2	2	2	2	2	2	2
2. # OF COUNTY ZONING & PLAN AMENDMTS REVWED	2	5	5	5	5	5	5	5
3. # LU BOUNDARY AMDT PETITIONS, OTH LUC ITEMS REVW'D	11	10	10	10	10	10	10	10
4. # SPEC PERMITS, EA/EIS, OTHER REVIEWS	68	30	30	30	30	30	30	30
5. NUMBER OF FEDERAL CONSISTENCY REVIEWS	35	40	50	50	50	50	50	50
6. # PERMITS/APPROVALS MONITORED FOR CONSIST W SMA	0	5	5	8	8	8	8	8
7. # OF NEW AND UPDATED DATA LAYERS IN STATE GEODATAB	40	40	40	40	40	40	40	40
8. # MAPPING, DATA AND SUPPORT REQUESTS COMPLETED	400	400	400	400	400	400	400	400
9. # OF TRANSIT-ORIENTED DEVELOPMNT PROJECTS MONITORED	50	50	50	50	50	50	50	50
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
REVENUE FROM OTHER AGENCIES: FEDERAL	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
TOTAL PROGRAM REVENUES	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
SPECIAL FUNDS	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300
TOTAL PROGRAM REVENUES	2,279	2,460	2,460	2,300	2,300	2,300	2,300	2,300

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

# Program Plan Narrative

## BED144: STATEWIDE PLANNING & COORDINATION

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### A. Statement of Program Objectives

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

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

1. Abolish unfunded positions. Remove the following 4 FTE positions in FY 22 and FY 23:

SECRETARY III	#121006	A	1.00	Perm	FTE
PLANNING PROGRAM MANAGER	#011310	A	1.00	Perm	FTE
SPECIAL PLANS PROJECT ANALYST	#122606	A	1.00	Perm	FTE
PLANNING PROGRAM ADMR II	#012517	A	1.00	Perm	FTE

2. Reduce administrative costs. General funds of \$4,637 in FY 22 and FY 23.
3. Reduce travel costs. General funds of \$3,189 in FY 22 and \$6,378 in FY 23.
4. Reduce GIS program enhancement funds and office equipment replacement. General funds of \$113,700 in FY 22 and FY 23.

### C. Description of Activities Performed

The statutory purpose of OP is carried out through ten statutorily defined activities: State comprehensive planning and program coordination; strategic planning; planning coordination and cooperation; statewide planning and geographic information system (GIS); land use planning; coastal and ocean policy management; regional planning and studies; regional, national, and international planning, climate adaptation planning;

and smart growth and transit-oriented development. See Section 225M-2, HRS.

Ongoing activities include: (1) reviewing and issuing of special management area permits for projects within the Hawaii community development districts; (2) reviewing and issuing of Coastal Zone Management (CZM) Act federal consistency determinations for certain federal actions and activities; (3) developing and presenting the position of the State in all boundary change petitions and proceedings before the Land Use Commission; and (4) coordinating and advancing smart growth and development in the State. Other planning and policy related activities pursued by OP are based on administration priorities and availability of staff and funding (e.g., federal grant opportunities).

### D. Statement of Key Policies Pursued

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

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

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

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

## Program Plan Narrative

### **BED144: STATEWIDE PLANNING & COORDINATION**

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

6. Sections 226-63 and 64, HRS, of the Hawaii State Plan, establish policies and mechanisms to coordinate transit-oriented development (TOD) planning and development among State agencies and with the Counties. The statute establishes an interagency council for TOD.

#### **E. Identification of Important Program Relationships**

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

#### **F. Description of Major External Trends Affecting the Program**

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

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

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

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

#### **H. Discussion of Program Revenues**

Federal funds are received on an annual basis to manage Hawaii's coastal resources. OP has successfully pursued federal grant funding

and will continue to do so where the federal funding opportunities align with our mission, statutory responsibilities, and capacity.

#### **I. Summary of Analysis Performed**

1. Abolish unfunded positions. The abolishment of 4 FTE positions would have a severe impact to the operations of OP. The loss of the Secretary III could result in grounds for legal appeals of Land Use Commission decisions.

The Special Plans Planning Program Manager position is needed to support the CEDS Update process and coordinate economic recovery planning. The incumbent was transferred into the OP Director position.

The Special Plans Project Analyst position is needed to support the State Sustainability Coordinator's work to coordinate a more sustainable and resilient economy for Hawaii and the 2050 Sustainability Plan Update.

The Planning Program Administrator II position provides continuity when the OP Director position is vacant or in transition due to changing Administrations. This position has served as the Acting OP Director numerous times between Governors' appointments of OP Directors. This position provides the Legislature with a professional planning perspective that doesn't shift with the start of a new Administration or OP Director. This position is the highest Civil Service position in OP and is needed to support the work of three branches which includes the GIS branch, the CZM branch, and the Special Plans branch. In addition to update of the Comprehensive Economic Development Strategy (CEDS) which Hawaii must have to be eligible for EDA grants. The incumbent was transferred to the PUC.

2. Reduce Administrative Costs. OP has adopted a hybrid model of office and telework for most of the staff. This has resulted with some savings in administrative cost. However, included in this amount is \$2,000, half of the annual assessment for a state building security guard contract which was not budgeted in FY21, nor in FY22 and FY 23. OP will now seek a reduced assessment.

3. Reduce Travel Expenses Due to the continued travel restriction from the COVID-19 pandemic, the Land Use Division (LUD) staff will reduce their travel to the NI Counties and rely on virtual meetings. Virtual

## Program Plan Narrative

### **BED144: STATEWIDE PLANNING & COORDINATION**

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meetings are not as effective and will hinder their ability to discuss effectively with NI county staff and communities.

4. Reduce GIS Operational Expenses. The GIS Program has invested in consultant services, data acquisition, equipment, training and other program enhancements. Continued investments are needed to maintain and improve GIS services.

#### **J. Further Considerations**

OP respectfully requests that the OP FTE position count not be reduced. Since these positions are currently unfunded due to a Legislative reduction in the FY-21 budget, no savings will be achieved by eliminating these positions. Two positions currently have incumbents with return rights. Eliminating the positions would extend the burden of OP employees that are stepping up to the challenge with the reduced work force. When the economic situation improves, or federal grants are received, OP could fill the positions.

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

BED103  
11010303  
STATEWIDE LAND USE MANAGEMENT

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	513,874	490,145	499,182	488,783	489	489	489	489
OTHER CURRENT EXPENSES	154,150	172,167	116,335	60,503	60	60	60	60
TOTAL OPERATING COST	668,024	662,312	615,517	549,286	549	549	549	549
BY MEANS OF FINANCING	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	668,024	662,312	615,517	549,286	549	549	549	549
TOTAL PERM POSITIONS	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	668,024	662,312	615,517	549,286	549	549	549	549

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>MEASURES OF EFFECTIVENESS</b>								
1. NUMBER OF BOUNDARY AMENDMENT PETITIONS AND SPECIAL	6	6	6	6	6	6	6	6
2. NUMBER OF ACCEPTED BOUNDARY AMENDMENT PETITIONS AN	10	10	10	10	10	10	10	10
3. NUMBER OF ACRES REVIEWED FOR RECLASSIFICATION	3000	3000	3000	3000	3000	3000	3000	3000
4. NUMBER OF ACRES REVIEWED FOR SPECIAL PERMIT	250	250	250	250	250	250	250	250
5. NUMBER OF INDIVIDUALS, BUSINESSES OR ORGANIZATIONS	600	600	600	600	600	600	600	600
6. 6. NUMBER OF CONTESTED PROGRAM DECISIONS PROCESSED	2	2	2	2	2	2	2	2
7. NUMBER OF MOTIONS PROCESSED	20	20	20	20	20	20	20	0
8. NUMBER OF DRAFT EIS RESPONSES ISSUED	20	20	20	20	20	20	20	20
<b>PROGRAM TARGET GROUPS</b>								
1. NUMBER OF APPLICANTS FOR LAND USE REVIEW	40	40	40	40	40	40	40	40
2. INDIVIDUALS OR BUSINESSES/ORGANIZATIONS INTERESTED	1300	1300	1300	1300	1300	1300	1300	1300
<b>PROGRAM ACTIVITIES</b>								
1. LAND USE DISTRICT BOUNDARY AMENDMENT PETITIONS PRO	6	6	6	6	6	6	6	6
2. SPECIAL PERMIT APPLICATIONS PROCESSED.	150	150	150	150	150	150	150	150
3. LAND USE DISTRICT BOUNDARY INTERPRETATIONS PROCESS	1400	1400	1400	1400	1400	1400	1400	1400
<b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b>								
CHARGES FOR CURRENT SERVICES	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4
<b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b>								
GENERAL FUNDS	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4

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

## Program Plan Narrative

### **BED103: STATEWIDE LAND USE MANAGEMENT**

**11 01 03 03**

#### **A. Statement of Program Objectives**

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

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

The program has no requests for FY 22 and FY 23.

#### **C. Description of Activities Performed**

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

#### **D. Statement of Key Policies Pursued**

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

#### **E. Identification of Important Program Relationships**

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

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

#### **F. Description of Major External Trends Affecting the Program**

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

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

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



## Program Plan Narrative

**BED103: STATEWIDE LAND USE MANAGEMENT**

**11 01 03 03**

### **H. Discussion of Program Revenues**

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

### **I. Summary of Analysis Performed**

None.

### **J. Further Considerations**

None.

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

BED130  
11010304  
ECONOMIC PLANNING & RESEARCH

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
OPERATING COST	14.00*	14.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,023,671	1,150,172	1,257,623	1,257,623	1,258	1,258	1,258	1,258
OTHER CURRENT EXPENSES	833,629	166,145	166,145	166,145	166	166	166	166
TOTAL OPERATING COST	1,857,300	1,316,317	1,423,768	1,423,768	1,424	1,424	1,424	1,424
BY MEANS OF FINANCING	14.00*	14.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,857,300	1,316,317	1,423,768	1,423,768	1,424	1,424	1,424	1,424
TOTAL PERM POSITIONS	14.00*	14.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,857,300	1,316,317	1,423,768	1,423,768	1,424	1,424	1,424	1,424

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

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<u>MEASURES OF EFFECTIVENESS</u>								
1. PROG. OUTPUTS CITED IN MAJOR MEDIA (AVE. MONTHLY#)	10	10	10	10	10	10	10	10
2. ACCURACY OF ECON FORECASTS (% ERROR)	5	5	5	5	5	5	5	5
<u>PROGRAM TARGET GROUPS</u>								
1. VISITS TO PROGRAM WEBSITE (AVE PER MONTH, THOUS.)	16	16	16.5	16.5	16.5	16.5	17	17
<u>PROGRAM ACTIVITIES</u>								
1. DATA SERIES MAINTAINED ON-LINE (X 100)	57	57	58	60	60	60	62	62
2. OTHER ECONOMIC AND STATISTICAL REPORTS ISSUED (#)	46	48	48	48	48	48	50	50

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

## Program Plan Narrative

### **BED130: ECONOMIC PLANNING & RESEARCH**

**11 01 03 04**

#### **A. Statement of Program Objectives**

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

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

Request to transfer one Research Statistician V position from BED 120/SI and funds to BED 130/FA. This position has been working with BED 130 since 2006 on energy data and analysis. Act 251, SLH 2010, mandates BED 130 to collect data from all the petroleum companies in the state on their sale transactions and inventories and to maintain the data base. The position has been responsible collecting the data and maintaining the data base since July 2010. The data have been used for state energy emergency planning and the assessment of Hawaii greenhouse gas emissions.

Transferring the position and funds to BED 130/FA would improve the efficiency and productivity of the position. The transfer will also improve the accuracy of the data products produced. The position will be leading an energy data team in BED 130 and all the data products are cross-checked to ensure accuracy and completeness.

#### **C. Description of Activities Performed**

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

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

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

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

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

Maintains the automated data warehouse site to greatly expand access to data relevant for government and business decision making. Compiles and publishes the State of Hawaii Data Book containing 800 tables of key data widely used by government, business and residents.

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

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

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

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

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

#### **D. Statement of Key Policies Pursued**

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

## Program Plan Narrative

### **BED130: ECONOMIC PLANNING & RESEARCH**

**11 01 03 04**

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

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

#### **E. Identification of Important Program Relationships**

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

#### **F. Description of Major External Trends Affecting the Program**

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

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

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

permit all research needs to be performed in house, and elimination of numerous subscriptions and publications.

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

#### **H. Discussion of Program Revenues**

None.

#### **I. Summary of Analysis Performed**

No major program changes are planned.

#### **J. Further Considerations**

Not applicable.



## **Capital Budget Details**

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

BED143  
010502  
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78  
27 of 297

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE COST ELEMENT/MOF	PROJECT TITLE				BUDGET PERIOD				SUCCEED		
				PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	YEARS
P20006			NEW	MILILANI TECH PARK LOT #17, OAHU										
			LAND ACQUISITION	15,225		15,225								
			TOTAL	15,225		15,225								
			G.O. BONDS	15,225		15,225								
P21006			NEW	FIRST RESPONDERS TECH PARK, OAHU										
			LAND ACQUISITION	2,775			2,775							
			TOTAL	2,775			2,775							
			G.O. BONDS	2,775			2,775							
PROGRAM TOTALS														
			PLANS	1,500	1,500									
			LAND ACQUISITION	18,000		15,225	2,775							
			DESIGN	1,000	1,000									
			CONSTRUCTION	4,900	4,900									
			TOTAL	25,400	7,400	15,225	2,775							
			G.O. BONDS	25,400	7,400	15,225	2,775							

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

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT  
IN THOUSANDS OF DOLLARS

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE									SUCCEED YEARS		
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
PROGRAM TOTALS															
PLANS				3	3										
DESIGN				1,248	1,248										
CONSTRUCTION				3,170	3,170										
EQUIPMENT				3,729	3,729										
TOTAL				8,150	8,150										
G.O. BONDS				3,250	3,250										
G.O. BONDS REIMBURSABLE				4,900	4,900										



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

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT  
IN THOUSANDS OF DOLLARS

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE									SUCCEED YEARS	
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 21-22	FY 22-23		FY 23-24
PROGRAM TOTALS														
			PLANS	55,197	55,197									
			LAND ACQUISITION	22,466	22,466									
			DESIGN	15,100	15,100									
			CONSTRUCTION	91,458	91,458									
			EQUIPMENT	90	90									
			TOTAL	184,311	184,311									
			GENERAL FUND	51,202	51,202									
			G.O. BONDS	133,109	133,109									

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

BED160  
0108  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

## REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78  
31 of 297

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE	PROJECT TITLE										
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 21-22	FY 22-23	FY 23-24	FY 24-25
HFDC05	1		OTHER	DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE										
		CONSTRUCTION	181,000	94,000	42,000	25,000				20,000				
		TOTAL	181,000	94,000	42,000	25,000				20,000				
		G.O. BONDS	181,000	94,000	42,000	25,000				20,000				
HFDC09	2		NEW	CASH INFUSION FOR RENTAL HOUSING REVOLVING FUND, STATEWIDE										
		CONSTRUCTION	86,600	61,600						25,000				
		TOTAL	86,600	61,600						25,000				
		G.O. BONDS	86,600	61,600						25,000				
HFDC10		RENOVATION	KAHULUI EMERGENCY HOUSING, MAUI											
	PLANS	650		650										
	DESIGN	500		500										
	CONSTRUCTION	3,850		3,850										
	TOTAL	5,000		5,000										
		REVOLVING FUND	5,000		5,000									
HFDC11		NEW	CASH INFUSION FOR RENTAL HOUSING REVOLVING FUND, STATEWIDE											
	CONSTRUCTION	76,000					38,000	38,000						
	TOTAL	76,000					38,000	38,000						
	G.O. BONDS	76,000					38,000	38,000						

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

BED160  
0108  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

REPORT B78  
32 of 297

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE COST ELEMENT/MOF	PROJECT TITLE								SUCCEED YEARS	
				PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 23-24	FY 24-25		FY 25-26
								FY 21-22	FY 22-23				
HFDC12			NEW	CASH INFUSION FOR RENTAL HOUSING REVOLVING FUND FOR HPHA SENIOR AFFORDABLE HOUSING, OAHU									
			CONSTRUCTION	40,000				40,000					
			TOTAL	40,000				40,000					
			G.O. BONDS	40,000				40,000					
P21010			NEW	DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE									
			CONSTRUCTION	50,000			50,000						
			TOTAL	50,000			50,000						
			G.O. BONDS	50,000			50,000						
PROGRAM TOTALS													
			PLANS	652	2	650							
			LAND ACQUISITION	1	1								
			DESIGN	2,745	2,245	500							
			CONSTRUCTION	547,812	265,962	45,850	75,000	78,000	83,000				
			EQUIPMENT	2	2								
			TOTAL	551,212	268,212	47,000	75,000	78,000	83,000				
			G.O. BONDS	546,212	268,212	42,000	75,000	78,000	83,000				
			REVOLVING FUND	5,000		5,000							

PROJECT NUMBER	PRIORITY NUMBER	LOC NUMBER	SCOPE COST ELEMENT/MOF	PROJECT TITLE											
				PROJECT TOTAL	PRIOR YRS	FY 19-20	FY 20-21	BUDGET PERIOD		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
OPTOD4	3		NEW	STATE TRANSIT-ORIENTED DEVELOPMENT PLANNING, STATEWIDE											
			PLANS	4,000				2,000	2,000						
			TOTAL	4,000				2,000	2,000						
			G.O. BONDS	4,000				2,000	2,000						
P21137	0001		NEW	STATEWIDE PLANNING, STATEWIDE											
			PLANS	1,500			1,500								
			TOTAL	1,500			1,500								
			G.O. BONDS	1,500			1,500								
				PROGRAM TOTALS											
			PLANS	6,500	1,000		1,500	2,000	2,000						
			TOTAL	6,500	1,000		1,500	2,000	2,000						
			G.O. BONDS	6,500	1,000		1,500	2,000	2,000						