



DETAILS OF VARIANCES



ECONOMIC DEVELOPMENT

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	470.00	374.00	- 96.00	20	488.00	381.00	- 107.00	22	488.00	448.00	- 40.00	8
EXPENDITURES (\$1000's)	278,184	238,427	- 39,757	14	25,475	21,898	- 3,577	14	197,407	192,831	- 4,576	2
TOTAL COSTS												
POSITIONS	470.00	374.00	- 96.00	20	488.00	381.00	- 107.00	22	488.00	448.00	- 40.00	8
EXPENDITURES (\$1000's)	278,184	238,427	- 39,757	14	25,475	21,898	- 3,577	14	197,407	192,831	- 4,576	2
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2012 CONSTANT \$ IN MILLIONS)	75523	75608	+ 85	0	76725	77136	+ 411	1				
2. REAL PERSONAL INCOME (2012 CONSTANT \$ IN MILLIONS)	60868	66983	+ 6115	10	61735	65633	+ 3898	6				
3. UNEMPLOYMENT RATE (% , TENTHS)	7.5	4.4	- 3.1	41	6.9	3.6	- 3.3	48				
4. TOTAL EMPLOYMENT (THOUSANDS)	621	599	- 22	4	635	618	- 17	3				
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	91624	95280	+ 3656	4	94709	100537	+ 5828	6				
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)	81165	86402	+ 5237	6	83482	88147	+ 4665	6				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: ECONOMIC DEVELOPMENT

01

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	64.00	54.00	- 10.00	16	65.00	59.00	- 6.00	9	65.00	63.00	- 2.00	3
EXPENDITURES (\$1000's)	11,357	8,143	- 3,214	28	2,471	1,725	- 746	30	9,481	8,152	- 1,329	14
TOTAL COSTS												
POSITIONS	64.00	54.00	- 10.00	16	65.00	59.00	- 6.00	9	65.00	63.00	- 2.00	3
EXPENDITURES (\$1000's)	11,357	8,143	- 3,214	28	2,471	1,725	- 746	30	9,481	8,152	- 1,329	14
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	+ 0	0	10	10	+ 0	0				
2. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	350	400	+ 50	14	350	420	+ 70	20				
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	53.06	+ 50.06	1669	3	3	+ 0	0				
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	11.94	17.27	+ 5.33	45	14.32	19	+ 4.68	33				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: BUSINESS DEVELOPMENT

01 01

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,311	1,171	- 3,140	73	918	315	- 603	66	3,753	497	- 3,256	87
TOTAL COSTS												
POSITIONS	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,311	1,171	- 3,140	73	918	315	- 603	66	3,753	497	- 3,256	87
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	0	- 10	100	10	10	+ 0	0				
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	19000	9100	- 9900	52	19000	6700	- 12300	65				
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	25	8	- 17	68	25	25	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	250	191	- 59	24	250	200	- 50	20				
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	250	+ 50	25	200	200	+ 0	0				
3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT	40	35	- 5	13	40	60	+ 20	50				
PART IV: PROGRAM ACTIVITY												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	25	20	- 5	20	25	20	- 5	20				
2. OUTREACH ACTIVITIES	10	10	+ 0	0	10	10	+ 0	0				
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES	300	150	- 150	50	300	100	- 200	67				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 01
BED 100

PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

PART I - EXPENDITURES AND POSITIONS

In FY 22, the variance was due to the lapsing of Coronavirus Aid, Relief, and Economic Security Act funds before the entire allotment could be expended, as well as the fact that revolving and federal fund budgeted appropriations are ceilings and not actual cash.

For Quarter 1 of FY 23, the variance is due to the allotment of federal and revolving fund ceilings in the first quarter, but spending will occur throughout the fiscal year.

Estimated expenditures for FY 23, Quarters 2-4, is net of restrictions on general funds.

PART II - MEASURES OF EFFECTIVENESS

Item 1: In FY 22, there was no percentage increase in exports due to difficulty in conducting international sales caused by COVID-19 restrictions (affecting travel and participation in trade shows and missions) and supply chain challenges (affecting production). As we see these challenges slowly improving, FY 23 estimates remain as planned.

Item 2: The significant drop in total/projected export sales in FY 22 was due to the cancellation of many trade shows as a result of COVID-19 restrictions; thus, impacting in-person events and international travel where companies can connect with buyers and distributors. With the strong dollar making U.S. goods more expensive for foreign buyers, we anticipate total/projected export sales to fall below planned levels again for FY 23.

Item 3: In FY 22, the decreased enrollment of new firms in the Enterprise Zone (EZ) Program was due to the program's inability to conduct in-person outreach activities because of ongoing COVID-19 concerns. In FY 23, it is anticipated that this situation will improve and, therefore, estimates will remain as planned.

PART III - PROGRAM TARGET GROUPS

Items 1 and 3: In FY 22, the decrease in the number of firms enrolled in the EZ Program and number of firms expanding or new to export was due to the program's inability to conduct in-person outreach activities because of ongoing COVID-19 concerns. While we anticipate the COVID-19 situation will improve for FY 23, estimates for the number of firms enrolled in the EZ Program are still expected to fall short of planned.

Item 2: In FY 22, the actual number of community-based organizations, co-ops, and small businesses assisted was greater than planned as a result of the Community-Based Economic Development Loan Program receiving federal funds and, therefore, drawing more attention to the program. In FY 23, we are being conservative, anticipating that estimates will remain as planned.

PART IV - PROGRAM ACTIVITIES

Item 1: In FY 22, the actual number of international business activities was less than planned because many activities had to be canceled due to COVID-19 restrictions. While the situation is easing, many countries still have restrictions in place; therefore, FY 23 estimates will still be below planned.

Item 3: In FY 22, the decrease in the number of firms assisted for participation in enterprise zones was due to the program's inability to conduct in-person outreach activities because of ongoing COVID-19 concerns. While we anticipate the COVID-19 situation will improve for FY 23, estimates are still expected to fall short of planned.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	13.00	8.00	-	5.00	38	13.00	13.00	+	0.00	0	13.00	13.00	+	0.00	0
EXPENDITURES (\$1000's)	2,242	2,242	+	0	0	353	258	-	95	27	2,020	3,288	+	1,268	63
TOTAL COSTS															
POSITIONS	13.00	8.00	-	5.00	38	13.00	13.00	+	0.00	0	13.00	13.00	+	0.00	0
EXPENDITURES (\$1000's)	2,242	2,242	+	0	0	353	258	-	95	27	2,020	3,288	+	1,268	63
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	3.5	3.5	+	0	0	4.0	4.0	+	0	0					
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	55	54	-	1	2	55	56	+	1	2					
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	19	19	+	0	0	19	22	+	3	16					
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	350	400	+	50	14	350	420	+	70	20					
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	605	692	+	87	14	605	726	+	121	20					
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	45	47	+	2	4	45	49	+	4	9					
7. \$ AMT OF ESTIMATED REBATE - ACT 275	50	50	+	0	0	50	50	+	0	0					
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS	50	61	+	11	22	50	50	+	0	0					
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)	200	245	+	45	23	200	200	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	95	80	-	15	16	100	100	+	0	0					
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	450	420	-	30	7	500	500	+	0	0					
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)	150	175	+	25	17	150	150	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	2000	2500	+	500	25	2900	2900	+	0	0					
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	100	27	-	73	73	100	100	+	0	0					
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS	25	21	-	4	16	27	27	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PART I - EXPENDITURES AND POSITIONS

Situation Analysis: Film Production expenditures statewide restored to pre-COVID-19 highs in expenditures, exceeding \$400 million in direct production spent (Qualified and Non-Qualified spent), supporting the State's recovery and resiliency through this key anchor of Hawaii's creative economy. However, operations of the Creative Industries Division (CID) were compromised with no funding for four key positions in the division, pushing up workload to managers/leadership of the division.

CID's responsibilities and statutory mandates have increased with more granular data gathering in film tax credit, with the addition of the Tax Credit for Research Activities (R&D Tax Credit) certifications, along with hands-on staff duties required to support the \$400 million film industry activity. The program requested action to correct a deficit in staffing, which has been carried by existing division and film leadership and staff since 2018. In Session Laws of Hawaii (SLH) 2022, funding was restored for unfunded positions and three critical positions were appropriated to ensure CID can execute on mission with proper staffing levels. As of October 2022, seven positions are in various stages of recruitment, with an aggressive timeline to target hiring for all seven by December 31, 2022.

1. FY 22 Operating costs were less than estimated due to four positions slated for abolishment and/or being unfunded. Critical positions include a Business Development Manager (Branch Chief for CID, EM-05), an Economic Development Specialist (EDS) VI and an Accountant V (2-person team for Film Tax Credit management), and an EDS V (film permits).

2. The Legislature, through Act 88 SLH 2021, reinstated all four positions but funded only the Branch Chief and Accountant V positions. The Department of Business, Economic Development and Tourism (DBEDT) has approved the filling of these positions and the remaining two positions. The EDS V was not funded in SLH 2022, which required the program to transfer funds from Other Current Expenses allocated to the film program to begin recruitment. The EDS V and an Administrative

Officer were funded in SLH 2022.

3. Three positions are filled with 89-day hires as of October 21; the program will fill the Business Development Manager with an 89-day hire while the position is in recruitment.

4. All required position description updates were completed by the program and reviewed and approved by the department. Effective September 2021, three of the four positions were approved by the Director to recruit and/or hire.

5. Actual count and funding are accurate, although it does not show the (1) T position, an SR-24 Program Specialist V, also unfunded in SLH 2022.

6. CID noted that the current eVariance template does not include the following FY 23 positions added by the Legislature: Administrative Assistant (Civil Service (CS)), Program Specialist VI (CS), and a Media and Entertainment Industry Development Liaison (Exempt).

PART II - MEASURES OF EFFECTIVENESS

With support by DBEDT's Research and Economic Analysis Division (READ), the metrics reported are derived from the data sets in the DBEDT Targeted and Emerging Industries Report, the most recent data available. Included are all tracking of the film production tax credit, film permitting, and related metrics on creative content from Creative Lab Hawaii (CLH) and related workforce/talent development programs.

Item 1. The Gross Domestic Product (GDP) share increased, and this trend is anticipated to continue. Creative sectors are one of six identified by READ as Emerging Industries, as well as a category in the most recent Community Economic Development Strategy (CEDS) Plan.

Item 3. Jobs on the neighbor islands are based on data from the past READ report on Creative Industries' 13 clusters. We anticipate updating eVariance when the 2021 READ report is available in December.

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

Note: While 13 clusters comprise the creative sectors in the State, CID has only had capacity to advance business development in Performing and Visual Arts, Music, Film/Media, and Design/Fashion. Once CID is fully staffed, additional clusters can be added, based on emerging and transitioning industry cluster metrics from READ. With the U.S. Economic Development Administration's Good Jobs Challenge kicking off in FY 23, CID projects increases in these clusters, particularly with focus on neighbor island jobs.

Item 4. Hawaii experienced a boom in film and media production, generating historic highs in production spending. Oahu and the neighbor islands hosted multiple prime time television series, providing an increase in jobs, and support for small businesses. Given the stringent COVID-19 safety protocols put in place by the industry, the State was considered a safe destination due to low case counts. This resulted in pent-up demand once COVID-19 safety and vaccination protocols were established. Production rebounded as an industry, which led the way for economic recovery with the return of television series Magnum P.I., NCIS Hawaii, Doogie Kamealoha, M.D., I Know What You Did Last Summer, and three reality TV series, features, along with local productions, CID estimated \$425 million in production expenditures.

Item 5. Economic impacts factored at an aggregate 1.73 multiplier. Note: Granular data using individual multipliers for those areas of the economy are based on the Hawaii Motion Picture, Digital Media and Film Production Tax Credit (Film Tax Credit) reports by productions and is contained in READ's annual Cost Benefit Analysis Legislative Report.

Item 6. The estimated taxes generated are determined by an input/output model formula, and we project trending upwards.

Item 7. The Film Tax Credit has a cap on the annual dollar amount of tax credit annually available to \$50 million per calendar year effective January 1, 2019.

Item 8. An increase in television and streaming series and locally

produced projects for mainstream cable, such as Hallmark and Lifetime, have increased production spent throughout the islands. Maui was the first to reopen film production with two major series, which resulted in \$60 million spent for that county.

Item 9. The estimated household income is based on the total production spent through application of the input/output multiplier of 1.73.

PART III - PROGRAM TARGET GROUPS

Item 1. Workforce Development metrics are estimated based on the financial and in-kind contribution to public K-12 and University programs, as well as internships and workforce development contributions as required in the Film Tax Credit Program. eVariance will be updated once the actual data from the 2021 Hawaii Production Reports reviews are completed and all 38 productions certified. An estimated time of completion is slated for November 30, 2022. Until an accountant and other staff required for the tax credit management unit are in place, these are only estimated amounts.

Item 2. Impacted by residual effects of the COVID-19 pandemic, CLH and other programs went with an all-virtual format in order to continue programs uninterrupted. The benefit was a significant increase in participation across the State. Participation on average was a reach of 420 up to 1,100 viewership on social media platforms. Export development of locally originated media and music content has also significantly increased for FY 22 and is projected to rise. Data is based on actual and anecdotal information from programs such as CLH media and music programs; Ohina Labs; Pacific Islanders in Communications; Hawaii Women in Filmmaking; and the University of Hawaii, Academy of Creative Media (UH ACM), and Hawaii Pacific University (HPU) programs.

Item 3. The increase in revenue generated from Hawaii songwriters through CID's CLH music immersive surpassed the \$500,000 mark through October 2022. Due to the COVID-19 pandemic, the program was on hold; however, the 60 songwriters from Hawaii's work remains in

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 02
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

mainland music placement companies year-round. One success story is the six-figure licensing deal for two Oahu songwriters, which is reflected in the report.

PART IV - PROGRAM ACTIVITIES

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

Item 1. The number of permits for film, television, internet projects, etc., shown are estimated based on reduction in production from the first quarter of FY 21 through FY 22; requires eVariance update as noted in Part III.

Item 2. The actual total number of creative content projects developed will be updated. The current number of 27 reflects the impacts of the COVID-19 pandemic on production and local filmmakers' challenge to complete any projects in development. Planning and refinement of projects took place and can be calculated as "in development" content/product. This will be added as a category in future eVariance reports. The development of local films, television, and streaming series, as well as licensing of original music by Hawaii songwriters, is on the rise. Metrics included are estimates based on current data available from CLH programs, as well as anecdotal information from content creators themselves. An increase in seed stage funding from outside sources for local Hawaii creatives are increasing in the aggregate. A majority of the number of graduates from UH ACM's program and HPU's digital media courses are part of the equation, as are the multiple workforce/content creator programs outside of the university.

Item 3. The metrics reflect data from 2021-22 CLH Hawaii Accelerator programs in media and music.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	16.00	13.00	-	3.00	19	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,514	2,471	-	43	2	628	611	-	17	3	1,886	2,514	+	628	33
TOTAL COSTS															
POSITIONS	16.00	13.00	-	3.00	19	16.00	13.00	-	3.00	19	16.00	16.00	+	0.00	0
EXPENDITURES (\$1000's)	2,514	2,471	-	43	2	628	611	-	17	3	1,886	2,514	+	628	33
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	53.06	+	50.06	1669	3	3	+	0	0	0	0	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	59.33	+	56.33	1878	3	3	+	0	0	0	0	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	5	19.46	+	14.46	289	5	3	-	2	40	5	3	-	2	40
4. # OF NEW FIRMS USING FTZ PROGRAM	30	25	-	5	17	30	30	+	0	0	30	30	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	-18.89	-	23.89	478	5	5	+	0	0	5	5	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	-30	-	90	150	60	60	+	0	0	60	60	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	0	-	4	100	4	4	+	0	0	4	4	+	0	0
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
PART III: PROGRAM TARGET GROUP															
1. FIRMS USING FTZ PROGRAM (NO.)	250	3	-	247	99	250	250	+	0	0	250	250	+	0	0
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	288	-	212	42	500	500	+	0	0	500	500	+	0	0
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	71	+	1	1	70	70	+	0	0	70	70	+	0	0
PART IV: PROGRAM ACTIVITY															
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1577	-	173	10	1750	1750	+	0	0	1750	1750	+	0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	5551	-	2049	27	7600	7600	+	0	0	7600	7600	+	0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	38	-	22	37	60	60	+	0	0	60	60	+	0	0
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	9	-	66	88	75	10	-	65	87	75	10	-	65	87

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 03
BED 107

PROGRAM TITLE: FOREIGN TRADE ZONE

PART I - EXPENDITURES AND POSITIONS

The position variances in FY 22 and the first quarter of FY 23 are due to vacancies in staff positions.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, and 3. The variances are due to the increase of Foreign-Trade Zone (FTZ) activity and inventory.

Items 4. The variance in the number of new firms using the FTZ is the result of uncertain trade conditions affecting the State under the federal administration's ongoing trade actions.

Item 5. The variance is due to both the world-wide decrease in oil prices and economic impact of the COVID-19 pandemic.

Item 6. The variance is the result of uncertain trade conditions impacting the number of firms using the FTZ.

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

PART III - PROGRAM TARGET GROUPS

Items 1 and 2. The variances in the number of firms using the FTZ and importing or exporting dutiable merchandise are due to uncertain trade conditions. The reduction in warehouses in Honolulu accounted for more firms using the FTZ9 warehouse.

PART IV - PROGRAM ACTIVITIES

Item 1. The variance in the value of cargo in and out of the FTZ, except sub zones, is due to uncertain trade conditions and the economic impact of the COVID-19 pandemic, world trade disruption, and supply chain issues.

Item 2. The variance in the value of cargo in and out of sub-zones is due

to uncertain trade conditions and the economic impact of the COVID-19 pandemic, world trade disruption, and supply chain issues.

Item 3. The variance in the value of cargo in and out of Pier 2 is due to uncertain trade conditions and the economic impact of the COVID-19 pandemic, world trade disruption, and supply chain issues.

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

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT
 PROGRAM-ID: BED-142
 PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	25.00	23.00	- 2.00	8	26.00	23.00	- 3.00	12	26.00	24.00	- 2.00	8
EXPENDITURES (\$1000's)	2,290	2,259	- 31	1	572	541	- 31	5	1,822	1,853	+ 31	2
TOTAL COSTS												
POSITIONS	25.00	23.00	- 2.00	8	26.00	23.00	- 3.00	12	26.00	24.00	- 2.00	8
EXPENDITURES (\$1000's)	2,290	2,259	- 31	1	572	541	- 31	5	1,822	1,853	+ 31	2
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF PROCUREMENT VIOLATIONS	0	17	+ 17	0	0	20	+ 20	0				
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	+ 0	0	95	95	+ 0	0				
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2	+ 0	0	2.0	2	+ 0	0				
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	100	+ 2	2	98	98	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	327	327	+ 0	0	327	370	+ 43	13				
PART IV: PROGRAM ACTIVITY												
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	171	+ 21	14	150	180	+ 30	20				
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1250	1246	- 4	0	1250	1250	+ 0	0				
3. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	0	- 5	100	5	5	+ 0	0				
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	582	- 918	61	1500	900	- 600	40				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 01 04
BED 142

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The variance in positions of 12% occurring in three months ended September 30, 2022, is due to the vacancies of the Management Analyst II, Fiscal Officer I, and Business Development Manager positions. BED 142 is currently in recruitment for both the Fiscal Officer I and Business Development Manager positions.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 1. FY 23 estimates include additional personnel transferred to the Department of Business, Economic Development and Tourism (DBEDT) from both the Department of Agriculture (Agribusiness Development Corporation through Act 219, SLH 2022) and Department of Accounting and General Services (Aloha Stadium Authority through Act 220, SLH 2022).

PART IV - PROGRAM ACTIVITIES

Item 1. DBEDT's actual number of Requests for Allotment (Form A-19) prepared varies based on the number of active federal grants, non-appropriated funds, and specific appropriations which changes each year.

Item 3. No formal grievances were filed in FY 22.

Item 4. Collective bargaining pay adjustments for FY 22 were not processed until FY 23.

PROGRAM TITLE: TOURISM
 PROGRAM-ID: BED-113
 PROGRAM STRUCTURE NO: 0102

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	1.00	0.00	-	1.00								
EXPENDITURES (\$1000's)	71,000	131,570	+	60,570								
TOTAL COSTS												
POSITIONS	1.00	0.00	-	1.00								
EXPENDITURES (\$1000's)	71,000	131,570	+	60,570								
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	11.94	17.27	+	5.33	45	14.32	19.00	+	4.68	33		
2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE	NO DATA	67.00	+	67	0	NO DATA	67.00	+	67	0		
3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)	10522	12159.6	+	1637.6	16	12613	13256.3	+	643.3	5		
4. % TRAVELERS CONSIDERING A TRIP TO HAWAII	NO DATA	64.00	+	64	0	NO DATA	64.00	+	64	0		
PART III: PROGRAM TARGET GROUP												
1. JAPANESE TRAVELERS TO THE US (MILLION)	2.52	0.22	-	2.3	91	3.76	1.24	-	2.52	67		
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	40.5	44.65	+	4.15	10	40.5	65.59	+	25.09	62		
PART IV: PROGRAM ACTIVITY												
1. # SPORTING EVENTS ACTUALLY FUNDED	7	9	+	2	29	19	19	+	0	0		
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LIVING HWN)	34	0	-	34	100	34	137	+	103	303		
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	3	0	-	3	100	3	12	+	9	300		
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	105	280	+	175	167	105	291	+	186	177		
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE	60000	NO DATA	-	60000	100	60000	NO DATA	-	60000	100		
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	50	21.00	-	29	58	50	27.00	-	23	46		

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 02
BED 113

PROGRAM TITLE: TOURISM

PART I - EXPENDITURES AND POSITIONS

The expenditure of funds was primarily limited to the amount of Transient Accommodations Tax (TAT) and Convention Center (CC) revenue collected. For FY 22 and forward, TAT was capped at \$11 million to fund operations of the Hawaii CC (HCC) (pursuant to Act 88, SLH 2021 (House Bill (H.B.) 200)).

The Hawaii Tourism Authority (HTA) has been operating under significantly reduced funding due to the COVID-19 pandemic, during which a majority of HTA's allocation of TAT has been reduced and then eliminated. HTA has been appropriated \$71 million in American Rescue Plan Act of 2021 (ARPA) funds to continue operations of HTA and the CC, respectively, in FY 22.

The FY 22 Actual balance consists of actual expenditures from all HTA/HCC appropriations, plus open encumbrances from all appropriations.

The permanent position at HTA has remained vacant throughout FY 22 to the present; the position is unfunded at this time.

PART II - MEASURES OF EFFECTIVENESS

The COVID-19 pandemic has significantly impacted tourism in Hawaii, but the State has seen a gradual recovery with the reopening of tourism.

Item 1. The State continues to see a steady recovery in the visitor industry with U.S. travelers making up the majority of visits and spending. FY 23 estimated number based on the Department of Business, Economic Development and Tourism's (DBEDT) Third Quarter Outlook for the Economy Report (by calendar year (CY)).

Item 2. Resident sentiment typically decreases with increased visitor arrivals; we are currently working on efforts to improve the perception of tourism's positive benefits to the community. FY 23 estimated data based on Spring 2021 Resident Sentiment Survey.

Item 3. The Gross Domestic Product is calculated by the Research and Economic Analysis Division (Databook Table 7.33). FY 23 using year-over-year (YOY) growth for 2023 expenditures.

Item 4. The data on travel and tourism was obtained from MMGY Global's Portrait of American Travelers survey, 2022 "Summer Edition."

PART III - PROGRAM TARGET GROUPS

The COVID-19 pandemic has significantly impacted tourism in Hawaii, but the State has seen a gradual recovery with the reopening of tourism.

Item 1. Tourism from Japan has been restricted from the beginning of the pandemic up to October 2022. With tourism reopening between Japan and the U.S., a gradual recovery is expected in FY 23. Data for FY 22 obtained from the National Travel and Tourism Office of the U.S. Department of Commerce and Oxford Economics (NTTO, Oxford Economics). FY 23 estimated figure using YOY growth.

Item 2. Tourism from the U.S. continued to remain strong in FY 22 and is expected to grow in FY 23. Data for FY 22 obtained from NTTO, Oxford Economics, and FY 23 estimated figure using YOY growth.

PART IV - PROGRAM ACTIVITIES

Item 1. In FY 22, HTA had the opportunity to partner with two unplanned sporting events based on the budget available.

Items 2. FY 22 actual based on the number of contracts issued for enrichment projects in FY 21. FY 23 estimate based on the number of enrichment projects funded in CY 22.

Items 3. FY 22 actual based on the number of contracts issued for major festivals in FY 21. FY 23 estimate based on the number of major festivals funded in CY 22.

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 02
BED 113

PROGRAM TITLE: TOURISM

Item 4. For FY 22 and FY 23, the actual and estimated speeches and presentations significantly varied from planned and reflect the inclusion of Brand Managers versus only HTA leadership. This figure also includes speeches and meetings with legislators and HTA board meetings. Also, as a result of the COVID-19 pandemic, HTA continues to rely on small group meetings and online presentations and speeches.

Item 5. "No Data" due to HTA's research department being transferred from HTA to DBEDT pursuant to Act 88, SLH 2021.

Item 6. Due to funding constraints caused by the COVID-19 pandemic, HTA was provided a total budget of \$60 million in ARPA funds for FY 22. As such, the budget for major marketing contractors was significantly reduced in FY 22. In addition, due to protests during the USA Mixed Martial Arts procurement process, HTA has experienced various delays in executing contracts for the U.S. market.

Due to the Governor's veto of H.B. No. 1147, HTA is working with the Governor's Administration to secure FY 23 funding. The FY 23 \$27 million budget is an estimate.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	308.00	238.00	- 70.00	23	323.00	241.00	- 82.00	25	323.00	289.00	- 34.00	11
EXPENDITURES (\$1000's)	63,301	28,396	- 34,905	55	12,117	10,624	- 1,493	12	48,765	49,327	+ 562	1
TOTAL COSTS												
POSITIONS	308.00	238.00	- 70.00	23	323.00	241.00	- 82.00	25	323.00	289.00	- 34.00	11
EXPENDITURES (\$1000's)	63,301	28,396	- 34,905	55	12,117	10,624	- 1,493	12	48,765	49,327	+ 562	1
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	750	0	- 750	100	750	0	- 750	100				
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	530	409	- 121	23	540	450	- 90	17				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: AGRICULTURE

01 03

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE
 PROGRAM-ID: AGR-101
 PROGRAM STRUCTURE NO: 010301

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	9.00	6.00	-	3.00	33	9.00	6.00	-	3.00	33	9.00	7.00	-	2.00	22
EXPENDITURES (\$1000's)	6,306	2,234	-	4,072	65	1,276	1,276	+	0	0	5,012	5,012	+	0	0
TOTAL COSTS															
POSITIONS	9.00	6.00	-	3.00	33	9.00	6.00	-	3.00	33	9.00	7.00	-	2.00	22
EXPENDITURES (\$1000's)	6,306	2,234	-	4,072	65	1,276	1,276	+	0	0	5,012	5,012	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF LOANS APPROVED	25	3	-	22	88	25	25	+	0	0					
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)	5000	199	-	4801	96	5000	5000	+	0	0					
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS	10000	14997	+	4997	50	45000	10000	-	35000	78					
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER	1000	607	-	393	39	1000	700	-	300	30					
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	750	0	-	750	100	750	0	-	750	100					
PART III: PROGRAM TARGET GROUP															
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	7000	7300	+	300	4	7000	7300	+	300	4					
2. POTENTIAL QUALIFED AQUACULTURISTS	70	70	+	0	0	70	70	+	0	0					
3. AGRICULTURE/AQUACULTURE COOPERATIVES	20	0	-	20	100	20	0	-	20	100					
4. COMMERCIAL BANKS	5	4	-	1	20	5	5	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. NUMBER OF PUBLIC RELATIONS CONTACTS	50	0	-	50	100	50	50	+	0	0					
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS	700	327	-	373	53	700	700	+	0	0					
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION	175	7	-	168	96	125	125	+	0	0					
4. AMOUNT COLLECTED BY PROGRAM (000'S)	2250	2874	+	624	28	2250	2085	-	165	7					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 01
AGR 101

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

Variances in FY 22 positions and expenditures are due to position vacancies and the lower dollar amount in loan disbursements. Variances in FY 23 positions are due to lack of qualified applicants for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The decrease in the number of loans approved is the result of the current slow economy, which has created hesitancy by applicants to take on additional debts while the economic environment remains uncertain.

Item 2. The decrease in the total dollar amount in loans approved is related to the reduced total amount of loans approved. Furthermore, the loans approved included numerous emergency loans, which are usually smaller loan requests.

Item 3. The annual acreage cultivated by borrowers well exceeded the planned amount and is due to the larger loan portfolio and increased ranch acreage. A decrease in FY 23 is due to scheduled payoff of loans.

Item 4. The number of employees or laborers utilized by borrowers was below the planned amount due to both the tight labor market, which made finding employees difficult and adjustments made by farms to the poor economic conditions resulting from the COVID-19 pandemic.

Item 5. The amount entered for financing provided by other credit sources is a placeholder due to lack of data. However, we expect the actual amounts to be well below the planned amount due to the perceived higher risk associated with farming operations and the lending industry's lack of familiarity with agriculture.

PART III - PROGRAM TARGET GROUPS

Item 3. The number for agricultural and aquaculture cooperatives is a placeholder due to lack of data. However, we expect the actual number will be above the planned amount due to the increase in new

commodities cooperatives.

Item 4. We believe that the commercial banks amount was below the planned amount due to the impact of COVID-19 on the banking industry.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of public relations contacts was below the planned amount. The program reduced public contacts and restricted travel to the neighbor islands due to the COVID-19 pandemic restrictions.

Item 2. The number of servicing contacts was below the planned number due to restricted public contact and travel due to the COVID-19 pandemic.

Item 3. The widespread availability of federal, State, and county grant assistance during the COVID-19 pandemic created a disincentive to apply for loans, which would have created a burdensome obligation to repay.

Item 4. The amount collected by the program was above the projected amount due to the larger loan portfolio and several significant loan payoffs. The program remains focused on the collections and working with delinquent borrowers, especially during the current economic downturn.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	167.00	124.00	- 43.00	26	167.00	122.00	- 45.00	27	167.00	147.00	- 20.00	12
EXPENDITURES (\$1000's)	23,072	7,019	- 16,053	70	5,339	5,339	+ 0	0	16,477	16,477	+ 0	0
TOTAL COSTS												
POSITIONS	167.00	124.00	- 43.00	26	167.00	122.00	- 45.00	27	167.00	147.00	- 20.00	12
EXPENDITURES (\$1000's)	23,072	7,019	- 16,053	70	5,339	5,339	+ 0	0	16,477	16,477	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0				
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	530	409	- 121	23	540	450	- 90	17				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: PRODCTVTY IMPRVMT & MGT ASSTNCE FOR AGR

01 03 02

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

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

12/2/22

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	114.00	86.00	- 28.00	25	114.00	82.00	- 32.00	28	114.00	100.00	- 14.00	12
EXPENDITURES (\$1000's)	17,401	2,234	- 15,167	87	3,931	3,931	+ 0	0	11,559	11,559	+ 0	0
TOTAL COSTS												
POSITIONS	114.00	86.00	- 28.00	25	114.00	82.00	- 32.00	28	114.00	100.00	- 14.00	12
EXPENDITURES (\$1000's)	17,401	2,234	- 15,167	87	3,931	3,931	+ 0	0	11,559	11,559	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.003	.003	+ 0	0	.003	.003	+ 0	0				
2. NUMBER OF PEST INTERCEPTIONS	1700	796	- 904	53	1700	800	- 900	53				
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	530	409	- 121	23	540	450	- 90	17				
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	600	1924	+ 1324	221	600	1500	+ 900	150				
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	15	15	+ 0	0	15	15	+ 0	0				
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	35	22	- 13	37	35	35	+ 0	0				
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	85	85	+ 0	0	85	85	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	46	44	- 2	4	46	46	+ 0	0				
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	7000	7782	+ 782	11	7000	7000	+ 0	0				
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8200	8420	+ 220	3	8200	8400	+ 200	2				
4. NUMBER OF IMPORT PERMIT REQUESTS	1000	1798	+ 798	80	1000	1000	+ 0	0				
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	520	501	- 19	4	520	520	+ 0	0				
6. NUMBER OF CERTIFIED NURSERIES	165	165	+ 0	0	165	165	+ 0	0				
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	1	+ 0	0	1	1	+ 0	0				
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	40	+ 0	0	40	40	+ 0	0				
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	40	17	- 23	58	40	15	- 25	63				
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	15	13	- 2	13	15	4	- 11	73				
PART IV: PROGRAM ACTIVITY												
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	45	31	- 14	31	45	45	+ 0	0				
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	4994	- 1506	23	6500	6500	+ 0	0				
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	8200	6639	- 1561	19	8200	6300	- 1900	23				
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	440	94	- 346	79	440	150	- 290	66				
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	344	340	- 4	1	340	340	+ 0	0				
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	15	10	- 5	33	15	10	- 5	33				
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	8	4	- 4	50	8	8	+ 0	0				
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	35	1	- 34	97	35	35	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 02 01
AGR 122

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

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

Item 3. The number is lower than expected due to staff focusing time and effort on higher-risk, NKOs in Hawaii pests, including diseases. The number of NKOs account for roughly half of the interceptions turned in.

Item 4. The COVID-19 pandemic has resulted in increased interest in non-domestic animals resulting in higher numbers of imports of unlisted animals, particularly aquatic organisms such as freshwater shrimp and marine invertebrates.

Item 6. Environmental conditions (drought, extensive fires, etc.) continue to create conditions unfavorable for biological control, especially of weeds which tend to be drought and fire tolerant. This trend will continue to play a factor in the suppression of natural enemy activity as suitable habitat for natural enemies continues to be reduced or fragmented. Recent studies indicate fireweed moth is being parasitized at least on Maui, impacting its efficacy.

PART III - PROGRAM TARGET GROUPS

Item 2. Passenger arrival counts by air and sea are returning to pre-COVID-19 levels.

Item 4. The increase is due to the stay-at-home orders for COVID-19. The increase in permit volume was primarily for the importation of

nondomestic animals as pets.

Item 9. Seventeen new insect, disease and invasive mollusks were detected this year. These numbers are probably artificially low as reduced staffing in other agencies have led to a net decrease in reliable first responders. A trend is occurring where first detections are increasing in remote areas with no clear or overt pathway for establishment.

Item 10. The number of widespread infestations of insects and other pests is expected to increase. Little fire ant, coqui frog, Queensland longhorned beetle, coffee leaf rust, coconut rhinoceros beetle and avocado lacebug have all seen significant increases in pest distribution.

PART IV - PROGRAM ACTIVITIES

Item 1. All COVID-19 restrictions have been removed and flights are returning to volumes prior to the pandemic.

Item 2. Passenger counts by air and sea are returning to pre-COVID-19 counts.

Item 3. An increase in requests for regulated goods through the mail is due to COVID-19.

Item 4. Post-entry inspections were deprioritized due to COVID-19 restrictions. With restrictions being lifted, the program is restarting these inspections statewide.

Item 6. The primary projects for control and eradication include little fire ant, coqui frog, and citrus leprosis.

Item 7. Disruptions in international travel and available staff continue to impact the number of projects the program can engage in.

Item 8. Due to COVID-19, seed distributors made adjustments and began ordering ornamental and flower seeds, which are not regulated and do not require germination testing.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	53.00	38.00	- 15.00	28	53.00	40.00	- 13.00	25	53.00	47.00	- 6.00	11
EXPENDITURES (\$1000's)	5,671	4,785	- 886	16	1,408	1,408	+ 0	0	4,918	4,918	+ 0	0
TOTAL COSTS												
POSITIONS	53.00	38.00	- 15.00	28	53.00	40.00	- 13.00	25	53.00	47.00	- 6.00	11
EXPENDITURES (\$1000's)	5,671	4,785	- 886	16	1,408	1,408	+ 0	0	4,918	4,918	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0	6	6	+ 0	0

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: ANIMAL PEST AND DISEASE CONTROL

01 03 02 02

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE: RABIES QUARANTINE
 PROGRAM-ID: AGR-131
 PROGRAM STRUCTURE NO: 0103020201

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	32.32	21.32	-	11.00	34	32.32	21.32	-	11.00	34	32.32	26.32	-	6.00	19
EXPENDITURES (\$1000's)	3,581	3,184	-	397	11	895	895	+	0	0	3,341	3,341	+	0	0
TOTAL COSTS															
POSITIONS	32.32	21.32	-	11.00	34	32.32	21.32	-	11.00	34	32.32	26.32	-	6.00	19
EXPENDITURES (\$1000's)	3,581	3,184	-	397	11	895	895	+	0	0	3,341	3,341	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
2. NUMBER OF ALIEN PESTS DETECTED	6	2	-	4	67	6	6	+	0	0	6	6	+	0	0
PART III: PROGRAM TARGET GROUP															
1. DOGS AND CATS QUARANTINED	600	1396	+	796	133	600	600	+	0	0	600	600	+	0	0
2. POPULATION OF HAWAII	1450000	1441553	-	8447	1	1450000	1450000	+	0	0	1450000	1450000	+	0	0
PART IV: PROGRAM ACTIVITY															
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS	50	720	+	670	1340	50	600	+	550	1100	50	600	+	550	1100
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS	550	675	+	125	23	550	550	+	0	0	550	550	+	0	0
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL	14700	1128	-	13572	92	15000	15000	+	0	0	15000	15000	+	0	0
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT	200	368	+	168	84	200	200	+	0	0	200	200	+	0	0
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED	32	30	-	2	6	32	30	-	2	6	32	30	-	2	6
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES	2	5	+	3	150	2	2	+	0	0	2	2	+	0	0
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES	900	1040	+	140	16	800	800	+	0	0	800	800	+	0	0
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED	1700	1052	-	648	38	1800	1800	+	0	0	1800	1800	+	0	0

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 02 02 01
AGR 131

PROGRAM TITLE: RABIES QUARANTINE

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

Item 2. The reduction in alien pests detected may be associated with the use of newer tick products available for pets.

PART III - PROGRAM TARGET GROUPS

Item 1. The increased total amount of animals quarantined in FY 22 is primarily due to the increased number of animals arriving early and into the 120-day program. A slight decrease or no change is expected in FY 23 due to the reduced effects of COVID-19 on transpacific travel.

PART IV - PROGRAM ACTIVITIES

Items 1, 2, and 3. The FY 22 increase in the number of animals quarantined for 120-days and arriving early is likely due to an increased number of young puppies arriving without rabies vaccinations and fluorescent antibody virus neutralization (FAVN) rabies serological tests, resulting in being quarantined for 120 days. A higher number of animals arriving early for the 5-Day or Less program also held because arrivals occurred before FAVN testing laboratories had completed tests. A slight decrease in the 120-day category is expected in FY 23 due to the continued demand for younger animals.

Item 4. The increase is related to a rebound in the number of animals entering the State in these categories, experienced after reduced COVID-19 travel restrictions were implemented and are expected to continue in FY 23.

Items 6 and 7. The increase in the number of animals sampled for internal and external parasites may be indirectly due to the larger number of younger animals in quarantine that are typically sampled more

frequently than older animals, and more frequently diagnosed with parasites requiring treatment and post-treatment sampling.

Item 8. The decrease in Service Dogs in FY 22 may be due to the COVID-19 new service animal guidelines under the U.S. Department of Transportation's Air Carrier Access Act and partly artificial due to compromised timely data entry due to position vacancies.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	20.68	16.68	-	4.00	19	20.68	18.68	-	2.00	10	20.68	20.68	+	0.00	0
EXPENDITURES (\$1000's)	2,090	1,601	-	489	23	513	513	+	0	0	1,577	1,577	+	0	0
TOTAL COSTS															
POSITIONS	20.68	16.68	-	4.00	19	20.68	18.68	-	2.00	10	20.68	20.68	+	0.00	0
EXPENDITURES (\$1000's)	2,090	1,601	-	489	23	513	513	+	0	0	1,577	1,577	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	5	+	0	0	5	5	+	0	0	5	5	+	0	0
2. NO.OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE	111	111	+	0	0	111	111	+	0	0	111	111	+	0	0
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG	9	9	+	0	0	9	9	+	0	0	9	9	+	0	0
4. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+	0	0	6	6	+	0	0	6	6	+	0	0
PART III: PROGRAM TARGET GROUP															
1. LIVESTOCK PRODUCERS	2800	2800	+	0	0	2500	2700	+	200	8					
2. AQUACULTURE PRODUCERS	100	100	+	0	0	100	100	+	0	0					
3. HUMAN POPULATION	1400000	1420000	+	20000	1	1400000	1400000	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY	2000	906	-	1094	55	2000	900	-	1100	55					
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY	800000	652543	-	147457	18	800000	650000	-	150000	19					
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY	18000	18551	+	551	3	18000	18000	+	0	0					
4. NO. POLTRY,OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY	15000	14625	-	375	3	15000	15000	+	0	0					
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV	1800	2723	+	923	51	1800	2000	+	200	11					
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS	10	15	+	5	50	10	12	+	2	20					
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS	2000	1723	-	277	14	2000	2000	+	0	0					
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE	4500	4493	-	7	0	4500	4500	+	0	0					
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	5000	6386	+	1386	28	5000	6000	+	1000	20					
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED	2500	1386	-	1114	45	2500	1300	-	1200	48					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 02 02 02
AGR 132

PROGRAM TITLE: ANIMAL DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1. The decrease in FY 22 is due to a reduced number of market swine entering the State. The number of market swine entering the State is not expected to increase in FY 23.

Item 2. The decrease in FY 22 is due to a lower number of hatching chicken eggs imported into the State by commercial operations; import numbers are expected to be steady in FY 23.

Item 5. The increase is due to the bovine tuberculosis (bTB) testing of cattle herds on Molokai in response to a bTB outbreak detected in June 2021. Herd testing on Molokai is expected to continue in FY 23.

Item 6. The increase is due to the bTB outbreak detected on Molokai and a single rabbit hemorrhagic disease outbreak that occurred in Maui during FY 22. Investigations are expected to taper off in FY 23 but still remain at a higher level than previously anticipated because of the outbreaks seen in FY 22.

Item 7. The decrease in FY 22 was due to the reduced number of federal cooperative program disease surveillance testing conducted due to a combination of losses in program positions, vacancies, and detailing of personnel to Molokai to address the bTB outbreak. With the bTB

outbreak being brought under control, surveillance numbers are projected to increase statewide in FY 23.

Item 9. The increase in FY 22 is due to an increase in the number of laboratory tests conducted on dogs and cats in quarantine. The increase is anticipated to continue in FY 23.

Item 10. The decrease in FY 22 is due to a decrease in the amount of shrimp brook stock exports from the State. No significant additional decrease is anticipated in FY 23.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	64.00	41.00	- 23.00	36	69.00	47.00	- 22.00	32	69.00	59.00	- 10.00	14
EXPENDITURES (\$1000's)	21,130	8,635	- 12,495	59	2,747	2,185	- 562	20	9,708	10,270	+ 562	6
TOTAL COSTS												
POSITIONS	64.00	41.00	- 23.00	36	69.00	47.00	- 22.00	32	69.00	59.00	- 10.00	14
EXPENDITURES (\$1000's)	21,130	8,635	- 12,495	59	2,747	2,185	- 562	20	9,708	10,270	+ 562	6
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	24	35	+ 11	46	24	30	+ 6	25				
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	4	6	+ 2	50	4	4	+ 0	0				
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	20	91	+ 71	355	20	600	+ 580	2900				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: PRODUCT DEVELOPMENT AND MARKETING FOR AGR

01 03 03

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	30.00	22.00	- 8.00	27	35.00	29.00	- 6.00	17	35.00	35.00	+ 0.00	0
EXPENDITURES (\$1000's)	15,591	5,909	- 9,682	62	1,409	847	- 562	40	5,789	6,351	+ 562	10
TOTAL COSTS												
POSITIONS	30.00	22.00	- 8.00	27	35.00	29.00	- 6.00	17	35.00	35.00	+ 0.00	0
EXPENDITURES (\$1000's)	15,591	5,909	- 9,682	62	1,409	847	- 562	40	5,789	6,351	+ 562	10
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NO. OF SEEDLINGS DISTRIBUTED AND/OR SOLD	100	28430	+ 28330	28330	100	25000	+ 24900	24900				
2. NO. OF ACRES OF TREE PLANTING OR REFORESTATION	100	60	- 40	40	100	60	- 40	40				
3. NO. OF LANDOWNERS/ORGANIZATNS/COMMUNITS ASSISTED	100	100	+ 0	0	100	100	+ 0	0				
4. % STATE FUNDING MATCHED AGAINST O/SIDE FUNDNG SRCS	100	100	+ 0	0	100	100	+ 0	0				
5. ACRES ACQRD/SCRD FOR FORST RSRV/OTHER FRSTRY PRPS	100	0	- 100	100	100	0	- 100	100				
6. ACRES DEPRTMNTL LANDS UNDR COMMERCIAL TIMBER MGMT	100	15	- 85	85	100	15	- 85	85				
7. \$ VALUE REVNUUE FR FORST PROD & OTHR FORST REV SRCS	100	428	+ 328	328	100	150	+ 50	50				
8. NO. INFORMTIONL MATRLS PRODCD & OUTRCH EVNTS ATTND	100	100	+ 0	0	100	100	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. FOREST PRODCR PRODCCRS/PROCCSSRS/RELTD BUSNS/INVSTRS	150	150	+ 0	0	150	150	+ 0	0				
2. FOREST AND RANGE LANDOWNERS	50	50	+ 0	0	50	50	+ 0	0				
3. BUSINESS COMMUNITY	50	50	+ 0	0	50	50	+ 0	0				
4. EDUCATION COMMUNITY	5	5	+ 0	0	5	5	+ 0	0				
5. WATERSHED PARTNERS	10	10	+ 0	0	10	10	+ 0	0				
6. COMMUNITY VOLUNTEER ORGANIZATIONS	100	100	+ 0	0	100	100	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. PRODCE & SUBSQNTL DISTRBTE &/OR SELL TREE SEEDLNCS	60000	28430	- 31570	53	60000	3000	- 57000	95				
2. PLANT OR REFOREST DEPARTMENTAL LANDS	150	250	+ 100	67	150	20	- 130	87				
3. PROVDE TECH FORSTRY ASSIST TO LNDWNRS/ORG/AGN/COMM	1000	150	- 850	85	1000	1000	+ 0	0				
4. LEVERAGE STATE FUNDS/ASSOC SVCS THRU GRNTS/PRGM	2	2	+ 0	0	2	2	+ 0	0				
5. ACQUIRE/SECURE LANDS ADDTN TO FOREST RES SYS	2000	0	- 2000	100	2000	0	- 2000	100				
6. DEVELOP DEPARTMENTAL LANDS FOR COMMERCL TIMBR MNGT	6000	0	- 6000	100	6000	0	- 6000	100				
7. GENERATE REVENUES FROM NON-TRADTNL FOREST PRODUCTS	50000	428427	+ 378427	757	50000	40000	- 10000	20				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The number of positions filled were less than the budgeted amount in FY 22 and first quarter of FY 23 due to vacancies attributed to staff promotions, retirements, and resignations.

The program expenditures for FY 22 were 40% below the allowed and budgeted ceiling. The program did not generate the projected revenues in S-347 due to both commercial forestry projects implementation delays associated with the COVID-19 pandemic and personnel vacancies. There were also anticipated grants budgeted in FY 22 that were not awarded to the division.

Funds actually expended in the first quarter of FY 23 were less than budgeted due to delays in encumbering some program contracts and other contractor agreements, which are now anticipated to be encumbered in the second quarter of FY 23.

PART II - MEASURES OF EFFECTIVENESS

Item 1: The Department was nearly 30,000 percent above the estimated target for the number of seedlings distributed and/or sold. This variance is primarily attributed to an inaccurate figure of 100 seedlings recorded in the FY 22 target. Going forward, the target has been adjusted to 25,000. The Forestry Resource Management and Development program expects to continue to increase seedling production in the next five years and this adjustment reflects those goals.

Item 2: The Department was -40% for acres reforested. This is mainly attributed to the fact that reforestation occurred in a more intensive manner in FY 22 and includes both understory plants, as well as trees on planted sites. It is recommended that the goal be adjusted to 40 to be more realistic in FY 23.

Item 5: The Department was 100% under target. This variance is attributed to the fact that there were no acquisition projects that closed during FY 22. That said, the target of 100 acres appears arbitrary as most

acquisition projects are of a much larger scale. Predicting the cadence of closing on large acquisitions, which can require multi-years to complete, is uncertain. We do not recommend changing the target number.

Item 6: The Department was 85% under the target due to where operations stood in FY 22. We do not recommend changing the target, as it is unlikely any active timber operation will exceed 100 acres in the future.

Item 7: The Department was way above the target for revenue generated from traditional and non-traditional forest products and services. This variance is attributed to an inaccurate target of 100 being placed as a projection for FY 22. In the future, a \$150,000 target is recommended. The \$428,000 is a combination of leases, permits, and other sales. In the future, as leases close, this figure may shrink.

PART III - PROGRAM TARGET GROUPS

No significant changes.

PART IV - PROGRAM ACTIVITIES

Item 1: The Department distributed 28,430 seedlings, which is 53% of the estimated target. This variance is primarily attributed to the target being pushed up after a large effort around Arbor Day in previous years. The recommended new target is 30,000. As noted earlier in this variance report, we expect to increase seedling production over the next five years but remain conservative in our expectations as we ramp up.

Item 2: The Department planted fewer acres than targeted, resulting below the estimated target. This variance is primarily attributed to the closing of major reforestation projects and the planning for new ones on Maui and Hawaii Island in FY 23.

Item 5: The Department acquired no new lands in FY 22. This variance is attributed to the recent departure and subsequent absence of the Forestry Program Specialist. Acquisition projects can take many years to

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

complete, making it difficult to project a realistic acreage. The Department recommends decreasing the goal to 2,000 acres for FY 23.

Item 6: The Department did not have any new area to put into commercial harvest in FY 22. There is no data on the lands that were harvested for downed and dying salvage logs. The Department recommends maintaining the target of 50 acres for FY 23.

Item 7: The Department generated \$428,427 in revenue from the forest reserve system, which is more than 700% above the target for FY 22. This variance is attributed to the fact that we have included revenue from leases in the total figure. The Department does not recommend revising the goal at this time.

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE
 PROGRAM-ID: AGR-151
 PROGRAM STRUCTURE NO: 01030302

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	21.00	10.00	-	11.00	52	21.00	10.00	-	11.00	52	21.00	14.00	-	7.00	33
EXPENDITURES (\$1000's)	2,800	1,216	-	1,584	57	650	650	+	0	0	2,144	2,144	+	0	0
TOTAL COSTS															
POSITIONS	21.00	10.00	-	11.00	52	21.00	10.00	-	11.00	52	21.00	14.00	-	7.00	33
EXPENDITURES (\$1000's)	2,800	1,216	-	1,584	57	650	650	+	0	0	2,144	2,144	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE	95	98	+	3	3	95	95	+	0	0	95	95	+	0	0
2. % CERTIFICATION REQUESTS FULFILLED	100	100	+	0	0	100	100	+	0	0	100	100	+	0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT	3	3	+	0	0	3	3	+	0	0	3	3	+	0	0
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER	100	100	+	0	0	100	100	+	0	0	100	100	+	0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES	95	93	-	2	2	95	95	+	0	0	95	95	+	0	0
PART III: PROGRAM TARGET GROUP															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	5500	5500	+	0	0	5500	5500	+	0	0	5500	5500	+	0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	441	425	-	16	4	441	425	-	16	4	441	425	-	16	4
3. PRODUCERS, PROD-DISTIB & DISTRIBUTORS OF MILK	22	19	-	3	14	22	19	-	3	14	22	19	-	3	14
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS	12	7	-	5	42	12	7	-	5	42	12	7	-	5	42
PART IV: PROGRAM ACTIVITY															
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM	1000	752	-	248	25	1000	752	-	248	25	1000	752	-	248	25
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES	2000	111	-	1889	94	2000	111	-	1889	94	2000	111	-	1889	94
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED	950	917	-	33	3	950	917	-	33	3	950	917	-	33	3
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED	24	19	-	5	21	24	19	-	5	21	24	19	-	5	21
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED	24	24	+	0	0	24	24	+	0	0	24	24	+	0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED	12	12	+	0	0	12	12	+	0	0	12	12	+	0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	10	0	-	10	100	10	5	-	5	50	10	5	-	5	50

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 03 02
AGR 151

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 3. The variance is due to the FY 22 estimate not being adjusted in a timely manner. The number of Producers, Producer-Distributors, and Distributors of Milk licensed (19) has not changed since FY 19.

Item 4. The variance is primarily due to the FY 22 estimate number not being adjusted in a timely manner. Last year's number of Producers and Distributors of Animal Feed Products (8) has not changed since FY 19. However, in FY 22, the number of producers and distributors has dropped from eight to seven, a 12.5% decrease from FY 21, possibly due to a lower demand for feed.

PART IV - PROGRAM ACTIVITIES

Item 1. The variance is primarily due to the FY 21 estimate not being adjusted in a timely manner. The number of certificates issued for Grade and Condition of Agricultural Commodities has remained relatively constant from FY 18 to FY 20. However, the variance of 21% from FY 20 to FY 21 is due to a decline in certification of agricultural commodities due to the COVID-19 pandemic. In FY 22, the number of certificates issued (752) has actually increased by 11.6% from FY 21.

Item 2. The decreased number of lots inspected for compliance with laws and rules is due to a temporary shifting of priorities due to shortage of staff from retirements and resignations, as well as safety restrictions due to the COVID-19 pandemic.

Item 4. The variance is due to the FY 22 estimate not being adjusted in a timely manner. The number of Producers, Producer-Distributors, and Distributors of Milk licensed (19) has not changed since FY 19.

Item 7. The decreased number of hours of education sessions conducted are due to limited outreach activities, resulting from the COVID-19 pandemic.

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING
 PROGRAM-ID: AGR-171
 PROGRAM STRUCTURE NO: 01030303

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	13.00	9.00	-	4.00	31	13.00	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,739	1,510	-	1,229	45	688	688	+	0	0	1,775	1,775	+	0	0
TOTAL COSTS															
POSITIONS	13.00	9.00	-	4.00	31	13.00	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,739	1,510	-	1,229	45	688	688	+	0	0	1,775	1,775	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	24	35	+	11	46	24	30	+	6	25					
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES	40	42	+	2	5	40	40	+	0	0					
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	4	6	+	2	50	4	4	+	0	0					
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	20	91	+	71	355	20	600	+	580	2900					
PART III: PROGRAM TARGET GROUP															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	7000	7328	+	328	5	7000	7328	+	328	5					
2. COMMODITY GROUPS	10	10	+	0	0	10	10	+	0	0					
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS	10	10	+	0	0	10	10	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. SEEK AND APPLY FOR FED FUNDING VIA GRANTS, PRGMS	3	3	+	0	0	3	3	+	0	0					
2. COLLECT, COMPILE AND PUBLISH STATISTICS (NASS/HAS)	75	75	+	0	0	75	75	+	0	0					
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES	20	20	+	0	0	20	20	+	0	0					
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS	5	4	-	1	20	5	5	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 03 03
AGR 171

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

Item 1. The 46% increase in FY 22 was due to the pandemic-driven transition to virtual activities by the producer groups that included meetings, annual conferences, and webinars that increased in support of their members. The Market Development Branch (MDB) activities that were created, conducted, or managed included virtual meetings with the Western United States Agriculture Trade Association (WUSATA) to plan and manage virtual export trade missions, Airport display relocation, Made in Hawaii with Aloha TV segment videos, and site inspections on behalf of the Hawaii Seals of Quality applicants.

Item 3. The 50% increase was due to the additional federal grants intended to respond to the impacts of the pandemic. Specifically, the Specialty Crop Block Grant Program (SCBGP) FY 21 - COVID (H.R. 133, Consolidated Appropriations Act of 2021) and a request for information to award funds to the Hawaii Floriculture and Nursery Association funded by the Coronavirus State Fiscal Recovery Funds program.

Item 4. The 355% increase was due to the following 91 contracts in total being administered: Micro-grants for Food Security Program (MGFSP), FY 20 (70); the SCBGP, FY 21 (11); and the Sponsorship and Product Promotion, FY 21 (10). The anticipated 20 contracts during FY 22 were for the MGFSP. The first year of the MGFSP resulted in 177 awards; of which, 70 were fully executed in FY 22. The remaining contracts are anticipated to be executed in FY 23, noting delays in the contract execution process will be remedied.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 4. For FY 22, the 20% decrease in the estimated number of trade shows to be planned, managed, or attended was due to trade shows being either cancelled or postponed. MDB was able to plan, manage, and attend the Produce Marketing Association Foodservice and the National Restaurant Association trade shows. MDB also planned and managed the International Food Ingredients and FOODEX trade shows; however, due to travel restrictions, was not able to attend.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	68.00	67.00	- 1.00	1	78.00	66.00	- 12.00	15	78.00	76.00	- 2.00	3
EXPENDITURES (\$1000's)	12,793	10,508	- 2,285	18	2,755	1,824	- 931	34	17,568	17,568	+ 0	0
TOTAL COSTS												
POSITIONS	68.00	67.00	- 1.00	1	78.00	66.00	- 12.00	15	78.00	76.00	- 2.00	3
EXPENDITURES (\$1000's)	12,793	10,508	- 2,285	18	2,755	1,824	- 931	34	17,568	17,568	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE	300	50	- 250	83	300	50	- 250	83				
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12400	12490	+ 90	1	12400	12490	+ 90	1				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: GENERAL SUPPORT FOR AGR

01 03 04

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT
 PROGRAM-ID: AGR-141
 PROGRAM STRUCTURE NO: 01030401

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	35.00	31.00	- 4.00	11	37.00	30.00	- 7.00	19	37.00	34.00	- 3.00	8
EXPENDITURES (\$1000's)	4,805	3,720	- 1,085	23	1,021	1,021	+ 0	0	8,917	8,917	+ 0	0
TOTAL COSTS												
POSITIONS	35.00	31.00	- 4.00	11	37.00	30.00	- 7.00	19	37.00	34.00	- 3.00	8
EXPENDITURES (\$1000's)	4,805	3,720	- 1,085	23	1,021	1,021	+ 0	0	8,917	8,917	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12400	12490	+ 90	1	12400	12490	+ 90	1				
2. AGRICULTURAL LANDS LEASED (ACRES)	22500	22214	- 286	1	25000	22361	- 2639	11				
PART III: PROGRAM TARGET GROUP												
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS	615	714	+ 99	16	615	714	+ 99	16				
2. FARMS LEASED ON DEPT OF AG LANDS	505	450	- 55	11	515	450	- 65	13				
PART IV: PROGRAM ACTIVITY												
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS	75	58	- 17	23	75	73	- 2	3				
2. NUMBER OF NEW WATER SERVICES INSTALLED	10	10	+ 0	0	10	10	+ 0	0				
3. PIPELINE AND DITCHES MAINTAINED (MILES)	100	100	+ 0	0	100	100	+ 0	0				
4. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	380	453	+ 73	19	390	900	+ 510	131				
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED	15	18	+ 3	20	15	25	+ 10	67				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 04 01
AGR 141

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

Item 1. The irrigation customer accounts reflects updated records producing a more accurate number of accounts.

Item 2. The actual number of Farm Leases for FY 22 fell short of planned amounts due to the unforeseen transfer of 24 leases to the Agribusiness Development Corporation at the beginning of FY 22, and delay of Act 90 transfer of leases from the Department of Land and Natural Resources due to ongoing mapping and surveying of 30 leases/parcels.

PART IV - PROGRAM ACTIVITIES

Item 1. The lower number of capital improvement program (CIP) projects can be attributed to the completion of projects and the limited funding of CIP projects.

Item 4. There were significantly more agricultural land field inspections conducted than planned because of the reduction in COVID-19 restrictions, allowing for inter-island travel and neighbor island inspections.

Item 5. There were more dam safety inspections conducted than planned due to the reduction in COVID-19 restrictions, allowing for inter-island travel and neighbor island inspections.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	12.00	+	12.00	0							
EXPENDITURES (\$1000's)	4,862	4,120	-	742	15							
TOTAL COSTS												
POSITIONS	0.00	12.00	+	12.00	0							
EXPENDITURES (\$1000's)	4,862	4,120	-	742	15							
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. ACRES OF AGRICULTURAL LANDS DIRECTLY MANAGED	31956	22377	-	9579	30	31956	22703	-	9253	29		
2. ACRES AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC	18846	18846	+	0	0	18846	19450	+	604	3		
3. NO. OF IRRIG AND INFRSTRC PROJ MANAGED BY ADC	4	4	+	0	0	4	4	+	0	0		
4. NO. OF AG RELATED FACILITIES MANAGED BY ADC	4	4	+	0	0	4	4	+	0	0		
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE	17	16	-	1	6	17	17	+	0	0		
6. ACRES OF LAND AGRIC CONSERV EASEMNTS UNDER ADC	108	108	+	0	0	108	108	+	0	0		
7. AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT	3	3	+	0	0	3	3	+	0	0		
PART III: PROGRAM TARGET GROUP												
1. ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE	85957	75916	-	10041	12	85957	75916	-	10041	12		
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE	11	11	+	0	0	11	11	+	0	0		
3. AG PRCESSING, MRSHALLING, PACKING, WAREHSING FACIL	3	3	+	0	0	3	3	+	0	0		
4. PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS	149	148	-	1	1	149	149	+	0	0		
5. AGRICULTURAL COOPERATIVES	6	6	+	0	0	6	6	+	0	0		
6. LNDOWNRS INTRESTD IN PRSERVING AG LAND OR INFRASTR	6	6	+	0	0	6	6	+	0	0		
7. PRVT GRPS, GOV AGENCIES WRKING AG OR LND/WTR ISSUES	20	20	+	0	0	20	20	+	0	0		
PART IV: PROGRAM ACTIVITY												
1. ACRES OF AGRICULTURAL LANDS MANAGED BY ADC (ACRES)	32563	22377	-	10186	31	32563	22422	-	10141	31		
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS	10	9	-	1	10	10	11	+	1	10		
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC	2	2	+	0	0	3	2	-	1	33		
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC	1	1	+	0	0	1	0	-	1	100		
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS	8	6	-	2	25	7	6	-	1	14		
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	156	143	-	13	8	156	143	-	13	8		
7. ACRES COVRD BY AG CONS EASMNT TITLES HELD BY ADC	108	108	+	0	0	108	108	+	0	0		
8. AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC	2	2	+	0	0	2	2	+	0	0		

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 04 02
AGR 161

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH

PART I - EXPENDITURES AND POSITIONS

The variance in FY 22 expenditures were due to position vacancies and lower than anticipated revolving fund expenditures.

It should be noted that during the 2022 Legislative Session, a bill was passed and enacted as Act 219, SLH 2022, that transferred the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development and Tourism effective July 1, 2022.

Please refer to BED 170 for any significant variances in positions and expenditures for FY 23.

PART II - MEASURES OF EFFECTIVENESS

Item 1. A decrease in estimated acreage for FY 22 and FY 23 are due to the purchase of targeted lands by other parties.

PART III - PROGRAM TARGET GROUPS

Item 1. A decrease in estimated acreage for FY 22 and FY 23 are due to the purchase of targeted lands by other parties.

PART IV - PROGRAM ACTIVITIES

Item 1. A decrease in estimated acreage for FY 22 and FY 23 are due to the purchase of targeted lands by other parties.

Item 2. A decrease in estimated projects for FY 22 and FY 23 are due to deferral of projects, prior funding constraints, and position vacancies. The number of actual projects for FY 22 remains unchanged from FY 21.

Item 5. A decrease in estimated projects for FY 22 and FY 23 are due to prior funding constraints and position vacancies.

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE
 PROGRAM-ID: AGR-192
 PROGRAM STRUCTURE NO: 01030403

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	33.00	24.00	-	9.00	27	33.00	24.00	-	9.00	27	33.00	28.00	-	5.00	15
EXPENDITURES (\$1000's)	3,126	2,668	-	458	15	565	565	+	0	0	3,051	3,051	+	0	0
TOTAL COSTS															
POSITIONS	33.00	24.00	-	9.00	27	33.00	24.00	-	9.00	27	33.00	28.00	-	5.00	15
EXPENDITURES (\$1000's)	3,126	2,668	-	458	15	565	565	+	0	0	3,051	3,051	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE	300	50	-	250	83	300	50	-	250	83					
2. NUMBER OF POSITIONS FILLED	50	21	-	29	58	50	50	+	0	0					
3. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS	95	95	+	0	0	95	95	+	0	0					
4. % OF DATA PROCESSING REQUESTS COMPLETED	95	95	+	0	0	95	95	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. INVENTORY OF IMPORTANT AG LANDS (ACRES)	137000	137000	+	0	0	137000	137000	+	0	0					
2. EMPLOYEES (NUMBER)	342	316	-	26	8	344	322	-	22	6					
3. DIVISIONS (NUMBER)	6	6	+	0	0	6	6	+	0	0					
4. BRANCHES (NUMBER)	12	12	+	0	0	12	12	+	0	0					
5. ATTACHED AGENCIES (NUMBER)	1	1	+	0	0	1	0	-	1	100					
PART IV: PROGRAM ACTIVITY															
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS	25	20	-	5	20	25	20	-	5	20					
2. NUMBER OF PERSONNEL ACTIONS PROCESSED	1000	979	-	21	2	1000	1000	+	0	0					
3. NUMBER OF PURCHASE ORDERS PROCESSED	2665	1466	-	1199	45	2665	1450	-	1215	46					
4. NUMBER OF PETTY CASH CHECKS PROCESSED	130	41	-	89	68	130	40	-	90	69					
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	600	588	-	12	2	600	600	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 04 03
AGR 192

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

Item 1. Acreage amounts reclassified (agriculture to urban use) has been trending down statewide.

Item 2. The FY 22 variance in the number of positions filled is due to funding limitations and restrictions.

PART III - PROGRAM TARGET GROUPS

Item 2. The variance is due to budget reductions resulting from the COVID-19 pandemic's effect on the economy.

Item 5. The variance is due to the transfer of the Agribusiness Development Corporation to the Department of Business, Economic Development and Tourism effective July 1, 2022, pursuant to Act 219, SLH 2022.

PART IV - PROGRAM ACTIVITIES

Item 1. The reduction in reviews is due to prioritization given to other work elements and lack of staff.

Item 3. The variances are due to an increased use of pCards (purchasing card) for purchases made by the department and the decrease in travel transactions due to COVID-19 restrictions.

Item 4. The variance is due to an increased use of pCards for purchases made by the department.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT & RESEARCH
 PROGRAM-ID: BED-170
 PROGRAM STRUCTURE NO: 01030404

12/2/22

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	8.00	12.00	+	4.00	50	8.00	14.00	+	6.00	75
EXPENDITURES (\$1000's)	0	0	+	0	0	1,169	238	-	931	80	5,600	5,600	+	0	0
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	8.00	12.00	+	4.00	50	8.00	14.00	+	6.00	75
EXPENDITURES (\$1000's)	0	0	+	0	0	1,169	238	-	931	80	5,600	5,600	+	0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. SEE MEASURES OF EFFECTIVENESS IN AGR 161	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
PART III: PROGRAM TARGET GROUP															
1. SEE PROGRAM TARGET GROUPS IN AGR 161	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
PART IV: PROGRAM ACTIVITY															
1. SEE PROGRAM ACTIVITIES IN AGR 161	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 03 04 04
BED 170

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT & RESEARCH

PART I - EXPENDITURES AND POSITIONS

The variance of positions for First Quarter of FY 23 is due to a six-month delay in hiring. Projected hiring of the remaining budgeted-for staff will be in the Third Quarter of FY 23. Expenditure variance for First Quarter of FY 23 is due to departmental transfer/integration issues. Planned expenditures have been deferred to the Third and Fourth Quarters.

During the 2022 Legislative Session, a bill was passed and enacted as Act 219, SLH 2022, that transferred the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture (AGR-161) to the Department of Business, Economic Development and Tourism and was reassigned BED-170 effective July 1, 2022.

PART II - MEASURES OF EFFECTIVENESS

Please refer to AGR-161 for FY 22 and FY 23 variance data for Measures of Effectiveness.

PART III - PROGRAM TARGET GROUPS

Please refer to AGR-161 for FY 22 and FY 23 variance data for Program Target Groups.

PART IV - PROGRAM ACTIVITIES

Please refer to AGR-161 for FY 22 and FY 23 variance data for Program Activities.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	18.00	14.00	- 4.00	22	22.00	14.00	- 8.00	36	22.00	20.00	- 2.00	9
EXPENDITURES (\$1000's)	3,940	1,948	- 1,992	51	476	415	- 61	13	3,057	3,118	+ 61	2
TOTAL COSTS												
POSITIONS	18.00	14.00	- 4.00	22	22.00	14.00	- 8.00	36	22.00	20.00	- 2.00	9
EXPENDITURES (\$1000's)	3,940	1,948	- 1,992	51	476	415	- 61	13	3,057	3,118	+ 61	2
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NUMBER OF LICENSES ISSUED	4	3.5	- 0.5	13	4	3	- 1	25				
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	700	710	+ 10	1	700	700	+ 0	0				
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	90000	79670	- 10330	11	90000	90000	+ 0	0				
4. TOTAL AQUACULTURE EMPLOYMENT	250	408	+ 158	63	300	415	+ 115	38				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: FISHERIES AND AQUACULTURE

01 04

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE: FISHERIES MANAGEMENT
 PROGRAM-ID: LNR-153
 PROGRAM STRUCTURE NO: 010402

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	15.00	12.00	-	3.00	20	15.00	12.00	-	3.00	20	15.00	15.00	+	0.00	0
EXPENDITURES (\$1000's)	3,520	1,611	-	1,909	54	311	250	-	61	20	2,144	2,205	+	61	3
TOTAL COSTS															
POSITIONS	15.00	12.00	-	3.00	20	15.00	12.00	-	3.00	20	15.00	15.00	+	0.00	0
EXPENDITURES (\$1000's)	3,520	1,611	-	1,909	54	311	250	-	61	20	2,144	2,205	+	61	3
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF LICENSES ISSUED	4	3.5	-	0.5	13	4	3	-	1	25					
2. FISHING RPRTS CLLCTD & PRCSDD AS % OF TTL RPTS DUE	97	96	-	1	1	97	97	+	0	0					
3. ONLNE COMMRL MRNE FSHNG LCNS ISSD/RNW, ADPTN RATE	56	59	+	3	5	57	59	+	2	4					
4. ONLINE COMMERCIAL FISH REPORT FILING, ADOPTN RATE	76	77	+	1	1	777	77	-	700	90					
5. FISHING SUCCESS (FISH/TRIP)	2	2	+	0	0	2	2	+	0	0					
6. NUMBER OF FISHERY MANAGEMENT AREAS	27	25	-	2	7	28	2	-	26	93					
7. # OF NEW/AMENDED RULES TO SUSTAIN IMPORTNT SPECIES	1	5	+	4	400	1	5	+	4	400					
8. NUMBER OF FISHERMAN INTERVIEWED (THOUSANDS)	7	67.	+	60	857	7	7	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. LICENSED COMMERCIAL FISHERS (1000)	3.7	3.2	-	0.5	14	3.7	3	-	0.7	19					
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	2.2	1.6	-	0.6	27	2.2	1.6	-	0.6	27					
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	5	+	0	0	5	5	+	0	0					
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	6	+	0	0	6	6	+	0	0					
5. LICENSED FRESHWATER SPORT FISHERMEN (THOUSANDS)	5	4.6	-	0.4	8	5	4.7	-	0.3	6					
6. MARINE SPORT FISHERMEN (THOUSANDS)	170	180	+	10	6	170	180	+	10	6					
7. NON-CONSUMPTIVE RECREATIONAL USERS (THOUSANDS)	130	130	+	0	0	135	130	-	5	4					
8. RELATED COUNTY, STATE & FED RESOURCE MNGT AGENCIES	12	12	+	0	0	12	12	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	3.5	-	0.5	13	4	3	-	1	25					
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)	645	42	-	603	93	645	42	-	603	93					
3. MAIN HAWN ISLANDS BOTTOMFISH VESSEL I.D. REG(00'S)	1110	1263	+	153	14	1110	1200	+	90	8					
4. AQUARIUM PERMITS (HUNDREDS)	.7	7	+	6.3	900	1	7	+	6	600					
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	93	-	107	54	200	100	-	100	50					
6. NO. OF MTGS & CONTACTS WITH OTHER MNGT AGENCIES	15	16	+	1	7	15	16	+	1	7					
7. FISHERY MANAGEMENT AREAS MANAGED	30	25	-	5	17	31	26	-	5	16					
8. # OF RULES MADE FOR AQUATIC SPECIES CONSERVATION	61	55	-	6	10	62	56	-	6	10					
9. SURVEYS FOR FISHERMEN (THOUSANDS)	5.5	5	-	0.5	9	6	6	+	0	0					
10. SURVEYS OF FISHING AREAS	37	38	+	1	3	37	38	+	1	3					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 04 02
LNR 153

PROGRAM TITLE: FISHERIES MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

FY 22: All vacancies were due to employee retirement and/or pending establishment. The hiring freeze was lifted July 30, 2021, per Executive Memorandum No. 21-04. Positions were either frozen pending reduction-in-force November 15, 2021, or no funding available December 1, 2021. In addition, actual expenditures reflect an amount anticipated for federal funds, which was not received as expected.

FY 23: Vacancies remained unfilled during the rest of the quarters but is expected to be filled January 1, 2023, in addition to awaiting approval of a reorganization. Also, expenditures were purposely lower in the 1st quarter as spending will increase in the rest of the quarters as project activities increase.

PART II - MEASURES OF EFFECTIVENESS

Item 1: Despite the return of visitors in FY 22, and increased demand for seafood, the number of commercial licenses issued continues to be lower than expected due to the lasting effects of COVID-19 on seafood markets. We anticipate issuing fewer licenses in FY 23, as we implement a commercial marine vessel license that will eliminate the need for fishing vessel crews to obtain individual licenses.

Item 7: New/amended rules on important marine species include adding the tidal area to the Pupukeya Marine Life Conservation District (MLCD), fee increase to the non-resident commercial marine license, amendments to the Kahului Harbor Fisheries Management Area and Maui Oama rules, and creation of the Miloli'i Community-Based Subsistence Fishing Area (CBSFA). Rules planned for FY 23 include lay net permit rules, comprehensive licensing/permitting amendments, updates to the Molokini MLCD rules, new Kipahulu CBSFA rules, and herbivore and Kona crab rule amendments.

Item 8: The number of interviews was lower than expected due to COVID-19.

PART III - PROGRAM TARGET GROUPS

Item 1: The number of licensed commercial fishers continues to be lower than expected due to the lasting effects of COVID-19 on seafood markets. We anticipate a decline in licensed commercial fishers in FY 23, as we implement a commercial vessel license that will eliminate the need for fishing vessel crews to obtain individual licenses.

Item 2: The COVID-19 pandemic caused a slight decrease in the number of commercial marine dealers in FY 22, as fishing effort declined as demand waned and we expect the decrease in dealers to remain about the same in FY 23.

PART IV - PROGRAM ACTIVITIES

Item 1: The number of commercial licenses and permits continues to be lower than expected due to the lasting effects of the COVID-19 on seafood markets. We anticipate issuing fewer licenses in FY 23, as we implement a commercial marine vessel license that will eliminate the need for fishing vessel crews to obtain individual licenses.

Item 2: The number of fish catch reports processed was mistakenly planned at 640,000; it should have been 45,000 for both years.

Item 3: The reopening of four Bottomfish (BF) Restricted Fishing Areas in FY 22 resulted in an increase in BF vessel registrations.

Item 4: The suspension of commercial aquarium fishing reflects the zeros posted for actual aquarium permits issued in FY 22. There is a possibility that up to seven permits may be issued for FY 23.

Item 5: In FY 22, the Division of Aquatic Resources received a lower number of data requests than anticipated; this trend is expected to continue for FY 23.

Item 7: The expected numbers were erroneously entered. It should have been 25 instead of 30; hence, no variance to report.

**VARIANCE REPORT NARRATIVE
FY 2022 AND FY 2023**

**01 04 02
LNR 153**

PROGRAM TITLE: FISHERIES MANAGEMENT

Item 8: The expected numbers were erroneously entered. It should have been 55 instead of 61; hence, no variance to report.

PROGRAM TITLE: AQUACULTURE DEVELOPMENT
 PROGRAM-ID: AGR-153
 PROGRAM STRUCTURE NO: 010403

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	2.00	-	1.00	33	7.00	2.00	-	5.00	71	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	420	337	-	83	20	165	165	+	0	0	913	913	+	0	0
TOTAL COSTS															
POSITIONS	3.00	2.00	-	1.00	33	7.00	2.00	-	5.00	71	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	420	337	-	83	20	165	165	+	0	0	913	913	+	0	0
					FISCAL YEAR 2021-22				FISCAL YEAR 2022-23						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					700	710	+	10	1	700	700	+	0	0	
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					90000	79670	-	10330	11	90000	90000	+	0	0	
3. TOTAL AQUACULTURE EMPLOYMENT					250	408	+	158	63	300	415	+	115	38	
PART III: PROGRAM TARGET GROUP															
1. AQUACULTURE OPERATIONS STATEWIDE					60	62	+	2	3	60	62	+	2	3	
PART IV: PROGRAM ACTIVITY															
1. INFORMATION SENT (NUMBER)					175	170	-	5	3	175	175	+	0	0	
2. PERMIT ASSISTANCE (NUMBER)					200	200	+	0	0	200	200	+	0	0	
3. DISEASE ASSISTANCE (NUMBER OF CASES)					250	245	-	5	2	250	250	+	0	0	
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)					4	4	+	0	0	4	4	+	0	0	

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 04 03
AGR 153

PROGRAM TITLE: AQUACULTURE DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

Variances expenditures were due to vacant positions and lower than anticipated expenditures from the Aquaculture Development Special Fund. Expected variances in positions filled in FY 23 is due to four of the positions are newly appropriated for FY 23.

PART II - MEASURES OF EFFECTIVENESS

Items 2 and 3. The aquaculture industry has rebounded from COVID-19 impacts. Value of production established a new record for the industry but fell short of the planned amount. The industry is expected to continue to expand in FY 23. The aquaculture employment numbers reflect the expansion of production.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

No significant variances.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	5.00	4.00	- 1.00	20	4.00	3.00	- 1.00	25	4.00	4.00	+ 0.00	0
EXPENDITURES (\$1000's)	102,795	52,933	- 49,862	49	5,607	4,828	- 779	14	109,562	105,198	- 4,364	4
TOTAL COSTS												
POSITIONS	5.00	4.00	- 1.00	20	4.00	3.00	- 1.00	25	4.00	4.00	+ 0.00	0
EXPENDITURES (\$1000's)	102,795	52,933	- 49,862	49	5,607	4,828	- 779	14	109,562	105,198	- 4,364	4
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. INCREASE IN NUMBER OF COMPANIES FUNDED	5	0	- 5	100	5	50	+ 45	900				
2. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	25	28	+ 3	12	25	25	+ 0	0				
3. TOTAL TENANT REVENUE (\$M)	71	104	+ 33	46	71	110	+ 39	55				
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	5.5	5.5	+ 0	0	5.8	5.8	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: TECHNOLOGY

01 05

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	2.00	1.00	-	1.00	50	1.00	1.00	+	0.00	0	1.00	1.00	+	0.00	0
EXPENDITURES (\$1000's)	3,198	5,226	+	2,028	63	2,376	444	-	1,932	81	8,219	10,151	+	1,932	24
TOTAL COSTS															
POSITIONS	2.00	1.00	-	1.00	50	1.00	1.00	+	0.00	0	1.00	1.00	+	0.00	0
EXPENDITURES (\$1000's)	3,198	5,226	+	2,028	63	2,376	444	-	1,932	81	8,219	10,151	+	1,932	24
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF BUSINESSES PARTICIPATING IN GREEN BUS. PROG.	20	19	-	1	5	20	20	+	0	0					
2. # OF ENERGY STAKEHOLDERS REACHED	169400	524398	+	354998	210	172700	245000	+	72300	42					
3. % OF SESF 12 ACTIVATIONS THAT ARE STAFFED	100	100	+	0	0	100	100	+	0	0					
4. # MEDIA OUTLETS REACHED	80	82	+	2	3	85	85	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. # OF EMERGING AND EXISTING RE PROJECT ENTITIES	135	137	+	2	1	140	140	+	0	0					
2. # OF POTENTIAL GBP PARTICIPANTS CONTACTED	50	47	-	3	6	50	50	+	0	0					
3. # OF BUILDING CODE ORGANIZATIONS	10	8	-	2	20	10	10	+	0	0					
4. # OF ENERGY STAKEHOLDERS AND POLICY MAKERS	2055	2653	+	598	29	2095	3000	+	905	43					
PART IV: PROGRAM ACTIVITY															
1. # OF TECH. ASSIST. TO PUBLIC & PRIVATE ENTITIES	1300	3840	+	2540	195	1300	3925	+	2625	202					
2. # OF ANALYSES & PROJECTS SUPPORTING CLEAN ENERGY	24	81	+	57	238	24	93	+	69	288					
3. # OF STAFF HOURS SUPPORTING THE EOC FOR SESF 12	420	400	-	20	5	420	300	-	120	29					
4. # OF LEGISLATIVE MEASURES TRACKED AND ADDRESSED	200	207	+	7	4	200	200	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 05 01
BED 120

PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

PART I - EXPENDITURES AND POSITIONS

Positions: One permanent position, upon becoming vacant, was converted to a temporary exempt position pursuant to Act 122, 2019. The temporary exempt position was filled in October 2021.

Expenditures: FY 22 expenditures exceeded the budgeted amount because the actual expenditures include amounts for prior years' encumbrances and expenditures from non-appropriated federal funds.

Item 2. Analyses and projects performed in support of Hawaii's clean energy goals was greater than planned in FY 22 because of the numerous proposed changes to codes, standards, incentives, and policies, as well as the work of the Clean Energy Wayfinders.

PART II - MEASURES OF EFFECTIVENESS

Item 2. The number of energy stakeholders reached was greater than planned because of the number of website engagements such as number of times website was opened; total number of social media engagements (likes, views, shares on our posts); meetings with stakeholders, policy makers, State, county, and private and public agencies and organizations; and quarterly newsletters' number of engagements from stakeholders.

PART III - PROGRAM TARGET GROUPS

Item 3. The number of building code organizations was less than planned because of COVID-19 interruption.

Item 4. The number of energy stakeholders and policy makers was greater than planned in FY 22 because of the addition of social media followers, meetings with legislators, other agencies and numerous working groups, including several monthly working groups, the Powering Past Coal Task Force and periodic Neighborhood Board Meetings, Energy project public engagements, and bimonthly Thinktech online CodeGreen show and other periodic shows.

PART IV - PROGRAM ACTIVITIES

Item 1. Technical assistance provided to public and private entities was greater than planned because the use of videoconferencing technologies allowed for more interactions.

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION
 PROGRAM-ID: BED-143
 PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	3.00	3.00	+	0.00	0	3.00	2.00	-	1.00	33	3.00	3.00	+	0.00	0
EXPENDITURES (\$1000's)	5,874	5,466	-	408	7	900	1,343	+	443	49	9,951	4,330	-	5,621	56
TOTAL COSTS															
POSITIONS	3.00	3.00	+	0.00	0	3.00	2.00	-	1.00	33	3.00	3.00	+	0.00	0
EXPENDITURES (\$1000's)	5,874	5,466	-	408	7	900	1,343	+	443	49	9,951	4,330	-	5,621	56
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF COMPANIES ASSTD WITH HTDC INNOVATION PROGRAMS	300	170	-	130	43	300	300	+	0	0					
2. MKTG: # OF INDIVIDUALS OR COMPANIES ASSISTED	36300	32500	-	3800	10	36300	36300	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. # MANUFACTURERS APPLYING FOR SERVICES/ASST.	200	225	+	25	13	200	200	+	0	0					
2. # OF COMPANIES APPLYING FOR PROGRAM SERVICES	500	450	-	50	10	500	500	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. # OF CONTACTS AND RESPONSES	58000	47000	-	11000	19	58000	58000	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 05 02
BED 143

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

FY 22 actual expenditures are less than the budgeted amount because the budgeted amount includes excess capacity for flexibility should an opportunity arise for the Hawaii Technology Development Corporation (HTDC) - actual income and expenses are lower.

FY 22 and FY 23 First Quarter positions variances are due to the vacancy of a permanent Director. The position is currently being filled through temporary assignment.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Our facilities occupancy has been high and programs are well attended, but lack of funding for FY 22 for the Hawaii Small Business Innovation Research (HSBIR) Phase II Program and Manufacturing Assistance Program (MAP) grant funding has lessened the companies inquiring for services.

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

PART III - PROGRAM TARGET GROUPS

Item 1. There was a need for services for manufacturers to survive shutdowns from the COVID-19 pandemic. HTDC increased workshops on ecommerce and other services to help Hawaii's manufacturers survive.

Item 2. While our facility activities remain strong, companies requesting for assistance was down due to no funding for both the MAP grant and HSBIR Phase II Program for FY 22.

PART IV - PROGRAM ACTIVITIES

Item 1. While hits to various HTDC websites have shown that activity is lower than planned, there were less inquiries due to no funding for the MAP and HSBIR Phase II grant programs.

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORP (HIST)
 PROGRAM-ID: BED-145
 PROGRAM STRUCTURE NO: 010503

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
TOTAL COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
					FISCAL YEAR 2021-22				FISCAL YEAR 2022-23			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
3. INCREASE IN NUMBER OF COMPANIES FUNDED	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
PART III: PROGRAM TARGET GROUP												
1. ENTREPRENEURIAL START-UP COMPANIES	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDS	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
PART IV: PROGRAM ACTIVITY												
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		
3. ENTREPRENEURIAL TRAINING PROGRAMS	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0		

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 05 03
BED 145

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORP (HIST)

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

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

PART III - PROGRAM TARGET GROUPS

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

PART IV - PROGRAM ACTIVITIES

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

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY
 PROGRAM-ID: BED-146
 PROGRAM STRUCTURE NO: 010504

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,745	7,195	-	550	7	2,040	2,750	+	710	35	5,705	5,030	-	675	12
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	7,745	7,195	-	550	7	2,040	2,750	+	710	35	5,705	5,030	-	675	12
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	5.5	5.5	+	0	0	5.8	5.8	+	0	0					
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	5500	5500	+	0	0	5500	5500	+	0	0					
3. TOTAL TENANT EXPENDITURES (\$M)	110	110	+	0	0	120	120	+	0	0					
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	10	10	+	0	0	10	10	+	0	0					
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	+	0	0	99.999	99.999	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. PUBLIC EDUCATIONAL OUTREACH PARTICIPANTS	3000	3000	+	0	0	5000	5000	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	570	570	+	0	0	580	580	+	0	0					
2. TOTAL VOLUME OF SEAWATER PUMPED MONTHLY (MGALS)	605	605	+	0	0	610	610	+	0	0					
3. TOTAL NUMBER OF NELHA TENANTS	60	56	-	4	7	62	62	+	0	0					
4. PERCENTAGE OF NELHA LAND IN USE	50	50	+	0	0	51	51	+	0	0					
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)	175	175	+	0	0	180	190	+	10	6					
6. BEACH PARK USE (# OF ATTENDEES)	100000	100000	+	0	0	110000	110000	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 05 04
BED 146

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

PART I - EXPENDITURES AND POSITIONS

FY 23 First Quarter expenditure variance is due to the inclusion of all means of financing expenditures and contract encumbrances from previous years.

Note appropriation change due to collective bargaining units' anticipated increase

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

No significant variances.

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY
 PROGRAM-ID: BED-138
 PROGRAM STRUCTURE NO: 010505

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	85,978	35,046	- 50,932	59	291	291	+ 0	0	85,687	85,687	+ 0	0
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	85,978	35,046	- 50,932	59	291	291	+ 0	0	85,687	85,687	+ 0	0
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % FINANCING FOR UNDERSERVED TARGET	NO DATA	82	+ 82	0	NO DATA	82	+ 82	0				
2. ESTIMATED KWH PRODUCTION OVER LIFETIME (000)	NO DATA	53406	+ 53406	0	NO DATA	50000	+ 50000	0				
3. EST KWH REDUCTION OVER LIFETIME (000)	50	112	+ 62	124	50	50	+ 0	0				
4. EST BARRELS OF PETROLUEM DISPLACED (000)	6	32	+ 26	433	6	6	+ 0	0				
5. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)	3	16	+ 13	433	3	3	+ 0	0				
6. TOTAL GEMS LOANS DEPLOYED (000)	NO DATA	6319	+ 6319	0	NO DATA	5000	+ 5000	0				
7. ESTIMATED NET COST SAVINGS	NO DATA	11007	+ 11007	0	NO DATA	10000	+ 10000	0				
PART III: PROGRAM TARGET GROUP												
1. RESIDENTIAL RATE PAYERS (HOMEOWNERS/RENTERS)	40	71	+ 31	78	0	40	+ 40	0				
2. COMMERCIAL RATEPAYERS	5	5	+ 0	0	5	5	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE AND SERVICE CLEAR ENERGY LOANS	400	687	+ 287	72	400	400	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 05 05
BED 138

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

PART I - EXPENDITURES AND POSITIONS

The Hawaii Green Infrastructure Authority's (HGIA) FY 22 budget included appropriations for operating overhead, program expenses, a loan ceiling for loans funded, a bond ceiling for Green Energy Market Securitization (GEMS) bond payments and expenses, and a bond ceiling "cushion" required by the bond indenture documents for 1.5 times the bond payments of \$6.5 million. This \$6.5 million is not intended or expected to be spent and, as such, is not included in the estimated amounts. Total loans funded during the year aggregated \$6.3 million. Overhead and program expenses of \$768,000 were offset by approximately \$2.2 million in revenue earned during the fiscal year. However, an Order from the Public Utilities Commission (PUC) requires all loan repayments (principal and interest) to be transferred on an annual basis. In September 2021, the Authority transferred \$4.0 million to the PUC's account at Bank of Hawaii.

Due to an intentional decision made in September 2019 to allow the remaining GEMS capital to only finance hard-to-reach underserved ratepayers (see Part III - Program Target Group), the amount of loans being deployed are lower than when the Authority was able to fund all applicants, resulting in a 59% variance in the actual to budgeted expenditures. However, reaching underserved is more time consuming and consumes more resources.

The actual timing of a loan being funded is dependent on the various contractors achieving specified milestones in the project contracts for loans approved. Projects typically take between 6 to 18 months to complete, making it hard to predict the timing of loan funding. As of June 30, 2022, HGIA had \$18.4 million in committed loans.

PART II - MEASURES OF EFFECTIVENESS

Items 3, 4, and 5. With only a limited amount in GEMS loan capital left to lend, HGIA established a permitted interaction group ("PIG") to investigate, discuss and make a recommendation for future loans. The recommendation of the PIG was to utilize the remaining funds to assist

the underserved and hard-to-reach with clean energy financing, consisting of the following segments: (1) low- and moderate-income single family residential homeowners and renters; (2) small businesses (as defined by the U.S. Small Business Administration); (3) multi-family rental projects; and (4) nonprofits. Although limiting financing to these targeted, historically hard-to-reach segments has slowed the deployment of loan funds, HGIA's board adopted these recommendations, effective September 1, 2019, in order to democratize clean energy, making financing available to those with limited options, to help lower their energy costs while helping our State achieve its aggressive clean energy goals.

During the fiscal year, the Authority booked 31% more loans than budgeted, which resulted in an increase of 62% of kWh (kilowatt-hour) reduction estimates, 26% variance on barrels of petroleum displaced, and 13% variance on greenhouse gas reduction.

PART III - PROGRAM TARGET GROUPS

Item 1. As indicated in Part II, HGIA's capital can only finance harder to reach underserved ratepayers. As such, the pace of adoption has and will continue to be slower.

PART IV - PROGRAM ACTIVITIES

Item 1. Similarly, as mentioned above, although HGIA will increase its efforts on grassroots community outreach, we expect the program activity measured by the number of loans originated and serviced to remain steady.

During the year, the Authority originated 310 loans and is servicing 377 loans.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	28.00	23.00	-	5.00	18	28.00	23.00	-	5.00	18	28.00	28.00	+	0.00	0
EXPENDITURES (\$1000's)	3,604	3,253	-	351	10	901	647	-	254	28	3,038	3,292	+	254	8
TOTAL COSTS															
POSITIONS	28.00	23.00	-	5.00	18	28.00	23.00	-	5.00	18	28.00	28.00	+	0.00	0
EXPENDITURES (\$1000's)	3,604	3,253	-	351	10	901	647	-	254	28	3,038	3,292	+	254	8
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1	1	+	0	0	1	1	+	0	0	1	1	+	0	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)	250	0	-	250	100	250	0	-	250	100	250	0	-	250	100
4. STATE LANDS DEVELOPED (ACRES)	10	10	+	0	0	10	10	+	0	0	10	10	+	0	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)	500	1800	+	1300	260	1200	2000	+	800	67	1200	2000	+	800	67
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)	4	4	+	0	0	4	4	+	0	0	4	4	+	0	0
PART III: PROGRAM TARGET GROUP															
1. DEFACTO POPULTN BENEFYNG FR IMPRVMENTS (NO. IN MIL)	1.4	1.5	+	0.1	7	1.4	1.5	+	0.1	7	1.4	1.5	+	0.1	7
PART IV: PROGRAM ACTIVITY															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	25	24	-	1	4	25	25	+	0	0	25	25	+	0	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	30	31	+	1	3	30	30	+	0	0	30	30	+	0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	30	31	+	1	3	30	30	+	0	0	30	30	+	0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	20000	20000	+	0	0	20000	20000	+	0	0	20000	20000	+	0	0
5. CIP EXPENDITURES (\$1,000)	40000	30500	-	9500	24	40000	40000	+	0	0	40000	40000	+	0	0
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)	1	1	+	0	0	1	1	+	0	0	1	1	+	0	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD	5	5	+	0	0	5	5	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 06
LNR 141

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 22 position variance is due to budgeted and unbudgeted vacant positions. The program has experienced difficulties in recruitment due to the prolonged historically low unemployment rate and lack of interested and qualified applicants. In order to fill its vacancies, the program is attempting to recruit positions at all levels. In FY 23, funding was restored for three engineer positions.

FY 22 and FY 23 differences in budgeted amount and actual expenditures are primarily payroll savings due to staff vacancies and corresponding funds for activities to be performed, and unused accrued vacation/sick leave fund for the Capital Improvement Program Project staff.

PART II - MEASURES OF EFFECTIVENESS

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

Item 5: Due to Puna Geothermal Venture restarting electrical production sooner and at higher levels than anticipated, FY 22 royalties were received in greater amounts. FY 23 royalty estimates have been updated to reflect the consistently increasing electrical production due to upgraded power plant equipment.

PART III - PROGRAM TARGET GROUPS

No significant variance.

PART IV - PROGRAM ACTIVITIES

Item 5: FY 22 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$45 million is encumbered in consultant and/or construction contracts for expenditure in FY 23 and beyond.

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	3,797	2,910	-	887	23	810	977	+	167	21	2,748	2,577	-	171	6
TOTAL COSTS															
POSITIONS	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0	21.00	21.00	+	0.00	0
EXPENDITURES (\$1000's)	3,797	2,910	-	887	23	810	977	+	167	21	2,748	2,577	-	171	6
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	400	0	-	400	100	446	446	+	0	0	20	20	+	0	0
2. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	20	20	+	0	0	20	20	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

01 07

PART I - EXPENDITURES AND POSITIONS

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

PART II - MEASURES OF EFFECTIVENESS

See Lowest Level Programs for additional information.

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY
 PROGRAM-ID: BED-150
 PROGRAM STRUCTURE NO: 010701

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,797	2,910	- 887	23	810	977	+ 167	21	2,748	2,577	- 171	6
TOTAL COSTS												
POSITIONS	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0	21.00	21.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,797	2,910	- 887	23	810	977	+ 167	21	2,748	2,577	- 171	6
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	400	0	- 400	100	446	446	+ 0	0				
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	623	0	- 623	100	786.5	786.5	+ 0	0				
3. # OF NEW HOUSING UNITS IN KAKAAKO	751	0	- 751	100	723	723	+ 0	0				
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	+ 0	0	0	0	+ 0	0				
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	115	115	+ 0	0	115	115	+ 0	0				
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	20	20	+ 0	0	20	20	+ 0	0				
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	60	60	+ 0	0	60	60	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. # OF RESIDENTS IN KAKAAKO	30280	30280	+ 0	0	30280	30280	+ 0	0				
2. # OF EMPLOYEES IN KAKAAKO	25330	25330	+ 0	0	25330	25330	+ 0	0				
3. # OF BUSINESSES IN KAKAAKO	1266	1266	+ 0	0	1266	1266	+ 0	0				
4. # OF LANDUSERS WITHIN KALAELOA	35	35	+ 0	0	35	35	+ 0	0				
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	6050	6050	+ 0	0	6050	6050	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	125	125	+ 0	0	125	125	+ 0	0				
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	0	+ 0	0	0	0	+ 0	0				
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	0	+ 0	0	0	0	+ 0	0				
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	65	65	+ 0	0	65	65	+ 0	0				
5. NEW PLANNING IN KALAELOA (\$M)	0	0	+ 0	0	0	0	+ 0	0				
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	0	0	+ 0	0	0	0	+ 0	0				
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	0	0	+ 0	0	0	0	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 07 01
BED 150

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

PART I - EXPENDITURES AND POSITIONS

The variance in FY 22 is due to incoming/outgoing staff, leaving three positions not filled at the end of the year. Three positions are currently waiting for approval to fill.

PART II - MEASURES OF EFFECTIVENESS

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

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

No significant variances.

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

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	25.00	20.00	-	5.00	20	25.00	20.00	-	5.00	20	25.00	23.00	-	2.00	8
EXPENDITURES (\$1000's)	18,390	9,274	-	9,116	50	3,093	2,682	-	411	13	20,756	21,167	+	411	2
TOTAL COSTS															
POSITIONS	25.00	20.00	-	5.00	20	25.00	20.00	-	5.00	20	25.00	23.00	-	2.00	8
EXPENDITURES (\$1000's)	18,390	9,274	-	9,116	50	3,093	2,682	-	411	13	20,756	21,167	+	411	2
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF HOMEBUYERS ASSISTED	1116	896	-	220	20	778	200	-	578	74					
2. # OF NEW RENTAL UNITS	201	283	+	82	41	225	612	+	387	172					
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	162	0	-	162	100	150	312	+	162	108					
4. # OF LEASE RENTS RENEGOTIATED	1	1	+	0	0	1	1	+	0	0					
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	2	2	+	0	0	2	2	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	4000	4000	+	0	0	4000	4000	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	250	228	-	22	9	250	306	+	56	22					
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	150	1107	+	957	638	150	216	+	66	44					
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	50	118.9	+	68.9	138	50	177.5	+	127.5	255					
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	500	201	-	299	60	300	100	-	200	67					
5. ASSIST FIRST-TIME HOMEBUYERS	1116	896	-	220	20	778	200	-	578	74					
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	+	0	0	0	0	+	0	0					
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	2	2	+	0	0	2	2	+	0	0					

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 08
BED 160

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

PART I - EXPENDITURES AND POSITIONS

The position variances are primarily due to the lack of interested and qualified applicants for the vacant positions. The actual and estimated number of filled positions will always be at least a -2.00 change as 2.00 positions were left unfunded by Act 88, SLH 2021.

The expenditure variance for FY 22 is primarily the result of the timing of federal grant award expenditures as projects may take several years to complete. Initial year expenditures are mainly administrative costs and subsequent years expenditures are for larger project costs.

In the first quarter of FY 23, actual expenditures of the non-federally funded appropriations were slightly delayed with the expectation that the expenditures will be caught up during the remainder of the fiscal year. Federally-funded expenditures fluctuate depending on the progression of funded projects that may be expended over multiple years.

PART II - MEASURES OF EFFECTIVENESS

Item 1. The negative variances in the number of homebuyers assisted for FYs 22 and 23 are a result of delayed start of projects due to the COVID-19 pandemic and redirection of staffing to reissuance of certificates for the Mortgage Credit Certificate Program (MCCP). The MCCP recently received funding for FY 23 and resumed issuing new certificates to assist homebuyers.

Item 2. The positive variances in the number of new rental units for FYs 22 and 23 are a result of the completion (or estimated completion) of projects that were delayed due to the COVID-19 pandemic.

Item 3. The negative variance in the number of existing affordable rental housing preserved for FY 22 is a result of both timing and construction delays of planned projects. The projects initially planned for FY 22 were delayed until FY 23, resulting in the positive variance.

Item 4. No significant variances in renegotiated lease rents for FYs 22

and 23.

Item 5. No significant variances in single family leaseholds converted to fee simple for FYs 22 and 23.

PART III - PROGRAM TARGET GROUPS

Item 1. Households earning up to 140% of the U.S. Department of Housing and Urban Development average median income in accordance with a Hawaii Housing Planning Study conducted in 2019 increased to 4,000 units. A new study is currently in progress.

PART IV - PROGRAM ACTIVITIES

Item 1. The negative variance in the number of units under loan originations for FY 22 is primarily a result of delayed start of projects, resulting in the positive variance for FY 23.

Item 2. The positive variances for FYs 22 and 23 are the result of the increase in the number of project applications and awards. Many projects that were delayed due to the uncertainty of the COVID-19 pandemic have resumed.

Item 3. The positive variances in the amount of tax-exempt revenue bonds issued for FYs 22 and 23 are a result of rising development and construction costs, causing developers to utilize bond financing for their below market interest rates.

Item 4. The negative variances for FYs 22 and 23 in the facilitation of real property development are due to planning and construction delays. Projects planned for FY 23 were delayed until FY 24.

Item 5. The negative variances in the number of first-time homebuyers assisted for FYs 22 and 23 are a result of delayed start of projects due to the COVID-19 pandemic and redirection of staffing to reissuance of certificates for the MCCP. The MCCP recently received funding for FY 23 and resumed issuing new certificates to assist first-time homebuyers.

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 08
BED 160

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

Item 6. No variances in the number of applications for arbitration of lease rent renegotiations for FYs 22 and 23.

Item 7. No variances in the number of applications processed for leasehold conversions in FYs 22 and 23.

PROGRAM TITLE: OFFICE OF AEROSPACE (HIST)
 PROGRAM-ID: BED-128
 PROGRAM STRUCTURE NO: 0109

	FISCAL YEAR 2021-22				THREE MONTHS ENDED 09-30-22				NINE MONTHS ENDING 06-30-23			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
TOTAL COSTS												
POSITIONS												
EXPENDITURES (\$1000's)												
	FISCAL YEAR 2021-22				FISCAL YEAR 2022-23							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. SUPPORT THE DOE CHALLENGER PROGRAM	1	NO DATA	-	1	100	1	NO DATA	-	1	100		
2. # OF INTL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	NO DATA	-	1	100	1	NO DATA	-	1	100		
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	NO DATA	-	5	100	5	NO DATA	-	5	100		
4. # OF NTL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	NO DATA	-	1	100	1	NO DATA	-	1	100		
PART III: PROGRAM TARGET GROUP												
1. # OF LOCAL SPACE INDUSTRY EVENTS PARTICIPATED IN	1	NO DATA	-	1	100	1	NO DATA	-	1	100		
2. # OF HI-BASED EDU & RSRCH INST INITIATIVES PURSUED	9	NO DATA	-	9	100	9	NO DATA	-	9	100		
PART IV: PROGRAM ACTIVITY												
1. # OF AEROSPACE PROJECTS PARTICIPATED IN	4	NO DATA	-	4	100	4	NO DATA	-	4	100		
2. # OF COMMUNITY OUTREACH EVENTS PARTICIPATED IN	12	NO DATA	-	12	100	12	NO DATA	-	12	100		

VARIANCE REPORT NARRATIVE FY 2022 AND FY 2023

01 09
BED 128

PROGRAM TITLE: OFFICE OF AEROSPACE (HIST)

PART I - EXPENDITURES AND POSITIONS

No budget information for FYs 22 and 23 available, as BED 128, Office of Aerospace (OAD), was abolished during the 2021 Legislative Session.

PART II - MEASURES OF EFFECTIVENESS

No data available for FYs 22 and 23, as BED 128, OAD, was abolished during the 2021 Legislative Session.

PART III - PROGRAM TARGET GROUPS

No data available for FYs 22 and 23, as BED 128, OAD, was abolished during the 2021 Legislative Session.

PART IV - PROGRAM ACTIVITIES

No data available for FYs 22 and 23, as BED 128, OAD, was abolished during the 2021 Legislative Session.