



DETAILS OF VARIANCES



ECONOMIC DEVELOPMENT

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	488.00	373.00	- 115.00	24	481.00	369.00	- 112.00	23	481.00	434.00	- 47.00	10
EXPENDITURES (\$1000's)	222,882	140,621	- 82,261	37	48,171	53,195	+ 5,024	10	585,319	601,804	+ 16,485	3
TOTAL COSTS												
POSITIONS	488.00	373.00	- 115.00	24	481.00	369.00	- 112.00	23	481.00	434.00	- 47.00	10
EXPENDITURES (\$1000's)	222,882	140,621	- 82,261	37	48,171	53,195	+ 5,024	10	585,319	601,804	+ 16,485	3

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. GROSS STATE PRODUCT (2012 CONSTANT \$ IN MILLIONS)	76725	75833	- 892	1	77876	76820	- 1056	1
2. REAL PERSONAL INCOME (2012 CONSTANT \$ IN MILLIONS)	61735	64499	+ 2764	4	62723	64948	+ 2225	4
3. UNEMPLOYMENT RATE (% , TENTHS)	6.9	3.3	- 3.6	52	6.6	2.9	- 3.7	56
4. TOTAL EMPLOYMENT (THOUSANDS)	635	628	- 7	1	643	635	- 8	1
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	94709	100152	+ 5443	6	97860	103978	+ 6118	6
6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)	83482	91449	+ 7967	10	86090	95100	+ 9010	10

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

PROGRAM TITLE: ECONOMIC DEVELOPMENT

01

PART I - EXPENDITURES AND POSITIONS

The variance in the position count is generally attributed to vacancies due to budget constraints, personnel turnovers, and pending recruitment and filling. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. 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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	65.00	56.00	- 9.00	14	66.00	57.00	- 9.00	14	66.00	66.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,952	9,632	- 2,320	19	3,849	3,287	- 562	15	16,374	13,628	- 2,746	17
TOTAL COSTS												
POSITIONS	65.00	56.00	- 9.00	14	66.00	57.00	- 9.00	14	66.00	66.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,952	9,632	- 2,320	19	3,849	3,287	- 562	15	16,374	13,628	- 2,746	17
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	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	419	+ 69	20	400	350	- 50	13				
3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	100	+ 97	3233	3	3	+ 0	0				
4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	17.76	19.80	+ 2.04	11	19.03	19.08	+ 0.05	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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)	4,671	2,086	- 2,585	55	1,962	990	- 972	50	9,637	6,675	- 2,962	31
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)	4,671	2,086	- 2,585	55	1,962	990	- 972	50	9,637	6,675	- 2,962	31
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	10	10	+ 0	0	10	10	+ 0	0				
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	1900	15600	+ 13700	721	1900	8300	+ 6400	337				
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	25	10	- 15	60	25	10	- 15	60				
PART III: PROGRAM TARGET GROUP												
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	250	151	- 99	40	250	150	- 100	40				
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	158	+ 118	295	40	40	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	25	25	+ 0	0	25	25	+ 0	0				
2. OUTREACH ACTIVITIES	10	10	+ 0	0	10	10	+ 0	0				
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES	300	150	- 150	50	300	150	- 150	50				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

**01 01 01
BED 100**

PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

PART I - EXPENDITURES AND POSITIONS

In FY 23, the variance was due to the fact that revolving and federal funds budgeted appropriations are ceilings and not actual cash.

For FY 24, Quarter 1, 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 24, Quarters 2-4, is net of restrictions on general funds.

PART II - MEASURES OF EFFECTIVENESS

Item 2: The FY 23 planned amount is a typographical error and should reflect 19,000 (thousand), not 1,900 (thousand). In FY 23, total/projected export sales improved from FY 22 but was still below planned. With the continued strength of the dollar making U.S. goods more expensive for foreign buyers, we anticipate total/projected export sales to be short of planned levels for FY 24.

Item 3: During the next biennium budget preparation, we will revise the planned numbers for the Enterprise Zone Program (EZP) enrollment to reflect a new level set following COVID-19.

PART III - PROGRAM TARGET GROUPS

Item 1: During the next biennium budget preparation, we will revise the planned numbers for the EZP enrollment to reflect a new level set following COVID-19.

Item 2: In FY 23, 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 24, we are being conservative, anticipating that estimates will remain as planned.

Item 3: In FY 23, there was a surge in the number of small- and medium-sized enterprises registering for the Hawaii State Trade Expansion Program (HiSTEP) as more companies considered exporting as a way to expand their business, particularly after coming out of COVID-19. We expect this to level off for FY 24 as companies go through the HiSTEP export readiness training and many realize that they may not be ready to invest the time and resources needed to be a successful export company.

PART IV - PROGRAM ACTIVITIES

Item 3: During the next biennium budget preparation, we will revise the planned numbers for the EZP enrollment to reflect a new level set following COVID-19.

PROGRAM TITLE: OFFICE OF INTERNATIONAL AFFAIRS
 PROGRAM-ID: BED-101
 PROGRAM STRUCTURE NO: 010102

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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
EXPENDITURES (\$1000's)					0	0	+ 0	0	500	250	- 250	50
TOTAL COSTS												
POSITIONS					0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)					0	0	+ 0	0	500	250	- 250	50
					FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NO MEASURES DEVELOPED FOR PROGRAM					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 02
BED 101

PROGRAM TITLE: OFFICE OF INTERNATIONAL AFFAIRS

PART I - EXPENDITURES AND POSITIONS

FY 24 Expenditures: Several events and activities had to be postponed due to the wildfires in Maui and Hawaii County in August 2023.

Of note, BED-101 is a new Program ID established by the 2023 Legislature for the Office of International Affairs.

PART II - MEASURES OF EFFECTIVENESS

This is a new Program ID established by the 2023 Legislature; as such, no measures of effectiveness are available and/or have been developed for this program.

PART III - PROGRAM TARGET GROUPS

This is a new Program ID established by the 2023 Legislature; as such, no program target groups are available and/or have been developed for this program.

PART IV - PROGRAM ACTIVITIES

This is a new Program ID established by the 2023 Legislature; as such, no program activities are available and/or have been developed for this program.

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION
 PROGRAM-ID: BED-105
 PROGRAM STRUCTURE NO: 010103

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	10.00	-	3.00	23	14.00	10.00	-	4.00	29	14.00	14.00	+	0.00	0
EXPENDITURES (\$1000's)	2,373	1,770	-	603	25	570	668	+	98	17	1,947	2,517	+	570	29
TOTAL COSTS															
POSITIONS	13.00	10.00	-	3.00	23	14.00	10.00	-	4.00	29	14.00	14.00	+	0.00	0
EXPENDITURES (\$1000's)	2,373	1,770	-	603	25	570	668	+	98	17	1,947	2,517	+	570	29
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)	4.0	5.3	+	1.3	33	4.0	4.5	+	0.5	13					
2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	55	51	-	4	7	60	46	-	14	23					
3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS	19	14	-	5	26	21	12	-	9	43					
4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)	350	419	+	69	20	400	350	-	50	13					
5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)	605	724.9	+	119.9	20	800	605.5	-	194.5	24					
6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)	45	45.3	+	0.3	1	50	37.8	-	12.2	24					
7. \$ AMT OF ESTIMATED REBATE - ACT 275	50	50	+	0	0	50	50	+	0	0					
8. \$ AMT OF PRODUCTION SPENT ON NEIGHBOR ISLANDS	50	33.8	-	16.2	32	55	20	-	35	64					
9. \$ AMT OF HOUSEHOLD INCOME - TOTAL SPEND (MIL)	200	167	-	33	17	250	140	-	110	44					
PART III: PROGRAM TARGET GROUP															
1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89	100	244	+	144	144	100	100	+	0	0					
2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS	500	NO DATA	-	500	100	600	NO DATA	-	600	100					
3. ESTIMATED REV. GEN. FM MUSIC PLACEMENTS (THOUS)	150	150	+	0	0	150	135	-	15	10					
PART IV: PROGRAM ACTIVITY															
1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY	2900	2600	-	300	10	3200	2400	-	800	25					
2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT	100	NO DATA	-	100	100	100	NO DATA	-	100	100					
3. # OF MUSIC PLACEMENTS IN FILM, TV, COMMERCIALS	27	98	+	71	263	30	70	+	40	133					

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 03
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

PART I - EXPENDITURES AND POSITIONS

As of October 2023, three positions are filled with 89-day hires while in active recruitment; two in the Film Office, one in the Arts and Culture Branch. Two of these positions remain unfunded: a Film Industry Development Specialist V (Film) and a Program Specialist V (Creative Industries Division (CID) workforce development).

Positions: 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 Economic Development Specialist (EDS) V was not funded in SLH 2022. The EDS V and an Administrative Officer were funded in SLH 2023.

Variables: The variance data for FY 23 includes three positions that are filled with 89-day hires as of October 2023. Two of the three 89-day hires have applied for the permanent position through the Department of Human Resources Development (DHRD) and are awaiting on the recruitment list. The third 89-day hire position is awaiting recruitment with DHRD. CID has filled the Office Assistant III position with a start date of November 16, 2023.

Expenditures: The FY 23 variance is due to the fact that special funds budgeted appropriation of \$780,000 is ceiling and not actual cash. The FY 24 variance is due to encumbrance balances from prior-year appropriations.

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 Plan.

Item 3. Current DBEDT READ data is reflective of 2020-21. Jobs on the neighbor islands were greatly impacted due to the pandemic, with a slower rebound of our visual, music, and performing arts sectors. Hawaii was one of a handful of states more adversely impacted by COVID-19 according to data by the Brookings Institute collected in 2020. We anticipate updating eVariance when the 2021 READ report is available in December.

Note: With the U.S. Economic Development Administration's Good Jobs Challenge kicking off in FY 23, CID projects increased in jobs and business creation in the creative sectors on the neighbor islands as well as Oahu.

Item 4. The variance in FY 23 data is at a higher actual amount due to having more productions filmed in Hawaii in FY 23. Oahu and the neighbor islands hosted multiple prime time television series, providing an increase in jobs, and support for small businesses. The return of television series Magnum P.I., NCIS Hawaii, and Doogie Kamealoha, M.D., plus a new series (Chief of War), reality TV series, a feature film, and local productions, all of which contributed to this higher expenditure.

The variance for FY 24 data is a lower estimate due to the industry strikes - Writers Guild of America (May 2, 2023 to September 27, 2023 = 148 days) and Screen Actors Guild (began on July 14, 2023 and is continuing as of this writing). We believe that these strikes will impact the expenditures as our productions have still not started filming. In addition, Magnum P.I. and Doogie Kamealoha, M.D., were both cancelled.

Item 5. The variance in the FY 23 data of economic impacts factored at an aggregate 1.73 multiplier. The actual dollar amount is higher due to having higher direct expenditures for film production.

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 03
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

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 5. The variance for FY 24 is a lower estimate due to the industry strikes and anticipating that we will not have as high of a production expenditure to report for FY 24.

Item 6. The estimated taxes generated are determined by an input/output model formula, and we project trending upwards. The variance in FY 24 is a lower estimate due to the industry strikes and anticipating that we will not have as high of a production expenditure to report for FY 24.

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. The variances for FY 23 and FY 24 are lower than the planned/estimated due to not having as many productions filmed on the neighbor islands during FY 23 and is anticipated to continue into FY 24.

Item 9. The variances for FY 23 and FY 24 are estimated household incomes based on the total production spent through application of the input/output multiplier of 1.73. We did not use the correct multiplier during the planning and that resulted in a higher planned household income. By using the correct multiplier, the estimated figure is lower, but much more realistic.

PART III - PROGRAM TARGET GROUPS

Item 1. The variance data in FY 23 for 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. The actual amount is higher than estimated due to having more productions apply for tax credits and choosing to contribute to local

educational institutions.

Item 2. Export of locally originated media content has steadily grown in size and professionalism. To date, University and community-based programs are seeing a rise in success rate of projects being acquired or licensed.

Item 3. While revenues are less than anticipated due to the program being on hold for two years due to the pandemic, CLH's Music Immersive program has afforded local songwriters the ability to license their work for national film, television, and international commercials generating \$100,000+/year, over \$600,000 in placements to date. Due to the program's direct interaction with industry leaders and music placement companies, participants have realized new revenue streams from their original compositions. Their work remains in the music placement companies catalog year-round.

PART IV - PROGRAM ACTIVITIES

Item 1. The number of permits for film, television, internet projects (IP), etc., are slightly lower than planned for FY 23 as productions opted to shoot on other properties (federal, county, or private property) and they did not need to obtain a State film permit.

For FY 24, the number of permits for film, television, IP, etc., are estimated to be lower based on the Writers Guild of America strike and the continuing Screen Actors Guild strike. Not as many productions will shoot in the remainder of the fiscal year and that will lower the number of film permits issued.

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,

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 03
BED 105

PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION

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 the University of Hawaii, Academy of Creative Media's program, and Hawaii Pacific University's digital media courses are part of the equation, as are the multiple workforce/content creator programs outside of the university.

Item 3. With the return of the CLH Music Immersive in 2022, along with other local songwriters hired by corporations to score their TV commercials, Hawaii artists have continued to monetize their creative IP in the areas of media and entertainment through licensing. Current metrics reflect data from 2022-23 CLH Hawaii Accelerator program.

PROGRAM TITLE: FOREIGN TRADE ZONE
 PROGRAM-ID: BED-107
 PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	1,985	2,002	+	17	1
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	1,985	2,002	+	17	1
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	100	+	97	3233	3	3	+	0	0	0	0	+	0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	57	+	54	1800	3	3	+	0	0	0	0	+	0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	5	64	+	59	1180	5	5	+	0	0	0	0	+	0	0
4. # OF NEW FIRMS USING FTZ PROGRAM	30	25	-	5	17	30	30	+	0	0	0	0	+	0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	177	+	172	3440	5	5	+	0	0	0	0	+	0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	-30	-	90	150	60	60	+	0	0	0	0	+	0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	4.7	+	0.7	18	4	4	+	0	0	0	0	+	0	0
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	906454	+	906454	0	0	906454	+	906454	0	0	906454	+	906454	0
PART III: PROGRAM TARGET GROUP															
1. FIRMS USING FTZ PROGRAM (NO.)	250	441	+	191	76	250	250	+	0	0	0	0	+	0	0
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	480	-	20	4	500	500	+	0	0	0	0	+	0	0
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	71	+	1	1	70	70	+	0	0	0	0	+	0	0
PART IV: PROGRAM ACTIVITY															
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	3159	+	1409	81	1750	1750	+	0	0	0	0	+	0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	8764	+	1164	15	7600	7600	+	0	0	0	0	+	0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	62	+	2	3	60	60	+	0	0	0	0	+	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	9	-	66	88	75	9	-	66	88

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 04
BED 107

PROGRAM TITLE: FOREIGN TRADE ZONE

PART I - EXPENDITURES AND POSITIONS

The variances in FY 23 and the first quarter of FY 24 are due to staff vacancies. The Foreign-Trade Zone (FTZ) is actively in recruitment to fill each vacancy.

Economic Development Specialist: The position was vacated when the incumbent accepted a position with another agency. FTZ has been actively recruiting for this position but has not found any qualified candidates. FTZ is awaiting the next list of eligible candidates from the Department of Human Resources Development (DHRD). FTZ expects to fill the position by March 31, 2024.

Business Manager V: The position was vacated when the incumbent accepted a higher-level position within the division. FTZ has been in active recruitment but has not found a qualified candidate to effectively fill the position. FTZ is awaiting the next list of eligible candidates from DHRD. The position is currently being filled through an 89-day hire, and FTZ expects to fill the position by March 31, 2024.

Secretary: The position was vacated when the incumbent retired from State service. FTZ is in active recruitment for the position but has not found a qualified candidate to effectively fill the position. FTZ expects to fill the position by December 31, 2023.

Account Clerk III: The position was vacated when the incumbent retired from State service. FTZ has begun the recruitment process and is awaiting a list of eligible candidates from DHRD. FTZ expects to fill the position by June 30, 2024.

Office Assistant IV: The position was vacated when the incumbent accepted a higher-level position within the division. FTZ has been in active recruitment but has not found a qualified candidate to effectively fill the position. The position is currently being filled by an 89-day hire, and FTZ expects to fill the position by December 31, 2023.

PART II - MEASURES OF EFFECTIVENESS

Items 1, 2, and 3. The variances are due to the increase of FTZ activity and inventory during the COVID-19 recovery.

Item 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 worldwide increase in oil prices and economic recovery following the COVID-19 pandemic.

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

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

PART III - PROGRAM TARGET GROUPS

Item 1. The variance in the number of firms using the FTZ are due to both the increase of FTZ activity and inventory during the COVID-19 recovery.

PART IV - PROGRAM ACTIVITIES

Items 1 and 2. The variances in the value of cargo in and out of the FTZ (except subzones) and subzones, respectively, is due to the economic recovery following the COVID-19 pandemic.

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: 010105

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	26.00	23.00	-	3.00	12	26.00	24.00	-	2.00	8	26.00	26.00	+	0.00	0
EXPENDITURES (\$1000's)	2,394	3,305	+	911	38	689	1,018	+	329	48	2,305	2,184	-	121	5
TOTAL COSTS															
POSITIONS	26.00	23.00	-	3.00	12	26.00	24.00	-	2.00	8	26.00	26.00	+	0.00	0
EXPENDITURES (\$1000's)	2,394	3,305	+	911	38	689	1,018	+	329	48	2,305	2,184	-	121	5
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF PROCUREMENT VIOLATIONS	0	37	+	37	0	0	25	+	25	0	0	25	+	25	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	+	0	0	95	95	+	0	0	95	95	+	0	0
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	+	0	0	2.0	2.0	+	0	0	2.0	2.0	+	0	0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	100	+	2	2	98	98	+	0	0	98	98	+	0	0
5. # PROJECTS - DIGITAL EQUITY/LITERACY & REMOTE WORK	5	5	+	0	0	5	5	+	0	0	5	5	+	0	0
6. # PROJECTS - EMPLOYEE WELLNESS/WORK-LIFE BALANCE	2	3	+	1	50	2	2	+	0	0	2	2	+	0	0
PART III: PROGRAM TARGET GROUP															
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	327	368	+	41	13	327	379	+	52	16	327	379	+	52	16
2. DIGITALLY DISADVANTAGED COMMUNITIES	10	10	+	0	0	10	10	+	0	0	10	10	+	0	0
3. DIGITALLY DISADVANTAGED RESIDENTS	100	100	+	0	0	100	100	+	0	0	100	100	+	0	0
PART IV: PROGRAM ACTIVITY															
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	150	228	+	78	52	150	300	+	150	100	150	300	+	150	100
2. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1250	1580	+	330	26	1250	1600	+	350	28	1250	1600	+	350	28
3. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	0	-	5	100	5	5	+	0	0	5	5	+	0	0
4. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1500	1951	+	451	30	1500	2000	+	500	33	1500	2000	+	500	33
5. # DIGITAL EQUITY PROJECTS	5	5	+	0	0	5	5	+	0	0	5	5	+	0	0
6. # BROADBAND HUI MEETING	12	52	+	40	333	12	52	+	40	333	12	52	+	40	333
7. # EMPLOYEE WELLNESS PROGRAMS	2	3	+	1	50	2	2	+	0	0	2	2	+	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

**01 01 05
BED 142**

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

Positions: The variance in positions of 12% occurring in three months ended September 30, 2023, is due to the incumbents of both the Account Clerk IV and Human Resources Assistant IV positions retiring. The Business Development Manager is also vacant. The Account Clerk IV and Human Resources Assistant IV positions have been filled as of August and October 2023, respectively.

Expenditures: Actual expenditures and encumbrances for FY 23 and first three months of FY 24 reflect activity from appropriations outside of Act 248, SLH 2022 and Act 164, SLH 2023, including specific appropriation general funds, non-appropriated federal grants, and trust funds.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Required State Procurement Office (SPO) training classes conducted by the Department of Accounting and General Services' SPO were not taken by programs and the transfer-in status of some agencies, as well as high employee turnover, caused a lot of confusion among the programs/agencies. These issues have been and are being addressed and/or have been worked out and resolved. This will result in a 25% reduction in projected violations for FY 24. New guidelines and SPO training were also provided by the Department of Business, Economic Development and Tourism's (DBEDT) Administrative Services Office in the first quarter of FY 24 in August 2023 to help minimize and eventually eliminate SPO violations.

Item 5. Planned, developed, and implemented an automated distribution system for FlexJobs subscriptions through the Invest.hawaii.gov/remote website. The project issued all 943 FlexJobs subscriptions that were returned back to DBEDT from the City and County of Honolulu's American Job Centers; the State Department of Labor and Industrial Relations, Workforce Development Division; and the State Department of Human Services, Division of Vocational Rehabilitation, who opted to participate in this project.

Item 6. DBEDT had three projects including: 1) Hawaii State Energy Office (HSEO) Team Building activity in January 2023; 2) update of DBEDT's Emergency Management Plan (EMP), active participation in the Mahakani Pahili Training and Assessment Event, and the relocation of DBEDT's Department Operations Center to the Hawaii Convention Center (HCC); and 3) update, alignment with the Department of Human Resources Development's (DHRD) recommendations and implementation of the DBEDT Telework Program.

PART III - PROGRAM TARGET GROUPS

Item 1. There was an increase in the number of DBEDT positions due to additional personnel transferred from both the Department of Agriculture (Agribusiness Development Corporation (ADC) through Act 219, SLH 2022) and DAGS (Stadium Authority (SA) through Act 220, SLH 2022) to DBEDT in FY 23.

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 2. There was an increase in number of Summary Warrant Vouchers processed due to the transfer of both ADC and SA to DBEDT in FY 23.

Item 3. No formal grievances were filed in FY 23.

Item 4. During FY 23, the Human Resources Office processed collective bargaining pay adjustments, which were not processed during previous years due to the COVID-19 pandemic.

Item 6. The Broadband Hui consists of community stakeholders from across the State, including educators, health care, Hawaiian homestead and rural residents, as well as organizations that represent ethnic and racial minorities, veterans, kupuna, people with disabilities, and income constrained. As federal funds through the American Rescue Plan and the

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 01 05
BED 142

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

Infrastructure Investment and Jobs Act became actualized through the Broadband, Equity, Access and Deployment and Digital Equity Act programs, it became increasingly important to keep the community informed and engaged through the weekly convening of the Broadband Hui.

Item 7. DBEDT had three projects, including: 1) HSEO Team Building activity in January 2023; 2) update of DBEDT's EMP, active participation in the Mahakani Pahili Training and Assessment Event, and the relocation of the DBEDT DOC to HCC; and 3) update, alignment with DHRD recommendations and implementation of the DBEDT Telework Program.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS					0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
POSITIONS					0	4,654	+ 4,654	0	64,000	83,088	+ 19,088	30
EXPENDITURES (\$1000's)												
TOTAL COSTS					0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
POSITIONS					0	4,654	+ 4,654	0	64,000	83,088	+ 19,088	30
EXPENDITURES (\$1000's)												

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. VISITOR EXPENDITURES (\$BILLIONS)	17.76	19.80	+ 2.04	11	19.03	19.80	+ 0.77	4
2. PER PERSON PER DAY SPENDING (\$)	216.05	231.10	+ 15.05	7	220.63	220.63	+ 0	0
3. RESIDENT SENTIMENT - % TOURISM IS OVERALL POSITIVE	57	53.00	- 4	7	61	65.00	+ 4	7
4. RES. SENTIMENT- % TOURISM POSITIVE FOR YOU/FAMILY	38	47.00	+ 9	24	43	47.00	+ 4	9
5. VISITOR SATIFICATION - % OVERALL SATISFACTION	83	87.90	+ 4.9	6	85	87.90	+ 2.9	3
6. VISITOR SATISFACTION - %LIKELY TO RECOMMEND HAWAII	90	89.30	- 0.7	1	90	89.30	- 0.7	1
7. VISITOR SATISFACTION - % LIKELY TO REVISIT IN 5 YR	85	81.50	- 3.5	4	85	81.50	- 3.5	4
8. CONVENTION CENTER ECONOMIC IMPACT (\$MILLIONS)	112.8	112.80	+ 0	0	105.6	105.60	+ 0	0

PART III: PROGRAM TARGET GROUP								
1. # OF TARGET VISITORS IN JAPAN MKT (MILLIONS)	6	162377	+ 162371	2706183	6	163887	+ 163881	2731350
2. # OF TARGET VISITORS IN US MKT (MILLIONS)	32.5	138416	+ 138383.5	425795	32.5	108007	+ 107974.5	332229
3. # VISITORS INDUSTRY BUSINESSES	4269	NO DATA	- 4269	100	4269	4269	+ 0	0
4. # MCI CITYWIDE & SINGLE PROPERTY CONVENTIONS TRG	37	37.00	+ 0	0	38	38.00	+ 0	0
5. TOTAL VISITOR ARRIVALS (MILLIONS)	9.1	9.23	+ 0.13	1	9.7	9.23	- 0.47	5

PART IV: PROGRAM ACTIVITY								
1. # NATURAL RESOURCE PROJECTS FUNDED	90	26.00	- 64	71	40	40.00	+ 0	0
2. # HAWAIIAN CULTURE PROJECTS FUNDED	44	29.00	- 15	34	40	40.00	+ 0	0
3. # COMMUNITY PROJECTS FUNDED	80	93.00	+ 13	16	80	90.00	+ 10	13
4. # VISITOR HOTSPOTS ADDRESSED	12	13.00	+ 1	8	12	12.00	+ 0	0
5. # HTA SOCIAL MEDIA POSTS	432	475.00	+ 43	10	432	432.00	+ 0	0
6. # TRAVEL TRADE EDUCATION SESSIONS - USA & JAPAN	1678	893.00	- 785	47	1678	824.00	- 854	51
7. # GLOBAL MCI SALES CALLS & MCI TRADE SHOW APPTS	750	750.00	+ 0	0	750	750.00	+ 0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 02
BED 113

PROGRAM TITLE: TOURISM

PART I - EXPENDITURES AND POSITIONS

For FY 22 and forward, the Transient Accommodations Tax was capped at \$11 million to fund operations of the Hawaii Convention Center (HCC) (pursuant to Act 88, SLH 2021 (House Bill No. 200)).

The Hawaii Tourism Authority (HTA) was appropriated \$71 million in American Rescue Plan Act funds for FY 22 HTA and HCC operations - \$60 million for HTA and \$11 million for HCC. The Legislature did not provide HTA or HCC with an operating budget for FY 23 in Act 248, SLH 2022, or for FY 24 in Act 164, SLH 2023.

The Legislature appropriated \$15 million in general obligation bonds for HCC roof repairs in Act 248, SLH 2022, and another \$64 million in general operating funds for long-term roof repairs for HCC in Act 164, SLH 2023.

The FY 23 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 23 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. Total Visitor Expenditures - The planned amount is based on the Department of Business, Economic Development and Tourism's (DBEDT) tourism forecast. The actual amount is based on DBEDT's calendar year (CY) 22 figures. Spending on lodging increased to \$9.14 billion in 2022 (+53.6% year-to-year (YTY) increase); food and beverage increased to \$4.03 billion (+46.7% YTY increase); transportation increased to \$2.20 billion (+39.3% YTY increase), shopping increased to \$1.98 billion (+39.20% YTY increase); entertainment and recreation increased to \$1.84 billion (+54.5% YTY increase); and supplemental business income

increased to \$100.8 million from \$27.2 million.

Item 2. Per Person Per Day Spending - Source: DBEDT's CY 22 figures.

Item 3. Resident Sentiment - % Tourism is Overall Positive (Source: DBEDT's Spring 2023 Resident Sentiment Survey). The variance was most likely caused by the increase in perceived problems of tourism, such as damage to the environment, overcrowding, and high prices/higher cost of living.

Item 4. Resident Sentiment - % Tourism is Positive for You/Family (Source: DBEDT's Spring 2023 Resident Sentiment Survey). The variance was most likely caused by increased perceived benefits of tourism for the State's economy.

Item 5. Visitor Satisfaction - % Overall Satisfaction - Source: DBEDT's CY 22 Visitor Satisfaction and Activity Report (VSAR).

Item 6. Visitor Satisfaction - % Likely to Recommend Hawaii - Source: DBEDT's CY 22 VSAR.

Item 7. Visitor Satisfaction - % Likely to Revisit Hawaii in 5 Years - Source: DBEDT's CY 22 VSAR.

Item 8. Convention Center Economic Impact - Source: HCC financial data for CY 22.

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. No. of Target Visitors in Japan Market - The planned amount for this measure should be 26 million mindful, high-spending visitors in the Japan market. Singles making over \$75,000 and couples making over \$100,000 per year are classified as "high spenders." (Source: Hawaii Tourism Japan Branding Management Plan, CY 22) The planned and

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 02
BED 113

PROGRAM TITLE: TOURISM

actual figures for FY 23 are based on the reach metric in the performance measures worksheet provided. For FY 24's planned and estimated figures, this is based on CY 23 year-to-date (YTD) figures.

Item 2. No. of Target Visitors in U.S. Market - The planned amount for this measure should be 24 million mindful, high-spending visitors in the U.S. market. Individuals and couples making over \$146,000/year are classified as "high spenders." (Source: Hawaii Tourism USA Branding Management Plan, CY 22) The FY 23 planned and actual figures are based on the reach metric in the performance measure worksheet. Funds and efforts were focused on paid media during CYs 22 and 23. For planned and estimated figures for FY 24, this is based on YTD CY 23 figures.

Item 3. No. of Visitors Industry Businesses - At this time, "No Data" is available for the actual amount.

Item 4. No. of MCI Citywide and Single Property Conventions - 37 events (Source: Hawaii Visitors and Convention Bureau, Meetings, Conventions and Incentives, Brand Marketing Plan)

Item 5. Total Visitor Arrivals (Millions) - Source: DBEDT CY 22 figures.

PART IV - PROGRAM ACTIVITIES

Item 1. No. of Natural Resource Projects Funded - The Aloha Aina Program has not funded more than 40 projects per cycle year. Amount of Planned projects should be 50. The variance is due to not funding the Department of Land and Natural Resources' projects as was done in previous years (Source: HTA staff for CY 23).

Items 2. No. of Hawaiian Culture Projects Funded - Overall funding for Kukulu Ola was not as high as anticipated; therefore, the amount of projects the selection committee decided to award did not meet the goal for this cycle year (Source: HTA staff for CY 23).

Item 3. No. of Community Projects Funded - There were 93 community projects funded in FY 23: 13 signature events; 63 community enrichment events; and 17 sports projects. The variance is due to the addition of major sporting events added to community projects (Source: HTA staff for CY 23).

Item 4. No. of Visitor Hotspots Addressed - Source: HTA Staff.

Item 5. No. of HTA Social Media Posts - The increase is due to more effort in using social media to communicate HTA's efforts. The data is for Instagram posts; HTA also uses Facebook and Twitter (Source: HTA staff).

Item 6. No. of Travel Trade Education Sessions (USA and Japan) - Travel education sessions were lower than estimated for FY 23 due to lower budgets, short staff, and the COVID-19 pandemic (Source: HTA staff through Greenwich Mean Time (GMT), CY 22).

Item 7. # Global MCI Sales Calls and MCI Trade Show Appointments - Source: HTA Staff through GMTs, CY 22.

VARIANCE REPORT

PROGRAM TITLE: AGRICULTURE

12/5/23

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	323.00	231.00	- 92.00	28	328.00	236.00	- 92.00	28	328.00	286.00	- 42.00	13
EXPENDITURES (\$1000's)	60,882	38,556	- 22,326	37	13,475	12,218	- 1,257	9	106,876	108,133	+ 1,257	1
TOTAL COSTS												
POSITIONS	323.00	231.00	- 92.00	28	328.00	236.00	- 92.00	28	328.00	286.00	- 42.00	13
EXPENDITURES (\$1000's)	60,882	38,556	- 22,326	37	13,475	12,218	- 1,257	9	106,876	108,133	+ 1,257	1
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	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	750	+ 0	0				
2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	450	466	+ 16	4	450	475	+ 25	6				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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)	6,288	662	-	5,626	89	389	389	+	0	0	5,950	5,950	+	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)	6,288	662	-	5,626	89	389	389	+	0	0	5,950	5,950	+	0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NUMBER OF LOANS APPROVED	25	11	-	14	56	25	25	+	0	0					
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)	5000	1428	-	3572	71	5000	5000	+	0	0					
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS	10000	7410	-	2590	26	10000	10000	+	0	0					
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER	1000	579	-	421	42	1000	1000	+	0	0					
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	750	0	-	750	100	750	750	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	7300	7328	+	28	0	7300	7300	+	0	0					
2. POTENTIAL QUALIFIED AQUACULTURISTS	70	70	+	0	0	70	70	+	0	0					
3. AGRICULTURE/AQUACULTURE COOPERATIVES	20	20	+	0	0	20	20	+	0	0					
4. COMMERCIAL BANKS	5	6	+	1	20	5	6	+	1	20					
PART IV: PROGRAM ACTIVITY															
1. NUMBER OF PUBLIC RELATIONS CONTACTS	50	22	-	28	56	50	50	+	0	0					
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS	700	447	-	253	36	700	700	+	0	0					
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION	125	117	-	8	6	125	125	+	0	0					
4. AMOUNT COLLECTED BY PROGRAM (000'S)	2250	2792	+	542	24	2250	2250	+	0	0					

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 01
AGR 101

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE

PART I - EXPENDITURES AND POSITIONS

The variances in FY 23 positions and expenditures are due to position vacancies and the lower dollar amount in loan disbursements. Variances in FY 24 positions are due to lack of qualified applicants for vacant positions.

PART II - MEASURES OF EFFECTIVENESS

Item 1 - The number of loans approved was below the planned total by 56% or 14 loans. The number of loans approved increased from the prior year reflecting the improving economy, however, the significant increase in the program's interest rates reduced demand for loans for the second half of the fiscal year.

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 decrease in cultivated acreage is due to the payoff of a loan by a large ranch and the smaller loan portfolio.

Item 4 - The amount was below the planned amount due to both the tight labor market, which made finding employees difficult and farms adjusting to the increasing costs due to inflation which limited cash flow.

Item 5 - There were no funds provided by other credit sources. Encouraging participation loans with private lenders continues to be a challenge due to the perceived higher risk and lack of familiarity with the industry.

PART III - PROGRAM TARGET GROUPS

Item 4 - The number of Commercial banks was above the planned due to the conversion of a Federal Chartered Bank to a State Chartered Bank increasing the total.

PART IV - PROGRAM ACTIVITIES

Item 1 - Number of public relations contacts was below the planned amount. The lower contracts are due to the 44% personnel vacancies in the Division. As positions are filled the Division plans to expand outreach efforts to increase its loan portfolio.

Item 2 - The number of servicing contacts was below the planned number due to the smaller loan portfolio. The number of contacts averaged out to four contacts per borrower, which meets the two field visits procedurally required.

Item 4 - The amount collected by the program was above the projected amount due to loan payoffs and the improving economic conditions. The program remains focused on collections and working with delinquent borrowers.

VARIANCE REPORT

PROGRAM TITLE:

PRODCVTY IMPRVMT & MGT ASSTNCE FOR AGR

12/5/23

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	127.00	- 40.00	24	169.00	131.00	- 38.00	22	169.00	148.00	- 21.00	12
EXPENDITURES (\$1000's)	21,816	15,177	- 6,639	30	5,550	5,550	+ 0	0	20,391	20,391	+ 0	0
TOTAL COSTS												
POSITIONS	167.00	127.00	- 40.00	24	169.00	131.00	- 38.00	22	169.00	148.00	- 21.00	12
EXPENDITURES (\$1000's)	21,816	15,177	- 6,639	30	5,550	5,550	+ 0	0	20,391	20,391	+ 0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	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	450	466	+ 16	4	450	475	+ 25	6				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

PROGRAM TITLE: PRODCVTY 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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	87.00	- 27.00	24	114.00	88.00	- 26.00	23	114.00	100.00	- 14.00	12
EXPENDITURES (\$1000's)	15,490	9,868	- 5,622	36	3,882	3,882	+ 0	0	14,759	14,759	+ 0	0
TOTAL COSTS												
POSITIONS	114.00	87.00	- 27.00	24	114.00	88.00	- 26.00	23	114.00	100.00	- 14.00	12
EXPENDITURES (\$1000's)	15,490	9,868	- 5,622	36	3,882	3,882	+ 0	0	14,759	14,759	+ 0	0

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
	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	800	911	+ 111	14	900	900	+ 0	0
3. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI	450	466	+ 16	4	450	475	+ 25	6
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	1500	1721	+ 221	15	1500	1750	+ 250	17
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	15	10	- 5	33	15	10	- 5	33
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	35	35	+ 0	0	35	35	+ 0	0
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	85	99	+ 14	16	85	99	+ 14	16

PART III: PROGRAM TARGET GROUP								
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	46	51	+ 5	11	46	51	+ 5	11
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	7000	5101	- 1899	27	7000	5100	- 1900	27
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	8400	8025	- 375	4	8400	8000	- 400	5
4. NUMBER OF IMPORT PERMIT REQUESTS	1000	1301	+ 301	30	1000	1300	+ 300	30
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	520	475	- 45	9	520	475	- 45	9
6. NUMBER OF CERTIFIED NURSERIES	165	118	- 47	28	165	118	- 47	28
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	0	- 1	100	1	0	- 1	100
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	15	15	+ 0	0	15	15	+ 0	0
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	4	4	+ 0	0	10	10	+ 0	0

PART IV: PROGRAM ACTIVITY								
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	45	37	- 8	18	45	37	- 8	18
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6500	3707	- 2793	43	6500	3800	- 2700	42
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	6300	6875	+ 575	9	7000	6800	- 200	3
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	150	44	- 106	71	150	50	- 100	67
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	340	230	- 110	32	340	236	- 104	31
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	10	4	- 6	60	12	5	- 7	58
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	8	2	- 6	75	8	2	- 6	75
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	35	0	- 35	100	35	3	- 32	91

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 02 01
AGR 122

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

The 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 increased due to increased staff effort on detecting high risk pests.

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

Item 5 - Persistent drought conditions are leading to proliferation of weeds. We anticipate a resurgence of weed species in the aftermath of fires on Maui and Hawaii Island. Invasive species impacts (two-lined spittlebug) are also promoting weed proliferation.

Item 7 - Nursery compliance rates were higher than anticipated as nearly all certified nurseries are currently in compliance.

PART III - PROGRAM TARGET GROUPS

Item 1 - The increase is due to easing of travel-related restrictions of the COVID-19 Pandemic.

Item 2 - The number of passenger arrivals fluctuates with economic conditions. Hiring and training of new staff is necessary to expand coverage and increase monitoring activities.

Item 4 - The increase in permit volume was primarily for the importation of non-domestic animals as pets.

Item 6 - The number of certified nurseries was lower than estimated as certified Nursery participants have chosen to opt out of the

program to focus on local sales as opposed to export to the U.S. Mainland.

Item 7 - No new noxious weed detections have been made.

PART IV - PROGRAM ACTIVITIES

Items 1 and 2 - Monitoring activities were lower than estimated due to vacancies. Hiring and training of new staff is necessary to expand coverage and increase monitoring activities.

Item 4 - The loss of the permanent plant specialist, whose section has the most regulated sites, has resulted in reduced post-entry inspection counts.

Item 5 - The number of certified nursery inspections was lower than expected as some certified nursery participants have chosen to opt out of the program and inspections are performed twice a year.

Item 6 - The number of projects vary each FY and the primary projects for control and eradication in FY 23 included little fire ant, coqui frog, and citrus leprosis.

Item 7 - Due to a need to replace AC systems within the near future of our insect containment facility, we are minimizing new projects to allow a complete shut down while renovations occur.

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	40.00	- 13.00	25	55.00	43.00	- 12.00	22	55.00	48.00	- 7.00	13
EXPENDITURES (\$1000's)	6,326	5,309	- 1,017	16	1,668	1,668	+ 0	0	5,632	5,632	+ 0	0
TOTAL COSTS												
POSITIONS	53.00	40.00	- 13.00	25	55.00	43.00	- 12.00	22	55.00	48.00	- 7.00	13
EXPENDITURES (\$1000's)	6,326	5,309	- 1,017	16	1,668	1,668	+ 0	0	5,632	5,632	+ 0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	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	6	+ 1	20	5	6	+ 1	20				
3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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.

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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.

Item 8 - The decrease in Service Dogs in FY 23 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.

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 23 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 24.

PART IV - PROGRAM ACTIVITIES

Item 1 - The FY 23 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 slight increase in the 120-day category is expected in FY 24 due to the continued demand for younger animals.

Item 2 - The decrease is due to a higher number of animals in the 5-Day or less program or who were released on arrival.

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

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.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	18.68	-	2.00	10	22.68	20.68	-	2.00	9	22.68	22.68	+	0.00	0
EXPENDITURES (\$1000's)	2,090	1,597	-	493	24	634	634	+	0	0	2,130	2,130	+	0	0
TOTAL COSTS															
POSITIONS	20.68	18.68	-	2.00	10	22.68	20.68	-	2.00	9	22.68	22.68	+	0.00	0
EXPENDITURES (\$1000's)	2,090	1,597	-	493	24	634	634	+	0	0	2,130	2,130	+	0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	5	6	+	1	20	5	6	+	1	20					
2. NO. OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE	111	116	+	5	5	111	116	+	5	5					
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG	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					
PART III: PROGRAM TARGET GROUP															
1. LIVESTOCK PRODUCERS	2700	2800	+	100	4	2700	2700	+	0	0					
2. AQUACULTURE PRODUCERS	100	100	+	0	0	100	100	+	0	0					
3. HUMAN POPULATION	1400000	1450000	+	50000	4	1450000	1450000	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY	900	1000	+	100	11	1500	1000	-	500	33					
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY	650000	650000	+	0	0	700000	650000	-	50000	7					
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY	18000	15142	-	2858	16	18000	17000	-	1000	6					
4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY	15000	12000	-	3000	20	16000	17000	+	1000	6					
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV	2000	1495	-	505	25	2000	1500	-	500	25					
6. # OF LVSTCK/AQUA/ EPIDEMI DISEASE INVESTIGATIONS	12	13	+	1	8	12	12	+	0	0					
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS	2000	2113	+	113	6	2000	2000	+	0	0					
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE	4500	4531	+	31	1	4500	4700	+	200	4					
9. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	6000	5453	-	547	9	6000	6000	+	0	0					
10. # OF AQUATIC ANIMAL HEALTH DOCUMENTS ISSUED	1300	1253	-	47	4	1400	1400	+	0	0					

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 02 02 02
AGR 132

PROGRAM TITLE: ANIMAL DISEASE CONTROL

PART I - EXPENDITURES AND POSITIONS

The 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

Item 1 - The variance is due to Scrapie being added to list of diseases.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1 - The increase in FY 23 is due to increased livestock entering the State, which fluctuates each year with economic conditions.

Item 3 - The decrease is due to a reduction in the number of pets entering the State, which fluctuates each year with economic conditions.

Item 4 - The decrease is due to the lower number of upland game birds entering the State.

Item 5 - The decrease is due to reduction in disease outbreaks in FY 23.

VARIANCE REPORT

PROGRAM TITLE:

PRODUCT DEVELOPMENT AND MARKETING FOR AGR

12/5/23

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	69.00	43.00	- 26.00	38	69.00	42.00	- 27.00	39	69.00	60.00	- 9.00	13
EXPENDITURES (\$1000's)	12,455	8,479	- 3,976	32	4,119	3,481	- 638	15	47,887	48,525	+ 638	1
TOTAL COSTS												
POSITIONS	69.00	43.00	- 26.00	38	69.00	42.00	- 27.00	39	69.00	60.00	- 9.00	13
EXPENDITURES (\$1000's)	12,455	8,479	- 3,976	32	4,119	3,481	- 638	15	47,887	48,525	+ 638	1
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	30	30	+ 0	0	30	30	+ 0	0				
2. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	4	55	+ 51	1275	4	4	+ 0	0				
3. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	600	730	+ 130	22	20	20	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	24.00	-	11.00	31	35.00	24.00	-	11.00	31	35.00	35.00	+	0.00	0
EXPENDITURES (\$1000's)	7,198	5,942	-	1,256	17	1,641	1,003	-	638	39	39,150	39,788	+	638	2
TOTAL COSTS															
POSITIONS	35.00	24.00	-	11.00	31	35.00	24.00	-	11.00	31	35.00	35.00	+	0.00	0
EXPENDITURES (\$1000's)	7,198	5,942	-	1,256	17	1,641	1,003	-	638	39	39,150	39,788	+	638	2

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. BRD FT TIMBR PROVD FR ST FORST RES & TIMBR MNGT AR	NO DATA	1200	-	-1200	0	2000	2000	+	0	0
2. GR REV FR FORST PRD FR ST FORST RES & TIMBR MGT AR	NO DATA	21347	-	-21347	0	25000	25000	+	0	0
3. AREAS PROTC D THRU LAND ACQUISTN FOR FORSTRY PURPS	NO DATA	2000	-	-2000	0	2000	2000	+	0	0
4. RESOURCE RESTN & CONSN PROJECTS COMPLTD OR UNDERWY	NO DATA	15	-	-15	0	15	15	+	0	0
5. URBAN AND COMMUNITY FORESTRY PROJECTS	NO DATA	5	-	-5	0	5	5	+	0	0
PART III: PROGRAM TARGET GROUP										
1. FOREST STEWARDSHIP PROGRAM (FSP) PROJECTS	15	15	+	0	0	15	15	+	0	0
2. WATERSHED PARTNERSHIPS	9	9	+	0	0	9	9	+	0	0
3. URBAN AND COMMUNITY FORESTRY (UCF) PARTNERS	10	10	+	0	0	10	10	+	0	0
4. OTHER CONSERVATION OR FOREST PRODUCT PROJECTS	150	150	+	0	0	150	150	+	0	0
PART IV: PROGRAM ACTIVITY										
1. TREE SEEDLINGS DISTRIBUTED	25000	25000	+	0	0	25000	25000	+	0	0
2. NUMBER OF TREES PLANTED IN STATE FOREST RESERVES	20000	20000	+	0	0	20000	20000	+	0	0
3. NO. OF TIMBR PRODTN & FORST PRODC TS PROJECTS IN-HOU	NO DATA	5	-	-5	0	5	5	+	0	0
4. PRIVATE FORST MANAGMNT PROJECTS TO RESTORE & MAINTN	3	3	+	0	0	3	3	+	0	0
5. LAND ACQSTN PRJCTS ONGOING OR CMPLTD FRST PR/MGT	3	3	+	0	0	3	3	+	0	0
6. NO. OF HRS OF URBAN/COMMUNITY FORESTRY VOLUNTR SER	10000	10000	+	0	0	10000	10000	+	0	0
7. NO.OF ORG/COMM RCVD EDUC, TCH, FIN ASST FR URB/COM	140	140	+	0	0	140	140	+	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 03 01
LNR 172

PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The number of positions filled was less than the amount budgeted for FY 23 and the first quarter of FY 24 due to vacancies attributed to staff promotions, retirements and resignations.

The actual amount of expenditures for FY 23 was less than the budgeted amount due to anticipated grants that were budgeted but not awarded to the division.

Funds expended in the first quarter of FY 24 were less than budgeted due to delay in encumbering some program contracts and other contractor agreements, which are now anticipated to be encumbered in the second quarter of FY 24.

PART II - MEASURES OF EFFECTIVENESS

There is no data available and/or no significant variances to report for measures of effectiveness.

PART III - PROGRAM TARGET GROUPS

There are no significant variances to report for program target groups.

PART IV - PROGRAM ACTIVITIES

There are no significant variances to report and/or no data is available for program activities.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	11.00	-	10.00	48	21.00	10.00	-	11.00	52	21.00	15.00	-	6.00	29
EXPENDITURES (\$1000's)	2,794	1,214	-	1,580	57	671	671	+	0	0	2,167	2,167	+	0	0
TOTAL COSTS															
POSITIONS	21.00	11.00	-	10.00	48	21.00	10.00	-	11.00	52	21.00	15.00	-	6.00	29
EXPENDITURES (\$1000's)	2,794	1,214	-	1,580	57	671	671	+	0	0	2,167	2,167	+	0	0

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE	95	92	-	3	3	95	95	+	0	0
2. % CERTIFICATION REQUESTS FULFILLED	100	100	+	0	0	100	100	+	0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT	3	3	+	0	0	3	3	+	0	0
4. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER	100	100	+	0	0	100	100	+	0	0
5. % OF AUDITED FARMS COMPLYING W/ GOOD AG PRACTICES	95	96	+	1	1	95	95	+	0	0
PART III: PROGRAM TARGET GROUP										
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	5500	5500	+	0	0	5500	5500	+	0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	425	428	+	3	1	430	430	+	0	0
3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK	19	19	+	0	0	20	19	-	1	5
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS	7	7	+	0	0	7	7	+	0	0
PART IV: PROGRAM ACTIVITY										
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM	750	750	+	0	0	800	750	-	50	6
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES	111	100	-	11	10	120	100	-	20	17
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED	917	849	-	68	7	925	850	-	75	8
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED	19	19	+	0	0	20	19	-	1	5
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED	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
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	5	0	-	5	100	10	0	-	10	100

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 03 02
AGR 151

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PART I - EXPENDITURES AND POSITIONS

The 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

No significant variances.

PART IV - PROGRAM ACTIVITIES

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.

Item 7 - The decreased number of hours of education sessions conducted are due to limited outreach activities because of shortage of staff from retirements and resignations.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,463	1,323	-	1,140	46	1,807	1,807	+	0	0	6,570	6,570	+	0	0
TOTAL COSTS															
POSITIONS	13.00	8.00	-	5.00	38	13.00	8.00	-	5.00	38	13.00	10.00	-	3.00	23
EXPENDITURES (\$1000's)	2,463	1,323	-	1,140	46	1,807	1,807	+	0	0	6,570	6,570	+	0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. MARKETING ACTIVITIES CREATED, CONDUCTED OR MANAGED	30	30	+	0	0	30	30	+	0	0	30	30	+	0	0
2. PRODUCER GROUPS CONTACTED THRU OUTREACH ACTIVITIES	40	40	+	0	0	40	40	+	0	0	40	40	+	0	0
3. NO. OF REQ FOR PROPOSALS OFFERED TO ASSOCIATION	4	55	+	51	1275	4	4	+	0	0	4	4	+	0	0
4. NO. OF CONTRACTS, LOA, MOU, ADMINISTERED	600	730	+	130	22	20	20	+	0	0	20	20	+	0	0
PART III: PROGRAM TARGET GROUP															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	7328	7445	+	117	2	7330	7445	+	115	2	7330	7445	+	115	2
2. COMMODITY GROUPS	10	10	+	0	0	10	10	+	0	0	10	10	+	0	0
3. COMMODITY ASSOCIATIONS, COOPERATIVES, FEDERATIONS	10	10	+	0	0	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	3	3	+	0	0
2. COLLECT, COMPILE AND PUBLISH STATISTICS	55	55	+	0	0	55	75	+	20	36	55	75	+	20	36
3. CREATE ECONOMIC REPORTS AND MARKET STUDIES	15	15	+	0	0	15	15	+	0	0	15	15	+	0	0
4. PLAN, MANAGE, OR ATTEND TRADE SHOWS	5	7	+	2	40	5	5	+	0	0	5	5	+	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 03 03
AGR 171

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT AND MARKETING

PART I - EXPENDITURES AND POSITIONS

The 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 3 - The 51% 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 increase was due to the contracts in total being administered for these programs: Micro-grants for Food Security Program (MGFSP), the Specialty Crop Block Grant Program, and the Sponsorship and Product Promotion.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 4 - For FY 23, the Market Development Branch was able to plan, manage, or attend an increased number of tradeshows due to positions being filled and increased staff coverage.

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	78.00	55.00	- 23.00	29	81.00	57.00	- 24.00	30	81.00	71.00	- 10.00	12
EXPENDITURES (\$1000's)	20,323	14,238	- 6,085	30	3,417	2,798	- 619	18	32,648	33,267	+ 619	2
TOTAL COSTS												
POSITIONS	78.00	55.00	- 23.00	29	81.00	57.00	- 24.00	30	81.00	71.00	- 10.00	12
EXPENDITURES (\$1000's)	20,323	14,238	- 6,085	30	3,417	2,798	- 619	18	32,648	33,267	+ 619	2
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE	50	0	- 50	100	50	50	+ 0	0	0	0	0	0
2. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12490	12551	+ 61	0	12500	12500	+ 0	0	0	0	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	37.00	29.00	- 8.00	22	40.00	28.00	- 12.00	30	40.00	35.00	- 5.00	13
EXPENDITURES (\$1000's)	9,938	8,263	- 1,675	17	1,346	1,346	+ 0	0	9,557	9,557	+ 0	0
TOTAL COSTS												
POSITIONS	37.00	29.00	- 8.00	22	40.00	28.00	- 12.00	30	40.00	35.00	- 5.00	13
EXPENDITURES (\$1000's)	9,938	8,263	- 1,675	17	1,346	1,346	+ 0	0	9,557	9,557	+ 0	0
					FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	12490	12551	+ 61	0	12500	12500	+ 0	0				
2. AGRICULTURAL LANDS LEASED (ACRES)	22361	22361	+ 0	0	22400	68695	+ 46295	207				
PART III: PROGRAM TARGET GROUP												
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS	714	710	- 4	1	720	710	- 10	1				
2. FARMS LEASED ON DEPT OF AG LANDS	450	455	+ 5	1	500	500	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. NO. OF CURRENT IRRIGATION/LAND CIP PROJECTS	73	60	- 13	18	75	600	+ 525	700				
2. NUMBER OF NEW WATER SERVICES INSTALLED	10	5	- 5	50	10	5	- 5	50				
3. PIPELINE AND DITCHES MAINTAINED (MILES)	100	100	+ 0	0	100	100	+ 0	0				
4. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	900	900	+ 0	0	900	950	+ 50	6				
5. NUMBER OF DAM SAFETY INSPECTIONS CONDUCTED	25	14	- 11	44	25	25	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 03 04 01
AGR 141

PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT

PART I - EXPENDITURES AND POSITIONS

The 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

No significant variances.

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 2 - The number of new water services installed was lower than estimated due to a reduced number of requests for new water service installations. A decline in the number of requests is also expected for FY 24.

Item 5 - The number of dam safety inspections conducted was lower than estimated due to a reduced number of inspections due to dams undergoing repairs and the transfer of responsibility of inspection to a lessee.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	21.00	-	12.00	36	32.00	23.00	-	9.00	28	32.00	27.00	-	5.00	16
EXPENDITURES (\$1000's)	3,616	3,013	-	603	17	903	903	+	0	0	3,105	3,105	+	0	0
TOTAL COSTS															
POSITIONS	33.00	21.00	-	12.00	36	32.00	23.00	-	9.00	28	32.00	27.00	-	5.00	16
EXPENDITURES (\$1000's)	3,616	3,013	-	603	17	903	903	+	0	0	3,105	3,105	+	0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE	50	0	-	50	100	50	50	+	0	0	50	50	+	0	0
2. NUMBER OF POSITIONS FILLED	50	38	-	12	24	50	50	+	0	0	50	50	+	0	0
3. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS	95	98	+	3	3	95	98	+	3	3	95	98	+	3	3
4. % OF DATA PROCESSING REQUESTS COMPLETED	95	97	+	2	2	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	137000	137000	+	0	0
2. EMPLOYEES (NUMBER)	322	328	+	6	2	325	328	+	3	1	325	328	+	3	1
3. DIVISIONS (NUMBER)	6	6	+	0	0	6	6	+	0	0	6	6	+	0	0
4. BRANCHES (NUMBER)	12	12	+	0	0	12	12	+	0	0	12	12	+	0	0
5. ATTACHED AGENCIES (NUMBER)	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0
PART IV: PROGRAM ACTIVITY															
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS	20	10	-	10	50	25	25	+	0	0	25	25	+	0	0
2. NUMBER OF PURCHASE ORDERS PROCESSED	1450	3236	+	1786	123	1450	3200	+	1750	121	1450	3200	+	1750	121
3. NUMBER OF PETTY CASH CHECKS PROCESSED	40	73	+	33	83	40	73	+	33	83	40	73	+	33	83
4. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	600	587	-	13	2	600	600	+	0	0	600	600	+	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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 - There have been no reclassifications from agricultural to urban use for 3 consecutive years.

Item 2 - The FY 23 variance in the number of positions filled is due to funding limitations and restrictions.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

Item 1 - The number of land use permit applications reviewed affecting agricultural lands was lower than expected due to the subdivision of agricultural land decreasing to less than 5, while other forms of land division have increased.

Item 2 - The increase is due to the issuance of purchase orders for the microgrant program. This program will continue into FY 24.

Item 3 - There was an increased number of petty cash checks processed because there were more invoices for \$50 to \$100.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	8.00	5.00	-	3.00	38	9.00	6.00	-	3.00	33	9.00	9.00	+	0.00	0
EXPENDITURES (\$1000's)	6,769	2,962	-	3,807	56	1,168	549	-	619	53	19,986	20,605	+	619	3
TOTAL COSTS															
POSITIONS	8.00	5.00	-	3.00	38	9.00	6.00	-	3.00	33	9.00	9.00	+	0.00	0
EXPENDITURES (\$1000's)	6,769	2,962	-	3,807	56	1,168	549	-	619	53	19,986	20,605	+	619	3

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. PROGRAM ID ADDED IN ACT 219/22	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
2. ACRES OF AGRICULTURAL LANDS DIRECTLY MANAGED	22377	22801	+	424	2	22377	22801	+	424	2
3. ACRES AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC	18846	18846	+	0	0	18846	18846	+	0	0
4. NO. OF IRRIG AND INFRASTRC PROJ MANAGED BY ADC	4	4	+	0	0	4	4	+	0	0
5. NUMBER OF AGRICULTURE RELATED FACILITIES MANAGED B	4	4	+	0	0	4	4	+	0	0
6. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE	16	16	+	0	0	16	16	+	0	0
7. ACRES OF LAND AGRIC CONSERV EASEMNTS UNDER ADC	108	108	+	0	0	108	108	+	0	0
8. 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	75916	75916	+	0	0	75916	75916	+	0	0
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	148	148	+	0	0	148	148	+	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. AGRICULTURAL LANDS MANAGED BY ADC (ACRES)	22377	22801	+	424	2	22377	22801	+	424	2
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS	11	11	+	0	0	11	11	+	0	0
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC	2	2	+	0	0	2	3	+	1	50
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC	1	1	+	0	0	1	1	+	0	0
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS	6	6	+	0	0	6	6	+	0	0
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	143	143	+	0	0	143	143	+	0	0
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 2023 AND FY 2024

01 03 04 04
BED 170

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH

PART I - EXPENDITURES AND POSITIONS

The variance of positions for FY 23 is due to a six-month delay in hiring one full-time equivalent (FTE) position and the departure of two FTE positions.

The projected hiring of the remaining budgeted-for staff will be in the second and third quarters of FY 24, pending approval.

The expenditure variance for FY 23 are due to departmental transfers/integration issues and no release of funding requests.

The variance of spending in the first quarter of FY 24 is due to the delay of release of funds. The funds will be encumbered by the end of FY 24, pending release of funds.

PART II - MEASURES OF EFFECTIVENESS

There are no significant variances to report for measures of effectiveness.

PART III - PROGRAM TARGET GROUPS

There are no significant variances to report for program target groups.

PART IV - PROGRAM ACTIVITIES

Item 3. The Agribusiness Development Corporation has two ongoing studies with consultants and is directed to perform one additional study using the University of Hawaii and a consultant, pending release of funds.

VARIANCE REPORT

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	22.00	17.00	-	5.00	23	7.00	3.00	-	4.00	57	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	3,533	2,937	-	596	17	249	249	+	0	0	845	845	+	0	0
TOTAL COSTS															
POSITIONS	22.00	17.00	-	5.00	23	7.00	3.00	-	4.00	57	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	3,533	2,937	-	596	17	249	249	+	0	0	845	845	+	0	0

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. NUMBER OF LICENSES ISSUED	3	NO DATA	-	3	100	3	NO DATA	-	3	100
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	700	715	+	15	2	750	730	-	20	3
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	90000	89627	-	373	0	95000	95000	+	0	0
4. TOTAL AQUACULTURE EMPLOYMENT	415	415	+	0	0	450	450	+	0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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.

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO:

FISHERIES MANAGEMENT (HISTORICAL)

LNR-153

010402

VARIANCE REPORT

REPORT V61

12/5/23

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	14.00	-	1.00	7							
EXPENDITURES (\$1000's)	2,455	2,332	-	123	5							
TOTAL COSTS												
POSITIONS	15.00	14.00	-	1.00	7							
EXPENDITURES (\$1000's)	2,455	2,332	-	123	5							

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 04 02
LNR 153

PROGRAM TITLE: FISHERIES MANAGEMENT (HISTORICAL)

PART I - EXPENDITURES AND POSITIONS

No significant variances.

Fisheries Management (LNR 153), Ecosystem Protection and Restoration (LNR 401) and District Resource Management (LNR 805) were consolidated into LNR 401 starting in FY 24.

PART II - MEASURES OF EFFECTIVENESS

Performance measures are consolidated in LNR 401.

PART III - PROGRAM TARGET GROUPS

Target groups are consolidated in LNR 401.

PART IV - PROGRAM ACTIVITIES

Program Activities are consolidated in LNR 401.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	7.00	3.00	-	4.00	57	7.00	3.00	-	4.00	57	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	1,078	605	-	473	44	249	249	+	0	0	845	845	+	0	0
TOTAL COSTS															
POSITIONS	7.00	3.00	-	4.00	57	7.00	3.00	-	4.00	57	7.00	5.00	-	2.00	29
EXPENDITURES (\$1000's)	1,078	605	-	473	44	249	249	+	0	0	845	845	+	0	0
					FISCAL YEAR 2022-23				FISCAL YEAR 2023-24						
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
PART II: MEASURES OF EFFECTIVENESS															
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	700	715	+	15	2	750	730	-	20	3					
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	90000	89627	-	373	0	95000	95000	+	0	0					
3. TOTAL AQUACULTURE EMPLOYMENT	415	415	+	0	0	450	450	+	0	0					
PART III: PROGRAM TARGET GROUP															
1. AQUACULTURE OPERATIONS STATEWIDE	62	60	-	2	3	65	65	+	0	0					
PART IV: PROGRAM ACTIVITY															
1. INFORMATION SENT (NUMBER)	175	170	-	5	3	175	175	+	0	0					
2. PERMIT ASSISTANCE (NUMBER)	200	205	+	5	3	200	100	-	100	50					
3. DISEASE ASSISTANCE (NUMBER OF CASES)	250	255	+	5	2	250	250	+	0	0					
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)	4	4	+	0	0	4	4	+	0	0					

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 04 03
AGR 153

PROGRAM TITLE: AQUACULTURE DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

The variances were due staff vacancies and lower than anticipated expenditures from the Aquaculture Development Special Fund.

PART II - MEASURES OF EFFECTIVENESS

No significant variances.

PART III - PROGRAM TARGET GROUPS

No significant variances.

PART IV - PROGRAM ACTIVITIES

No significant variances.

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	4.00	4.00	+ 0.00	0	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	115,169	72,292	- 42,877	37	25,318	28,867	+ 3,549	14	147,204	142,523	- 4,681	3
TOTAL COSTS												
POSITIONS	4.00	4.00	+ 0.00	0	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	115,169	72,292	- 42,877	37	25,318	28,867	+ 3,549	14	147,204	142,523	- 4,681	3
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. INCREASE IN NUMBER OF COMPANIES FUNDED	5	NO DATA	- 5	100	0	NO DATA	+ 0	0				
2. # OF COMPANIES ASSTD WITH HTDC PROGRAMS	25	200	+ 175	700	25	25	+ 0	0				
3. TOTAL TENANT EXPENDITURES (\$M)	120	120	+ 0	0	130	130	+ 0	0				
4. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	5.8	6.0	+ 0.2	3	6.0	6.0	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

PROGRAM TITLE: TECHNOLOGY AND ENERGY

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 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	1.00	+ 0.00	0	1.00	1.00	+ 0.00	0	1.00	1.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,595	5,436	- 5,159	49	7,691	547	- 7,144	93	2,719	2,719	+ 0	0
TOTAL COSTS												
POSITIONS	1.00	1.00	+ 0.00	0	1.00	1.00	+ 0.00	0	1.00	1.00	+ 0.00	0
EXPENDITURES (\$1000's)	10,595	5,436	- 5,159	49	7,691	547	- 7,144	93	2,719	2,719	+ 0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. ENERGY USERS STATEWIDE REACHED	468000	479272	+ 11272	2	471000	479400	+ 8400	2				
2. ENERGY SECTOR STAKEHOLDERS REACHED	53000	59900	+ 6900	13	55650	55650	+ 0	0				
3. SESF 12 ACTIVATIONS STAFFED (%)	100	100	+ 0	0	100	100	+ 0	0				
PART III: PROGRAM TARGET GROUP												
1. ENERGY USERS STATEWIDE	1560000	1597575	+ 37575	2	1570000	1598000	+ 28000	2				
2. ENERGY SECTOR STAKEHOLDERS	2375	1900	- 475	20	2494	2200	- 294	12				
PART IV: PROGRAM ACTIVITY												
1. ENERGY USER ENGAGEMENTS	60	90	+ 30	50	60	90	+ 30	50				
2. ENERGY SECTOR STAKEHOLDER ENGAGEMENTS	36	39	+ 3	8	36	36	+ 0	0				
3. SESF 12 SUPPORT (# STAFF HOURS ALLOCATED)	4118	1482	- 2636	64	4118	4118	+ 0	0				
4. ANALYSES, TECHNICAL ASSISTANCE, AND PROJECTS	90	107	+ 17	19	90	90	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 05 01
BED 120

PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

PART I - EXPENDITURES AND POSITIONS

The variance in FY 23 and FY 24 expenditures is due to the full allotment of the Volkswagen (VW) Trust fund. While the entire settlement amount is budgeted each year, the execution of the program will take several years.

PART II - MEASURES OF EFFECTIVENESS

Item 2. There was an increase in the number of website users (above estimated figures) for FY 23.

PART III - PROGRAM TARGET GROUPS

Item 2. The reduction in sector stakeholders was the result of cleaning up email lists to remove old contacts.

PART IV - PROGRAM ACTIVITIES

Item 1. The increase in energy user engagements includes events hosted by the Hawaii State Energy Office (HSEO)/Wayfinders and community-hosted events attended by HSEO/Wayfinders. The Wayfinders program started near the end of FY 22, and FY 23 planned numbers were estimated before full Wayfinders participation.

Item 3. Only activated for Mauna Loa and fewer training for new staff in FY 23 resulted in lower staff hours supporting the Hawaii State Emergency Support Function 12 (Energy) (SESF 12). An unusually low number of events and senior staff turnover resulted in deferred exercises/training.

Item 4. The increase in analyses, technical assistance, and projects increased slightly as a result of new work for both the Infrastructure Investment and Jobs Act and Inflation Reduction Act federal programs.

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 05 02
BED 143

PROGRAM TITLE: HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

PART I - EXPENDITURES AND POSITIONS

Expenditures: Actual/estimated expenditures and encumbrances for FY 23 and first three months of FY 24 reflect activity from appropriations outside of Act 248, SLH 2022, and Act 164, SLH 2023, including specific appropriation general funds and non-appropriated federal grants.

FY 23 First Quarter positions variance is due to the vacancy of a permanent Director.

PART II - MEASURES OF EFFECTIVENESS

Item 1. Our current programs are oversubscribed and the Accelerator Program helps multiple companies.

Item 2. Same as Item 1; the Accelerator Program provides assistance to multiple companies at once.

Item 3. All three core programs (Hawaii Small Business Innovation Research (HSBIR), Manufacturing Assistance Program (MAP), and Accelerator) were funded by the Legislature, giving the Hawaii Technology Development Corporation (HTDC) more funds to distribute.

Item 4. Federal spending is aligned with awards.

Item 5. With funding of HTDC core programs, it enabled startups to begin hiring people.

PART III - PROGRAM TARGET GROUPS

Item 1. With the MAP program funded, HTDC was able to provide services to Hawaii's manufacturers.

Item 2. With funding for all core programs, applications for assistance were up.

PART IV - PROGRAM ACTIVITIES

Item 1. HTDC websites show robust activity and our facility programs are well received.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	7,641	-	104	1	1,963	1,526	-	437	22	5,890	5,890	+	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)	7,745	7,641	-	104	1	1,963	1,526	-	437	22	5,890	5,890	+	0	0
					FISCAL YEAR 2022-23				FISCAL YEAR 2023-24						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)					5.8	6.0	+	0.2	3	6.0	6.0	+	0	0	
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)					5500	5500	+	0	0	6000	6000	+	0	0	
3. TOTAL TENANT EXPENDITURES (\$M)					120	120	+	0	0	130	130	+	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	3000	3000	+	0	0	
PART IV: PROGRAM ACTIVITY															
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)					580	580	+	0	0	590	710	+	120	20	
2. TOTAL VOLUME OF SEAWATER PUMPED MONTHLY (MGALS)					610	610	+	0	0	620	620	+	0	0	
3. TOTAL NUMBER OF NELHA TENANTS					62	62	+	0	0	65	65	+	0	0	
4. PERCENTAGE OF NELHA LAND IN USE					51	51	+	0	0	53	55	+	2	4	
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)					190	190	+	0	0	205	205	+	0	0	
6. BEACH PARK USE (# OF ATTENDEES)					52000	52000	+	0	0	54000	54000	+	0	0	

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 05 04
BED 146

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

PART I - EXPENDITURES AND POSITIONS

FY 2023-24 expenditures budgeted for the first quarter delayed to the second quarter (i.e., assessments for ceded land, central and administrative, janitorial and security contracts).

Note: Reporting is inclusive of all means of financing and contract encumbrances from previous years, same as reported in previous years.

PART II - MEASURES OF EFFECTIVENESS

No significant variances to report for measures of effectiveness.

PART III - PROGRAM TARGET GROUPS

No significant variances to report for program target groups.

PART IV - PROGRAM ACTIVITIES

Item 1. Total employment at the Natural Energy Lab of Hawaii Authority: The variance is due to revised estimates based on recent activity. We are in the process of the collection of actual numbers through survey results, which will be available in January 2024.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	26,043	- 59,935	70	12,105	12,105	+ 0	0	123,914	123,914	+ 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	26,043	- 59,935	70	12,105	12,105	+ 0	0	123,914	123,914	+ 0	0
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % FINANCING FOR UNDERSERVED RATE PAYERS	85.0	85	+ 0	0	85.0	85	+ 0	0				
2. ESTIMATED KWH PRO/REDUCTION OVER LIFETIME (000)	35050	44866	+ 9816	28	35050	35050	+ 0	0				
3. EST BARRELS OF PETROLEUM DISPLACED (000)	21.5	27.5	+ 6	28	21.5	21.5	+ 0	0				
4. EST METRIC TONS OF GREENHOUSE GAS AVOIDED (000)	10.5	13.5	+ 3	29	10.5	10.5	+ 0	0				
5. ACCESS TO CAPITAL PROVIDED TO # SMALL BUS/NONPROF	5	6	+ 1	20	10	10	+ 0	0				
6. PUBLIC/PRIVATE CAPITAL INVESTED IN PROGRAM (000'S)	15000	6225	- 8775	59	20000	10000	- 10000	50				
7. JOBS CREATED OR RETAINED	143	91	- 52	36	182	100	- 82	45				
8. STATE TAX REVENUE GENERATED (000'S)	1890	1126	- 764	40	2520	1500	- 1020	40				
PART III: PROGRAM TARGET GROUP												
1. RATE PAYERS	45	93	+ 48	107	45	45	+ 0	0				
2. SMALL BUSINESSES AND NONPROFITS	5	5	+ 0	0	10	10	+ 0	0				
3. COMMERCIAL PROPERTY OWNERS	1	0	- 1	100	3	3	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. ORIGINATE AND SERVICE CLEAN ENERGY LOANS	400	480	+ 80	20	400	500	+ 100	25				
2. SSBCI HI-CAP COLLATERAL SUPPORT & HI-CAP CDFI LOAN	5	6	+ 1	20	10	10	+ 0	0				
3. COMMERCIAL PROPERTY ASSESSED FINANCING PROGRAM	0	0	+ 0	0	1	3	+ 2	200				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 05 05
BED 138

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

PART I - EXPENDITURES AND POSITIONS

The Hawaii Green Infrastructure Authority's (HGIA) FY 23 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 \$8.1 million. Overhead and program expenses of \$917,000 were offset by approximately \$3.9 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 2022, 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 Groups), the amount of loans being deployed are lower than when the Authority was able to fund all applicants, coupled with the \$6.5 million "extra" GEMS bond ceiling, resulting in a 70% variance in the actual to budgeted expenditures. Reaching low-income and disadvantaged communities 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, 2023, HGIA had \$18.8 million in committed loans.

PART II - MEASURES OF EFFECTIVENESS

Items 2,3,4. The positive variance in the actual kWh (kilowatt-hours) production/reduction, estimated barrels of petroleum displaced, and greenhouse gas avoided is due to the fact that the aggregate system

sizes of the projects financed exceeded targets.

Item 5. The positive variance in access to capital provided to small businesses/nonprofits is due to the team exceeding its State Small Business Credit Initiative (SSBCI) access to capital goal by 20%.

Items 6, 7, and 8. The negative variance in private capital mobilized, jobs created, and State tax revenue generated are due to HGIA not meeting its target for loan funding due to length of installation time and delays in permitting. HGIA intends to "right-size" FY 24 targets for these three categories accordingly.

PART III - PROGRAM TARGET GROUPS

Item 1. The positive variance in the ratepayers goal is due to the increasing demand among low- and moderate-income households for renewable energy financing.

Item 3. The negative variance in the commercial property owners goal is due to the delayed implementation of the Commercial Property Assessed Clean Energy (C-PACE) program. HGIA is still working with the counties to pass Ordinances to implement the C-PACE program. Bill 56 was introduced by the City and County of Honolulu on October 4, 2023, and passed first reading. We anticipate the Ordinance being approved by the Honolulu City Council by the end of the year and implementing the C-PACE program shortly thereafter.

PART IV - PROGRAM ACTIVITIES

Item 1. The positive variance in the number of clean energy loans originated and serviced is due to both continued demand in HGIA's financing programs, coupled with a rising interest rate environment, which significantly decreased the number of payoffs from first mortgage refinancing for bill consolidations.

Item 2: The positive variance in the number of SSBCI supported loans is due to the team exceeding its FY 23 goal on this new program launched

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 05 05
BED 138

PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

during the year.

Item 3: The positive variance in the commercial property assessed financing program is due to the anticipated approval by the Honolulu City Council for implementation of the C-PACE program during FY 24.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24						
	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	27.00	-	1.00	4
EXPENDITURES (\$1000's)	3,939	3,890	-	49	1	1,006	822	-	184	18	3,351	3,535	+	184	5
TOTAL COSTS															
POSITIONS	28.00	23.00	-	5.00	18	28.00	23.00	-	5.00	18	28.00	27.00	-	1.00	4
EXPENDITURES (\$1000's)	3,939	3,890	-	49	1	1,006	822	-	184	18	3,351	3,535	+	184	5

	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0	0	+	0	0	0	+	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1	1	+	0	1	1	+	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)	0	0	+	0	0	0	+	0
4. STATE LANDS DEVELOPED (ACRES)	10	10	+	0	10	10	+	0
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)	2000	2536	+	536	27	2000	2000	0
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)	4	4	+	0	0	4	4	0
PART III: PROGRAM TARGET GROUP								
1. DEFACTO POPULTN BENEFITNG FR IMPRVMENTS (NO. IN MIL)	1.5	1.5	+	0	0	1.5	1.5	0
PART IV: PROGRAM ACTIVITY								
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	25	24	-	1	4	25	25	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	30	28	-	2	7	30	30	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	30	28	-	2	7	30	30	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	20000	18500	-	1500	8	20000	20000	0
5. CIP EXPENDITURES (\$1,000)	40000	27371	-	12629	32	40000	30000	-10000
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0	0	+	0	0	0	0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)	1	0	-	1	100	1	1	0
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD	5	5	+	0	0	5	5	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 06
LNR 141

PROGRAM TITLE: WATER AND LAND DEVELOPMENT

PART I - EXPENDITURES AND POSITIONS

FY 23 position variance is due to budgeted unfilled positions under various stages of recruitment. The program has experienced difficulties in recruitment due to the prolonged historically low unemployment rate and lack of interested and qualified applicants. To fill its vacancies, the program is attempting to recruit positions at lower levels.

FY 24 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 funds for the capital improvement program staff.

PART II - MEASURES OF EFFECTIVENESS

Item 5: In FY 23, due to continued restoration of electrical production after the shutdown in 2018, the total amount of geothermal royalties was collected in greater amounts.

PART III - PROGRAM TARGET GROUPS

There are no significant variances to report for program target groups.

PART IV - PROGRAM ACTIVITIES

Item 5: FY 23 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$53 million is encumbered in consultant and/or construction contracts for expenditure in FY 24 and beyond.

Item 7: There were no geothermal resource permit applications received in FY 23.

VARIANCE REPORT

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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)	3,558	2,862	- 696	20	891	668	- 223	25	80,418	80,418	+ 0	0
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)	3,558	2,862	- 696	20	891	668	- 223	25	80,418	80,418	+ 0	0

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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.

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 07 01
BED 150

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY

PART I - EXPENDITURES AND POSITIONS

The variance in FY 23 is due to position vacancies throughout the year and not spending the full operating expense amount. At the end of FY 23, only two positions were vacant. One is being filled in October 2023; the other position will be filled in November 2023. The Hawaii Community Development Authority (HCDA) will be fully staffed at that time.

In FY 24, under Act 164, SLH 2003, HCDA was appropriated five capital improvement program projects totaling \$77,625,000. They are all pending the Governor's approval for the release of the funds and is expected to be used during Quarters 3 and 4.

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. Note: This is not reflected as a variance in FY 23 or FY 24 - it is a variance from prior years.

PART III - PROGRAM TARGET GROUPS

Item 6: FY 24's planned amount is a typographical error, it should be zero. There are no other significant variances to report.

PART IV - PROGRAM ACTIVITIES

Items 2, 4, and 6: The planned amount reflects budget requests and actual/estimated reflects funding received. There are no other significant variances to report.

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

	FISCAL YEAR 2022-23				THREE MONTHS ENDED 09-30-23				NINE MONTHS ENDING 06-30-24			
	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	21.00	- 4.00	16	23.00	21.00	- 2.00	9	23.00	21.00	- 2.00	9
EXPENDITURES (\$1000's)	23,849	10,452	- 13,397	56	3,383	2,430	- 953	28	166,251	169,634	+ 3,383	2
TOTAL COSTS												
POSITIONS	25.00	21.00	- 4.00	16	23.00	21.00	- 2.00	9	23.00	21.00	- 2.00	9
EXPENDITURES (\$1000's)	23,849	10,452	- 13,397	56	3,383	2,430	- 953	28	166,251	169,634	+ 3,383	2
	FISCAL YEAR 2022-23				FISCAL YEAR 2023-24							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. # OF UNITS FOR SALE TO HOMEBUYERS	100	0	- 100	100	328	328	+ 0	0				
2. # OF UNITS FOR NEW RENTAL HOUSING	612	633	+ 21	3	150	207	+ 57	38				
3. # OF UNITS PRESERVED FOR EXISTING RENTAL HOUSING	312	312	+ 0	0	150	306	+ 156	104				
PART III: PROGRAM TARGET GROUP												
1. HSEHLDs EARNING UP TO 140% OF AREA MEDIAN INCOME	4000	4000	+ 0	0	4000	4000	+ 0	0				
PART IV: PROGRAM ACTIVITY												
1. LOANS/GRANTS FOR ACQ/REHAB/DEV OF HSG	306	1325	+ 1019	333	382	132	- 250	65				
2. RESERVE TAX CRDT FOR ACQ/REHAB/DEV OF HSG UNITS	216	1676	+ 1460	676	150	150	+ 0	0				
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	177.5	157.0	- 20.5	12	74	427.8	+ 353.8	478				
4. FACILITATE DEVELOPMENT OF REAL PROPERTY (UNITS)	100	0	- 100	100	428	403	- 25	6				
5. ASSIST HOMEBUYERS (UNITS)	200	113	- 87	44	458	458	+ 0	0				

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

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. Most of the applicants on the eligibility list provided by Human Resources did not respond to our interview inquiries or had already found employment. The budgeted and actual number of filled positions in FY 23 is a -2.00 change, as 2.00 positions were left unfunded by Act 88, SLH 2021. For FY 24 and FY 25, the 2.00 unfunded positions were converted to temporary positions to meet the increasing workload in the agency.

The expenditure variance for FY 23 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. Also appropriated was \$5,000,000 for the Affordable Homeownership Program. The program was amended by Act 93, SLH 2023, to extend the lapse date to June 30, 2024.

In the first quarter of FY 24, 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 variance in the number of homebuyers assisted for FY 23 is a result of delayed start of projects due to the uncertainty of the COVID-19 pandemic. Completion dates for the projects are two to five years away.

Item 2. The positive variances in the number of new rental units for FY 23 is the result of the completion (or estimated completion) of projects that were delayed due to the COVID-19 pandemic. Many projects estimated for FY 24 were delayed until FY 25 due to rising construction costs.

Item 3. The positive variance in the number of existing affordable rental housing preserved for FY 24 is a new rehabilitation project recently approved by the Hawaii Housing Finance and Development Corporation Board of Directors.

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 positive variance in the number of units under loan originations for FY 23 is primarily a result of delayed start of projects from FY 22 and an increase in project applications. Act 236, SLH 2022, increased the Rental Housing Revolving Fund (RHRF) infusion and allowed significantly more projects to be awarded RHRF loans. The FY 24 RHRF loan applications will be awarded later in the fiscal year.

Item 2. The positive variance for FY 23 is 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. The positive effect of the Act 236, SLH 2022, appropriation also applies for this item. The project funding awards for FY 24 will be later this fiscal year.

Item 3. The negative variance in the amount of tax-exempt revenue bonds issued for FY 23 is a result of rising development and construction costs, causing developers to utilize bond financing for their below market interest rates. Many developers had projects delayed from design and permitting issues, thus moving the bond issuances to FY 24, which resulted in the positive variance.

VARIANCE REPORT NARRATIVE FY 2023 AND FY 2024

01 08
BED 160

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

Item 4. The negative variance for FY 23 in the facilitation of real property development is due to planning and construction delays. Also, projects planned for FY 23 were delayed until FY 24.

Item 5. The negative variance in the number of first-time homebuyers assisted for FY 23 is the result of delayed start of projects due to the COVID-19 pandemic. The Mortgage Credit Certificate Program recently received funding for FY 23 and resumed issuing new certificates to assist first-time homebuyers.