



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

January 15, 2025

✓ The Honorable Ronald D. Kouchi
President and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the House of
Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear Senate President Kouchi, Speaker Nakamura and Members of the Legislature:

For your information and consideration, pursuant to Section 37-70, HRS, I am transmitting a copy of the State of Hawai'i Program Memoranda. In accordance with Section 93-16, HRS, I am also informing you that this report will be available for viewing electronically at: <https://budget.hawaii.gov/budget/program-memoranda/>.

Mahalo,

Josh Green, M.D.
Governor, State of Hawai'i

Enclosure

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Josh Green, M.D.
Governor, State of Hawai'i

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State of Hawaii

PROGRAM MEMORANDA

Submitted to the Thirty-Third State Legislature
January 2025

Prepared by the Department of Budget and Finance
Budget Program Planning and Management Division

STATE OF HAWAII PROGRAM MEMORANDA

January 2025

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01

Economic Development

ECONOMIC DEVELOPMENT

I. OVERVIEW

The Economic Development program is the first of eleven major programs in the statewide program structure. The overall objective of the Economic Development program is to assist in maintaining the State's economy in a strong and competitive condition by providing policies, operations, facilities, services, counseling, and information so as to achieve appropriate rates of growth, high levels of employment, reasonable returns on investments, and steady gains in real personal incomes in a balanced fashion in all sectors of the economy and areas of the State.

The program consists of nine Level II programs: Business Development; Tourism; Agriculture; Fisheries and Aquaculture; Technology; Water and Land Development; Special Community Development; Hawaii Housing Finance and Development Corporation; and Energy. The following organizational entities are involved in this program: Department of Agriculture (DOA); Department of Business, Economic Development and Tourism (DBEDT); and Department of Land and Natural Resources (DLNR).

Important program relationships exist between the Economic Development program and the following private and governmental agencies:

- (1) Federal
 - Department of Agriculture
 - Department of Commerce
 - U.S. Export Assistance Center-Hawaii Foreign-Trade Zones Board
 - Export Import Bank of the United States
 - Economic Development Administration
 - National Telecommunication and Information Administration
 - Federal Communications Commission
 - Small Business Administration
 - State Department
 - Department of Defense
 - Defense Advanced Research Projects Agency
 - Office of Naval Research
 - U.S. Air Force
 - Department of Energy
 - Department of Housing and Urban Development
 - Department of Interior
 - Department of Transportation
 - Department of Homeland Security Citizen Immigration Services
 - U.S. Customs and Border Protection
 - Department of State-Consular Offices in various Asian countries
- (2) Counties
 - Office of the Mayor
 - County Councils
 - Building departments
 - Planning departments

- Public works departments
 - Transportation departments
 - Economic development offices
 - Police departments
 - Neighborhood boards
- (3) Private - Business and Commerce associations
- Chambers of Commerce
 - Economic Development Boards
 - American Immigration Lawyers Association
 - Hawaii Hotel Association
 - Hawaii Visitors and Convention Bureau
 - Visitor Industry Professional Associations
 - Waikiki Improvement Association
 - SMG (Convention Center)
 - Maui High Performance Computing Center (MHPCC)
 - Colleges and Universities
- (4) International - Pacific Basin Economic Council
- Pacific Asian Travel Association
 - Foreign consular offices located in Honolulu
 - East West Center
 - Pacific and Asian Affairs Council
 - District Export Council
 - American Chambers of Commerce Overseas
 - Japan External Trade Organization
 - International Chambers of Commerce

Some of the more significant activities carried out within the overall Economic Development program are: developing and implementing programs to attract new job-creating businesses and investment; promoting international trade; providing advice and counseling to businesses; increasing competitiveness of businesses engaged in importing and exporting activities; facilitating development of industries centered on life sciences, tourism consulting, education and training, energy, environmental, ocean and recyclable resource-based products and services; carrying out the State's tourism program; inspecting and grading agricultural products; sponsoring applied research in agriculture, aquaculture and biotechnology; providing industry and product promotion; inspecting horticultural and animal imports; planning for technology-based economic development, developing technology projects, and operating technology or innovation centers; ensuring an environment for broadband equity and digital equity; stimulating economic development of specific community districts; development of locally based creative intellectual property for global export, creative and innovation entrepreneurial development of the film, television, media and digital media production industry; integration of and promotion of the diverse artistic and cultural resources of Hawaii to advance export and visitor attraction; and supporting economic growth for a resilient, clean energy economy.

Business Development

The objective of this program is to facilitate growth, diversification, and long-term stability by promoting Hawaii's products and services and attracting business and investment.

Five programs, Business Development and Support Division, (BED 100); Office of International Affairs, (BED 101); Creative Industries Division, (BED 105); Foreign Trade Zone, (BED 107); and General Support for Economic Development, (BED 142), administered by DBEDT comprise this Level II program.

BED100 Business Development and Support Division

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

BED101 Office of International Affairs

The Office of International Affairs helps to plan, support and implement a number of international initiatives including trade and investment missions; economic development study missions; events promoting messages of peace, promoting sister state relationships through cultural and entrepreneurship exchanges; promoting educational exchanges; and health policy and exchanges.

BED105 Creative Industries Division

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

BED107 Foreign Trade Zone

The Foreign Trade Zone Division administers the federal grant for FTZ9, which includes all zone sites throughout the State. FTZ9 operates as a public utility to make various economic advantages available to importing and exporting firms. The Division:

1. Operates the FTZ public warehousing and manufacturing complex as efficiently and effectively as possible.
2. Provides office, exhibit, warehousing, and industrial space through leases and revocable permits.
3. Provides information to local, national, and international traders and manufacturers concerning the advantages of operating in Hawaii and under the auspices of the Zone Program.
4. Supports the private sector in its efforts to take full advantage of the benefits offered by the FTZ Program.

5. Plans for the expansion of services and facilities to meet the needs of firms which qualify for Zone utilization.

BED142 General Support for Economic Development

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

The Administrative Services Office provides internal management, fiscal, budgetary, contract, personnel, computer and office automation, and other miscellaneous administrative services in support of the Department of Business, Economic Development and Tourism's programs and activities.

The Hawaii Broadband and Digital Equity Office coordinates, implements, promotes, funds, and manages programs designed to ensure equitable access to digital technologies and support Hawaii's competitiveness in the digital economy. Activities are guided by the Hawaii Broadband Strategic Plan (October 2020) and the Hawaii Digital Equity Plan:

1. Ensure robust broadband infrastructure for all Hawaii residents:
 - a. Promote policies, programs, and investments in public and private broadband infrastructure;
 - b. Foster public/private partnerships for infrastructure development;
 - c. Expand transpacific submarine fiber connectivity; and
 - d. Establish secure broadband access sites on each island.
2. Expand digital inclusion and adoption to reach digital equity:
 - a. Identify and remove barriers for unserved and underserved populations;
 - b. Address affordability challenges for low-income households;
 - c. Increase public awareness of broadband as a critical need; and
 - d. Secure resources to sustain digital inclusion efforts.
3. Enable Hawaii to thrive in the digital economy:
 - a. Support HBDEO's role in economic development through broadband initiatives;
 - b. Leverage broadband resources to create jobs and diversify the economy; and
 - c. Improve government services delivery with enhanced broadband capabilities.
4. Strengthen community resiliency through broadband:
 - a. Integrate public, private, and community network operations; and
 - b. Ensure timely access to critical infrastructure during crises.

The Hawaii Digital Equity Plan, approved by the National Telecommunications and Information Administration (NTIA), outlines strategic goals for Hawaii organizations to align their programs with digital equity objectives.

The Military and Community Affairs Office (MACRO):

1. Established Memorandums of Understanding with the Office of Planning and Sustainable Development and the Hawaii Department of Education to support stakeholder engagement to identify DOD initiatives that are mutually beneficial for the community and DOD installations, and to support the internal efforts of DOE related to Public Schools on Military Installations;
2. Partnered with other State agencies to facilitate cooperative engagement with DOD; and

3. Awarded contracts focused on operational design and action planning for the MACRO, public relations and media, operation of the Hawaii Defense Alliance, economic impact study, civil defense planning related to manmade events.

Tourism

The objective of this program is to strategically manage Hawaii tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resource community desires and visitor industry needs.

BED113 Hawaii Tourism Authority Admin & Governance

The administrative and governance section is crucial in planning, organizing, coordinating, evaluating, and reporting on all Hawaii Tourism Authority (HTA) activities, ensuring that the authority remains responsive to the needs of both visitors and residents. This includes coordination and working closely with other governmental agencies, committees, task forces, community groups, and industry representatives in addressing tourism problems and issues; working with travel industry organizations and associations; establishing public information programs and monitoring complaints about Hawaii's visitor industry.

BED114 HTA – Branding and Marketing

Execution of destination brand marketing services in the markets of U.S., Japan, Canada, Korea, Oceania, China, Europe, and expanding to Taiwan. In addition, the Hawaii Tourism Authority (HTA) continues to grow the Meetings, Conventions, and Incentives (MCI) market, which represents a key area of opportunity for reaching higher spending travelers and expanding the economic benefits of tourism. HTA is also prioritizing quick-return marketing strategies, such as market saturation activations and co-op programs.

These efforts are critical in stabilizing the domestic market and rebuilding interest from international travelers. Despite these challenges, HTA's marketing team remains focused on sustaining awareness and interest in Hawaii as a world-class destination, while working to regain momentum in key markets.

BED115 HTA – Sports and Signature Events

The objective of this program is to support sports and signature events across the state of Hawaii to attract visitors, remain competitive as a vibrant destination, and increase economic and social benefits to communities.

This program is being proposed for consolidation with the Destination Stewardship and community program (BED116).

BED116 HTA – Destination Stewardship & Community

As part of HTA's 2020-2025 Strategic Plan, which calls for a focus on destination management, Destination Management Action Plans (DMAPs) were created for each island to address tourism's impacts and serve as a starting point to rebuild, redefine, and reset its direction over a three-year period. The destination managers across counties play a crucial role in coordinating local destination management initiatives and addressing community concerns.

Key initiatives also include post-arrival marketing to educate visitors, visitor assistance services, a destination management app, the Community Tourism Collaboratives for capacity building and training, and Qurator, a tourism quality assurance certification program.

HTA provides funding to community-led projects through the following programs: 1) Kahu Aina to preserve natural resources; 2) Hookipa Malihini to enhance the sense of place at key visitor entry points such as resorts, airports, and harbors; 3) Community Enrichment to connect residents and visitors; and 4) Kukulu Ola to perpetuate Hawaiian culture.

HTA supports signature events aligned with the Hawaiian Islands brand and community values, while developing new major sporting events, festivals, and initiatives to enhance Hawaii's competitiveness as a vibrant destination.

In the area of tourism workforce development, HTA is committed to promoting tourism as a viable career path by supporting workforce development through the Hawaii Tourism Hooilina Scholarship at the University of Hawaii, cultural training, and programs for high school and college students, in addition to collaborating with the University of Hawaii, DOE, DLIR, and industry partners for a robust workforce.

Agriculture

The objective of this program is to assist in maintaining the agricultural sector of the State's economy, including livestock production, forestry, crops and aquaculture, in a strong and competitive condition by providing policies, services, loans, subsidies, environmental protection, land and water, operations, facilities, advice, coordination, and information so as to achieve appropriate rates of growth, high levels of employment, reasonable returns on investment, and steady gains in real personal income.

AGR101 Financial Assistance for Agriculture

The objective of this program is to promote the agricultural and aquacultural development within the State by facilitating and granting loans, as well as providing related financial services to qualified farmers, new farmers, food manufacturers, and aquaculturists that meet program qualification requirements.

The program assists farmers, ranchers, and aquaculturists by providing direct loans or help in securing credit from private lenders through participation loans with lenders, insuring private lender loans, and providing loans in cooperation with other lenders. The program's activities include providing direct loans to farmers who are unable to obtain credit from private lenders. The program operates agricultural loan programs, including the qualified farmer, new farmer, part-time farmer, food manufacturer for operations that utilize Hawaii-grown agricultural commodities, soil conservation, water utilities, and agricultural cooperatives. An aquaculture loan program is available to assist qualified aquaculture operations.

The program offers emergency loans to help farm operations recover from natural and economic disasters, such as the current economic downturn as a result of the COVID-19 pandemic. The program also has expedited processing for loans \$50,000 and under. As a lender of last resort, special emphasis is placed on servicing of loans, including management and financial counseling for borrowers.

The Department maintains a constant liaison with various private lenders; farmer organizations; farm credit banks; various U.S., State, and county agencies, such as the Farm Service Agency and the University of Hawaii, to keep them apprised of program developments and to encourage cooperation and participation.

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

AGR 122 Plant Pest and Disease Control

The objective of this program is to protect Hawaii's agricultural and horticultural industries, natural resources, and general public by preventing the introduction and establishment of harmful insects, diseases, illegal non-domestic animals, and other pests; to conduct effective plant pest control activities; and to enhance agricultural productivity and agribusiness development by facilitating export shipments of agricultural and horticultural materials and products.

This program protects Hawaii's agricultural industries and natural resources against the introduction and spread of harmful insects, diseases, and other pests, including noxious weeds through the following activities:

- 1) Review and issuance of importation permits for all nondomestic animals, restricted plants, microorganisms and soil;
- 2) Inspection of all agricultural materials and surveillance of personal baggage arriving from domestic ports through civilian and military aircraft and surface vessels;
- 3) Inspection, as needed, of agricultural materials arriving from foreign ports through civilian aircraft and surface vessels;
- 4) Inspection of military and domestic aircraft and cargo from Guam and other high risk areas for brown tree snakes;
- 5) Investigation of illegal entry or possession of plants, non-domestic animal and microorganisms;
- 6) Seminars, lectures, or other related activities to assure public awareness of the impact of illegal animals and other alien species to agriculture and the environment;
- 7) Inspection of mail parcels including first class mail which contain agricultural materials;
- 8) Inspection of agricultural products, horticultural materials, and non-domestic animals transported between the islands;
- 9) Inspection, treatment when required, and certification of horticultural materials and agricultural products for export to the U.S. mainland or to foreign countries;
- 10) Surveillance, detection, identification, and mapping of plant pathogens, weeds, insects, and other invertebrate pests new to the State of Hawaii;
- 11) Worldwide exploration for and study in quarantine of potential beneficial organisms to control priority pests in Hawaii;
- 12) Biological control of priority weeds, insects, and other invertebrates using beneficial pathogens, parasitoids, and other organisms;
- 13) Chemical/mechanical control of plant pathogens, noxious weeds, insects, plant diseases, and other pests to eradicate, contain, or control their numbers to reduce damage and "buy time" for biocontrol activities to be explored; and

- 14) Chemical control of weeds and select incipient pest infestations where supervision and/or expertise is provided to landowners and land occupiers or where cooperative assistance is sought from private sector and other State, federal, or county agencies.

The U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Services (APHIS), Plant Protection and Quarantine, Federal Homeland Security, Customs and Border Protection (CBP) and the Plant Quarantine Program have similar roles in preventing the entry of agricultural pests into the State.

The USDA and CBP programs cover inspections of all foreign arrivals, while the Hawaii Department of Agriculture's (DOA) role is the inspection of all domestic arrivals. USDA's Agricultural Research Service, U.S. Forest Service and the University of Hawaii (UH) conduct biocontrol research coordinated with the program. UH conducts research on chemicals for pest control and coordinates with the program for field testing, education and dissemination of information relating to control of noxious weeds and other plant pests.

The program also works closely with the USDA-APHIS to develop a strong pest and pathogen surveillance and detection system under the Cooperative Agricultural Pest Survey Program, and with UH in developing pest control strategies for pests, like Coqui Frog and Little Fire Ants. It also coordinates efforts with the State Departments of Health, Transportation, Education, Land and Natural Resources, Hawaiian Home Lands, and various county departments and federal agencies to conduct pest control programs.

AGR131 Rabies Quarantine

The objective of this program is to protect animal and public health by preventing the introduction of rabies and animal diseases in imported cats and dogs through import regulation, quarantine, and monitoring of animal entries for alien pests and diseases.

Dogs and cats meeting specific pre- and post-arrival requirements may qualify for direct release at Honolulu International Airport (HIA) after inspection. Dogs and cats meeting specific pre and post-arrival requirements may also apply for a Neighbor Island Inspection Permit for inspection and direct release at airports in Kona, Kahului, and Lihue. All other cats, dogs, and related carnivores not qualified for direct airport release that enters Hawaii, except from designated rabies-free areas, are confined at the Animal Quarantine Station (AQS) to observe these animals for symptoms of rabies. The AQS in Halawa Valley and the Airport Animal Holding Facility (AAQHF) located at HIA are maintained to carry out these activities.

Activities are coordinated with the Animal Disease Control Branch (ADCB), Animal Industry Division, and with private veterinary facilities at neighboring island ports with respect to the inspection of dogs and cats entering the State. The ADCB operates the AAQHF.

AGR132 Animal Disease Control

The objective of this program is to assist the State's livestock and poultry industries in the production of disease-free livestock, poultry, and wholesome products and protect the public health through the prevention and response to livestock and poultry diseases of high consequence.

Activities of this program fall into two broad areas: regulating the movement of domestic livestock, aquatic animals, and poultry; and responding appropriately to animal diseases of high consequence. Disease control and eradication programs are conducted cooperatively with the U.S. Department of Agriculture's (USDA) Veterinary Services, livestock, aquaculture, and poultry industries, and liaisons are maintained with animal health divisions in all other states. The program also maintains close working relationships with agencies and groups such as the Departments of Health, Land and Natural Resources, the University of Hawaii, Honolulu Zoo, and private veterinary practitioners.

AGR151 Quality and Price Assurance

The objective of this program is to assist in the development of the agricultural industries through quality assurance of agricultural commodities; licensing dealers of agricultural products; and producer price and quota control to maintain stability within the dairy industry. The program engages in the following activities:

1. Provide grade, condition, and origin certification of agricultural commodities for free.
2. Provide seafood inspection services for a fee.
3. Provide good agricultural practice audits for a fee.
4. Provide meat grading service for a fee, when requested.
5. Conduct registration, sampling and analysis of animal feeds.
6. Provide enforcement of the Federal Egg Products Inspection Act.
7. Conduct Federal Country of Origin audits.
8. License dealers of agricultural products and settle delinquent payment cases.
9. Enforce individual egg origin marking of importing eggs.
10. Assist police in investigations of agricultural theft cases.
11. Conduct visits at retail establishments for requirements of certificate of ownership of agricultural products.
12. Enforce labeling, advertising, and container and minimum export quality requirements for agricultural commodities.
13. Develop and improve grade standards for fresh and processed agricultural products.
14. Conduct inspections for genetic purity, identity, and maintaining product traceability.
15. Inspect, investigate milk production, distribution, and payments and perform market-wide pool utilization calculations to determine fair payment to farmers.
16. Issue milk licenses to producers, processors, and distributors and monitor and adjust milk quotas.
17. Inspect and regulate farms covered under the Food Safety Modernization Act (FSMA) Produce Safety Rule to increase food safety.

This program works with its Federal partners: the U.S. Departments of Agriculture (USDA) and Department of Commerce (USDC). There are cooperative agreements with the USDA for fresh and processed fruits and vegetables, shell eggs, meat grading, Egg Products Inspection Act Enforcement, and country of origin labeling audits. There is also a cooperative agreement with the USDC, National Marine Fisheries Service, to conduct seafood inspection and certification. There is a Cooperative Agreement Program or CAP with the Food and Drug Administration (FDA) to establish a Hawaii Department of Agriculture produce safety program to encourage the production of quality, safe fruits and vegetables, ensure producer competitiveness in the marketplace, and assist FDA in implementing the FSMA-mandated, unified partnership approach toward achieving an integrated food safety system.

State and local partners include the University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Agricultural Resource Center, and the Departments of Business, Economic Development and Tourism, Health, Land and Natural Resources, and Accounting and General Services.

Industry partners include the Hawaii Farm Bureau Federation, the trade association of the banana, tropical fruit, coffee, cattlemen, milk, eggs, feed, seed, organic produce, retail wholesale, food manufacturing, and other industries, and various agricultural cooperatives and other agribusinesses.

AGR171 Agricultural Development and Marketing

The objective of this program is to support the economic sustainability of commercial agriculture in Hawaii by promoting collaborative marketing initiatives for agricultural products with strong revenue growth potential. The program also facilitates the development and expansion of marketing opportunities, including grants for targeted agricultural and processed products, and are committed to providing timely, accurate and useful statistics to support informed decision-making.

Program activities include:

1. Promoting the Buy Local, It Matters call-to-action campaign, Seal of Quality Program, and the Made in Hawaii with Aloha Program.
2. Encouraging more exports and helping existing agricultural and food manufacturing industries to maintain their viability through activities that introduce Hawaii companies to interested buyers from international companies, to global lifestyles such as Halal and Kosher, and to new programs and funding opportunities that support exporting Hawaii agricultural products.
3. Assisting associations of producers and distributors of local agricultural and food products to introduce their products to consumers via trade shows and programs that support commodity associations.
4. Conducting business feasibility analysis and research, develop market information and growth potentials for specific agricultural and food manufacturing industries, and evaluate effectiveness of market development programs.
5. Funding the collection and analysis of Hawaii agricultural acreage, value, price, production, inventory, labor, supply, and shipment data by personal contact, phone, or mailed questionnaire.
6. Generating and administering contracts that provide quantifiable deliverables in support of farmers, ranchers, and producers and move Hawaii toward food security.
7. Meeting with individuals and industry groups to discuss, implement, coordinate, and improve State programs; resolve industry problems; encourage collective action; and improve production and marketing.
8. Administer contracted programs, such as the Specialty Crop Block Grant Program, Micro-grants for Food Security Program, and seek and apply for other federal grant programs.

The program has the following partners:

Federal: U.S. Department of Agriculture - There is a cooperative agreement with the National Agricultural Statistics Service. There is collaboration with the Foreign Agricultural Service through the Western U.S. Agricultural Trade Association to promote U.S. agricultural products in international markets. There is communication with the Agricultural Marketing Service for guidance on administering federally funded grant programs.

Congressional Delegation: Maintain a partnership and regular communication with the Hawaii delegation on behalf of programs and issues impacting Hawaii farmers, ranchers, and producers.

State: University of Hawaii College of Tropical Agriculture and Human Resources; Departments of Business, Economic Development and Tourism; Budget and Finance; Education; Health; Accounting and General Services; Attorney General; and county Economic Development agencies with focus on agricultural development.

Industry: Hawaii Farm Bureau Federation; Hawaii Farmers Union United; commodity associations; retail and wholesale sectors; food manufacturing; agribusinesses; Hawaii Agricultural Research Center; Hawaii Food Manufacturers Association; and Hawaii Food Industry Association.

AGR141 Agricultural Resource Management

The objective of this program is to assist in developing and managing the State's agricultural resources by providing and/or managing irrigation water, farmland, infrastructure, produce processing, livestock slaughter, and agricultural research and processing facilities.

This program is composed of: 1) Division Administration; 2) Irrigation Water Development and Management; and 3) Agricultural Land Development and Management.

Under Division Administration, activities include preparing budget submissions, legislative testimonies, and other administrative and fiscal reports; attending meetings and public hearings representing the Division; planning, approving and implementing program policies; and providing overall guidance to Branches.

Irrigation Water Development and Management activities include planning and programming of capital improvements projects which include budgeting, scheduling, control, and management of project activities; preparing applications for permits and clearances for agricultural water development projects; operating and maintaining existing State-owned irrigation systems by controlling the flow of water to maximize the supply and minimize excess, and to provide whenever possible, an adequate supply and equitable distribution of water; enforcing the provision of the administrative rules by metering, billing, and collecting water charges; maintaining the system by repairing, replacing, and keeping in good working condition all mechanical and electrical devices; and keeping intakes, ditches, tunnels, and reservoirs free flowing.

Agricultural Land Development and Management activities include the planning, developing, and construction of capital improvement projects of new Ag Parks, Non-Ag Park, and Enterprise lands; administering and enforcing the terms of leases; operating and maintaining all

infrastructure; conducting the disposition of available or new agricultural lands as prescribed by statute and rules; and billing and collecting lease rents.

The program receives agricultural lands from the Department of Land and Natural Resources' (DLNR) Land Division pursuant to Executive Orders. The Agricultural Resource Management program also provides support to the Hawaiian Homes Commission's homestead programs at Waimea, Hawaii, and Hoolehua, Molokai, by providing irrigation water. Additional work is done in conjunction with the Commission on Water Resource Management, Department of Accounting and General Services, DLNR's Engineering Division, State Civil Defense, county Water Supply and/or departments, and federal agencies (U.S. Department of Agriculture, Natural Resources Conservation Service; Department of the Interior, Bureau of Reclamation; U.S. Army Corps of Engineers; and the Federal Emergency Management Agency).

AGR192 General administration of Agriculture

The objective of this program is to expand agriculture's contribution to the State's economy by providing leadership, formulating policies and plans, directing operation, allocating resources and staff, providing for the exchange of information between stakeholders, and enhancing the effectiveness and efficiency of the department's programs.

The Chairperson's Office plans, directs, and coordinates the various activities of the department within the scope of laws and established policies and regulations; maintains relationships with the Governor, Legislature, federal, State, county agencies, and agricultural organizations; administers a public affairs program; prepares, coordinates, and monitors efforts to implement general and special plans; administers the planning of, and prepares project plans, in coordination with the Agricultural Resource Management Division; reviews agricultural needs related to land use, and prepares recommendations regarding State and County land use policies and procedures; and prepares and disseminates tabular and map data on the productivity and use of agricultural lands.

The Administrative Services Office provides staff support services to the various departmental programs in the areas of personnel, fiscal, budget and management, property management, automotive maintenance, information processing, office automation, and office and duplicating services.

BED 170 Agribusiness Development and Research

The objective of this program is to be an aggressive and dynamic leader in diversified agriculture demonstrating economic, environmental, and social benefit to the people of Hawaii.

The Agribusiness Development Corporation's (ADC) major activities involve: (1) acquiring former plantation land, water systems and processing facilities for development for use by diversified agriculture; (2) planning development of and/or continuing utilization of ADC assets and providing support as necessary for successful diversified agriculture; (3) exploring new methods and technology; (4) providing solutions to certain bottleneck issues facing the agriculture industry; (5) performing responsible land and water monitoring and best management practices; (6) providing administrative oversight of the Waiahole Water System; (7) working to expand state oversight of critical agriculture infrastructure; and (8) support

Hawaii's agriculture industry by developing statewide systems and business infrastructure to improve food security, self-sufficiency, and agriculture export products.

LNR 172 Forestry-Resource Management & Development

The mission of the Department of Land and Natural Resource's Division of Forestry and Wildlife (LNR 172) is to protect, manage, and restore natural and cultural resources in collaboration with the people of Hawaii.

Some of the more significant activities carried out within the overall Economic Development program are: developing and implementing programs to attract new, job-creating businesses and investment; promoting international trade; providing advice and counseling to businesses; increasing competitiveness of businesses engaged in importing and exporting activities; facilitating development of industries centered on life sciences, tourism consulting, education and training, energy, environmental, ocean and recyclable resource-based products and services; carrying out the State's tourism program; inspecting and grading agricultural products; sponsoring applied research in agriculture, aquaculture and biotechnology; providing industry and product promotion; inspecting horticultural and animal imports; planning for technology-based economic development, developing technology projects, and operating technology or innovation centers; stimulating economic development of specific community districts; promoting growth of the film, video, and digital media production industry; and promoting the diverse artistic and cultural resources of Hawaii.

Fisheries and Aquaculture

AGR153 Aquaculture Development

The objective of this program is to develop a sustainable and profitable commercial aquaculture industry by encouraging a diversity of products; improving management practices and technologies; and providing direct assistance with regulations, disease, marketing, and new business development.

Aquaculture activities address three broad areas: planning and coordination; provision of support services; and carrying out and funding research and technical extension. Plans and policies are formulated and liaison is maintained with sister-state and county agencies, as well as national and international research and development activities and interests. Direct assistance is provided in such key areas as: technical and business information; disease management and prevention; permit acquisition and compliance; marketing of products, services and investment opportunities; and new business development and expansion. Resources are also directed at selected short-term applied research, provision of technical support, and limited grant development to address industry needs.

The Department of Agriculture has been designated the lead agency for aquaculture development. Aquaculture development involves important relationships with governments and organizations on the mainland and throughout the Asia-Pacific Region, as well as federal, State, county, and private groups. Planning, policy, business, regulatory climates, research, training, education, professional conferences, finance, and marketing are areas of mutual interest and frequent interaction. The University of Hawaii system supports the Program with research and training. Federal support comes from the U.S. Department of Commerce and the U.S. Department of Agriculture's aquaculture programs, including the Pacific Regional Center for

Tropical and Subtropical Aquaculture in Hawaii. The Program maintains close working relations with sister agencies, Hawaii's private growers, consultants, non-profit organizations, and secondary schools with aquaculture programs.

Technology and Energy

The objective of this program is to support economic diversification by increasing competitiveness in Hawaii's science and technology sectors; enhance all economic sectors through the deployment of technology solutions that increase yield or productivity and increase investment attraction; and support entrepreneurship, commercialization, and technology transfer, as well as fund and capital development to fuel Hawaii's research, science, and technology industries.

BED120 Hawaii State Energy Office

The Hawaii State Energy Office (HSEO) is responsible for seven major objectives:

1. Develop a strategy and implementation pathway to meet statewide greenhouse gas (GHG) emissions limit and sequester more atmospheric GHG emissions than emitted no later than 2045 pursuant to 225P-5, and in accordance with Act 238 (2022) and HRS 324B-71. This also relates to HSEO and CEO duties under HRS 196-72(d)(2) and (d)(6).
2. Conduct and implement a comprehensive comparative fuel supply and repowering analysis, to reduce energy costs and carbon emissions and attract capital investment to stabilize the state's largest utility and modernize five associated independent grid systems.
3. Deploy technology and grid resilience strategies to protect critical infrastructure, lives and property from climate change events, including blackouts and energy shortfalls.
4. Design and Implement energy efficiency measures for income constrained residents, and commercial building performance standards to improve the energy performance of the state's largest commercial buildings.
5. Build consensus among stakeholders and policy makers to realize the state's 100% RPS and decarbonization policies by 2045, considering land and resource availability, affordability, and technological maturity. Initiate geothermal resource characterization to inform the potential for greater energy self-sufficiency in Hawaii's energy system.
6. Promote clean transportation via state fleet procurement, diesel replacement and policy analysis to achieve the legislated transition to zero-emission vehicles (ZEVs) by December 31, 2035.
7. Facilitate skilled trades development and job placements arising from the transition from imported foreign fossil fuels to locally generated renewable energy, increasing public engagement in the energy policy decision making framework.

As the primary and coordinating agency for the state under the Hawaii Emergency Management Agency (HI-EMA) for State Emergency Support Function 12: Energy, HSEO coordinates energy-related response efforts statewide to "all hazards," including hurricanes and pandemics and to maintain a continuously updated overview of Hawaii's energy system both from a planning and incident response perspective. In the event of an energy shortage, HSEO is responsible for convening energy industry stakeholders in assessing and managing energy inventories.

BED143 Hawaii Technology Development Corporation

The Hawaii Technology Development Corporation (HTDC) performs the following activities:

1. Provides infrastructure to support technology company formation;
2. Administers matching grant programs for Hawaii tech and manufacturing small businesses;
3. Secures funding and operates federally funded programs;
4. Promotes the tech sector to encourage participation, stakeholder investment and growth;
5. Stimulates the growth of Hawaii's tech workforce; and
6. Collaborates with DBEDT, other State departments, and economic development groups to craft coordinated policies and programs for the tech and innovation sectors.

BED146 Natural Energy Lab of Hawaii Authority

The Natural Energy Lab of Hawaii (NELHA) performs the following activities:

1. Markets, manages, and operates facilities.
2. Identifies, develops, and implements revenue enhancement opportunities, which support NELHA's objectives and its efforts to maintain operational self-sufficiency and sustainability.
3. Operates and maintains unique transmission and distribution systems for large volumes (approximately two tons per second) of deep and surface seawater and increase cost efficiency by investing in technology.
4. Implements an infrastructure plan for HOST Park considering full build out adequate integrated energy district, roads, telecommunications, efficient pipeline distribution systems, and green ways.
5. Operates a water quality laboratory for an environmental monitoring program that samples groundwater, near shore water, and offshore water; these are required activities to maintain the Special Management Permit under which all clients are able to operate at HOST Park.
6. Provide informational and educational material and lectures to school classes (K-12 and university level), professional associations, community groups, international visitors, legislators, and the general public.

BED138 Hawaii Green Infrastructure Authority

As a clean energy financing authority, the Hawaii Green Infrastructure Authority (HGIA) originates, underwrites, processes, documents, funds and services residential and commercial loans for underserved ratepayers. Leveraging its Green Energy Money Saver On-Bill Program, HGIA provides inclusive financing for underserved ratepayers (through loans and power purchase agreements for residential and commercial ratepayers) by applying non-traditional underwriting to expand access to rate payers who typically may not qualify for bank or credit union financing, while mitigating lender risk. HGIA is currently processing over 1600 applications from low and moderate-income homeowners and renters.

Under its HI-CAP Credit Programs, HGIA helps lenders to bridge the access to capital gap by providing credit enhancements, etc. During the past fiscal year, HGIA facilitated over \$9.5 million in financing to small businesses statewide, supported by \$2.3 million in HI-CAP funds. The Hawaii Commercial Property Assessed Clean Energy and Resiliency (HI C-PACER) Financing Program launched on 7/1/2024.

Through a grant from the Coalition for Green Capital HGIA hosted a Water Re-Use Workshop on December 12, 2024, to highlight two new housing developments that will save an estimated 19.0 million gallons of water annually, as well as gather feedback from attendees to design a financing product to facilitate more water conservation on new developments throughout Hawaii.

Water and Land Development

The objective of this program is to develop water and land resources to support programs to achieve the State's economic, agricultural, environmental and social goals, with priority given to state-sponsored projects; provide engineering services to execute capital improvements program (CIP) and/or operating, maintenance and repair projects; perform geothermal/mineral resource management duties; and address/monitor rockfall hazards on DLNR-owned lands.

LNR 141 Water and Land Development

The Water and Land Development Level II program focuses on providing an adequate water supply and developing State-owned lands to promote economic development and enhance public welfare. This program supports programs that are designed to achieve the State's economic, agricultural, environmental, and social goals, with priority given to State-sponsored projects. This assurance of an adequate supply of water to meet the increasing demands of State-sponsored projects, such as schools and housing, are of high priority. This program also provides engineering services to other departmental programs, performs geothermal/mineral resource management activities, and provides administrative support to the Soil and Water Conservation District Program.

Special Community Development

The objective of this program is to stimulate economic development of specific community districts by planning and implementing community development programs including infrastructure support.

BED150 Hawaii Community Development Authority

For legislatively designated Community Development Districts, the Hawaii Community Development Authority (HCDA) is mandated to develop and implement community development plans for each district which generally include community development guidance policies, a district-wide infrastructure improvement program, and community development rules. An HCDA community development plan is the product of public input, with the resulting subject to the administrative rule-making process. Major activities during the plan implementation stage include: a) Planning and regulatory functions in the administration of the plan and rules; b) Infrastructure systems improvements under the district-wide improvement program; c) Development and maintenance of commercial and public facilities (parks, parking garages, etc.); and d) Development and maintenance of State lands.

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

Because of the comprehensive nature of HCDA's economic and recreational development objectives, its activities support each of DBEDT's strategic objectives: 1) Development of the urban core and of workforce housing; 2) Workforce development; 3) Energy for tomorrow; 4) Export of goods and services; 5) Creation of an "innovation infrastructure"; and 6) Improve Hawaii's small business environment.

Hawaii Housing Finance and Development Corporation

The objective of this program is to increase and preserve the supply of affordable and workforce housing thereby supporting growth of the State's economy.

BED160 Hawaii Housing Finance and Development Corporation

The Hawaii Housing Finance and Development Corporation (HHFDC) was established to carry out the State's affordable housing financing and development functions. Its major finance program is the Low-Income Housing Tax Credit program, typically used in conjunction with the Rental Housing Revolving Fund (RHRF) loan program and the Hula Mae Multi-Family Revenue Bond programs to finance the development of rental housing for households earning up to 60% of the area median income (AMI). The RHRF Tier II loan program also funds projects for renter households earning up to 140% of the AMI.

The Dwelling Unit Revolving Fund (DURF) has an array of programs to assist for-sale and rental housing, including infrastructure, interim and permanent loan programs for developers. It is also used to fund legacy projects and infrastructure needs. Another important tool is the 201H Expedited Development Program, which provides regulatory relief to developers by granting various exemptions from statutes, ordinances, charter provisions, and rules.

Homeowner programs include the new DURF Equity Pilot Program in addition to the traditional Hula Mae Home Mortgage Loan and the Downpayment Loan Assistance programs. The latter two programs are restarting in FY25 due to market demands and planned to be funded by revenue bonds.

HHFDC has important program relationships with the Hawaii Public Housing Authority, the Hawaii Community Development Authority, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, the Department of Budget and Finance, the County housing agencies and planning departments, and the U.S. Department of Housing and Urban Development, in addition to many private housing developers. Together, the parties work to coordinate activities and resources to promote affordable and workforce housing statewide.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Economic Development program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 01

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT

OBJECTIVE: TO ASSIST IN MAINTAINING THE STATE'S ECONOMY IN A STRONG AND COMPETITIVE CONDITION BY PROVIDING POLICIES, OPERATIONS, FACILITIES, SERVICES, ADVICE AND INFORMATION SO AS TO ACHIEVE APPROPRIATE RATES OF GROWTH, HIGH LEVELS OF EMPLOYMENT, REASONABLE RETURNS ON INVESTMENTS, AND STEADY GAIN IN REAL PERSONAL INCOMES IN A BALANCED FASHION IN ALL SECTORS OF THE ECONOMY AND AREAS OF THE STATE.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
01	1. GROSS STATE PRODUCT (2017 CONSTANT \$ IN MILLIONS)		89306	90876	92657	94421	96215	97947	99710	101505
	2. REAL PERSONAL INCOME (2017 CONSTANT \$ IN MILLIONS)		71611	72843	73997	75192	76395	77579	78742	79924
	3. UNEMPLOYMENT RATE (% TENTHS)		3.0	2.8	2.6	2.5	2.4	2.3	2.3	2.3
	4. TOTAL EMPLOYMENT (THOUSANDS)		635	642	649	656	663	670	676	683
	5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)		112757	117827	122958	128173	133428	138765	144316	150088
	6. PERSONAL INCOME (CURRENT \$ IN MILLIONS)		97226	101662	105984	110359	114883	119479	124258	129228

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
0101	BUSINESS DEVELOPMENT	-	15,768	14,248	14,556	14,592	14,592	14,592	14,592	14,592
0102	TOURISM	-	-	97,000	96,374	83,397	83,397	83,397	83,397	83,397
0103	AGRICULTURE	-	63,725	77,572	89,508	92,687	91,610	91,610	91,610	91,610
0104	FISHERIES AND AQUACULTURE	-	2,345	3,118	2,603	1,103	1,104	1,104	1,104	1,104
0105	TECHNOLOGY AND ENERGY	-	64,527	119,113	113,988	113,995	111,994	111,994	111,994	111,994
0106	WATER AND LAND DEVELOPMENT	LNR-141	3,767	4,523	4,510	4,510	4,511	4,511	4,511	4,511
0107	HAWAII COMMUNITY DEVELOPMENT AUTHORITY	BED-150	64,219	8,975	4,581	4,081	4,082	4,082	4,082	4,082
0108	HAWAII HOUSING FINANCE AND DEVELOPMENT CORP	BED-160	160,993	220,679	22,263	22,092	22,093	22,093	22,093	22,093
	TOTAL		375,344	545,228	348,383	336,457	333,383	333,383	333,383	333,383
CAPITAL INVESTMENT EXPENDITURES										
0101	BUSINESS DEVELOPMENT	-	2,500	-	6,070	-	-	-	-	-
0102	TOURISM	-	-	64,000	5,000	5,000	-	-	-	-
0103	AGRICULTURE	-	24,600	40,001	71,371	9,200	-	-	-	-
0105	TECHNOLOGY AND ENERGY	-	3,400	15,000	-	-	-	-	-	-
0106	WATER AND LAND DEVELOPMENT	LNR-141	3,500	2,000	2,000	2,000	-	-	-	-
0107	HAWAII COMMUNITY DEVELOPMENT AUTHORITY	BED-150	9,000	20,125	33,102	112,898	-	-	-	-
0108	HAWAII HOUSING FINANCE AND DEVELOPMENT CORP	BED-160	45,000	230,500	145,000	145,000	-	-	-	-
	TOTAL		88,000	371,626	262,543	274,098				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Business Development

Business Development and Support Division (BED100)

The Business Development and Support Division (BDS) promotes industry development and economic diversification by supporting existing and emerging industries through the attraction of new business and investment, increase in exports of Hawaii products and services, expansion of Hawaii's participation in global trade and commerce, and growth in the economic vibrancy of communities.

Working collaboratively with a network of public and private sector partners, BDS plans and implements programs to: 1) encourage growth of existing and emerging industries by opening and developing domestic and international markets for Hawaii firms; 2) attract new business and investment, particularly knowledge-based and environmentally compatible industries to grow and diversify Hawaii's economy; 3) market Hawaii as a serious place to do business; 4) create new jobs, particularly those that require high-skills to support knowledge-based industries; 5) increase sales and exports of Hawaii products and professional services; 6) support Hawaii's international relationships to facilitate economic development objectives; 7) collaborate with the counties, private business, and economic development organizations to support the State's economic development objectives; 8) support and assist small businesses and community-based enterprises; and 9) operate representative offices to provide stable linkages with selected regions to generate and follow-up on business opportunities.

Two program branches comprise the major activities of the Level III program, Business Development and Support (BED 100): Business Development and Business Support.

The **Business Development Branch** plans and implements initiatives to increase export and growth of Hawaii's products and professional services. Activities include: 1) opening and expanding markets for Hawaii's products and professional services through trade shows, consumer shows, seminars and conferences, and creating business partnership and matchmaking opportunities locally and abroad; 2) collaborating with the counties, private business, and economic development organizations to support the State's economic development objectives; 3) leading coordination of the public-private development and marketing of Hawaii's business brand; and 4) operating and administering overseas offices, and the Office of International Affairs (BED-101).

Targeted goals are as follows:

PROGRAM RECAP	Average Per Year
SBA Grants Received for Exports Promotion	\$600,000
Trade and Consumer Shows	6 Trade and Consumer Shows
Export Training Sessions	10 sessions
Financial Assistance	\$125,000
New Export Sales Generated	\$13 million
Economic Impact	\$21.5 million
State Taxes Generated	\$900,000

In addition, the Business Development Branch produces conferences to promote the brand of Made in Hawaii to help manufacturers increase sales, and to be more productive. Examples of the conferences include: The Value of the Brand (2023), Mastering E-Commerce (2024), AI and Cloud Innovation (2024) and Go-To-Markets (2025).

The Business Support Branch develops, plans and implements programs to attract investment and businesses to Hawaii; assists communities with economic development initiatives; administers strategic investment incentives; and provides assistance, information and facilitates opportunities for businesses considering investing in or expanding to Hawaii. Their activities include: 1) facilitating matches and strategic alliances for investment into Hawaii's firms in key areas; 2) providing loans, grants and technical assistance to non-profit organizations; 3) administering the State's Enterprise Zones program which provides tax and other incentives to eligible businesses to locate in an economically distressed communities and 4) overseeing the Community-Based Economic Development loan program which provides business with financial assistance.

Programs include:

- **CYBER SAFE HAWAII PROGRAM:** With a \$900,000 grant from the SBA, BDSB established Cyber Safe Hawaii that offers cyber awareness training to Hawai'i companies; technical assessments of a company's IT systems to identify vulnerabilities; and penetration testing to validate security, and recovery services if applicable. This program is aimed at a range of Hawai'i businesses with 50 employees or fewer. So far 70 companies have completed their IT assessments and begun their online training. We hope to make this program available every year to at least 100 small Hawaii businesses. Free of charge.
- **Enterprise Zones Program--**create more jobs in targeted industries in economically challenged areas of the state. An increase in jobs located in economically challenged areas of the state and an increase in revenue in targeted sectors (business activities).
- **Grow the Enterprise Zones (EZ) Program** by increasing the number of participating companies by 25 a year from now. Revise administrative rules creating greater efficiencies in the program five years from now.
- **CBED Program--** provides expansion capital to community-based small businesses in Hawaii. Obtain an additional \$1million grant from the EDA to provide funding.

The Branch is also involved in Workforce Development as follows:

The Culinary Workforce Development program is a collaboration between Kapiolani Community College's Culinary Institute of the Pacific (CIP) and the Culinary Institute of America (CIA), the world's premier culinary college. The workforce development program is designed for professional chefs and people aspiring to join the food service and hospitality industry with programming that includes weeklong courses emphasizing cuisines from Asia, the Pacific Rim, Latin America complemented by global, plant-forward cuisines.

Healthcare Workforce Development (Two Programs)

The purpose of the public high school healthcare workforce certificate program is to address the entry-level healthcare workforce shortage by certifying high school students in high-demand health certificate professions with transition-to-employment support. These high-demand patient-facing professions include certified nurse aides, medical assistants, phlebotomists, and patient service representatives.

Meanwhile, the CNA-to-LPN Glidepath program is an earn-and-learn pathway that enables employers to retain employees as they pursue education and career advancement.

Aina to Makeke Entrepreneurship Accelerator Program

The Aina to Makeke Entrepreneurship Accelerator Program (EAP) will offer a structured and intensive approach to nurturing and developing small businesses for future success. The EAP is designed to compress years of learning into a short period of time, but provides aspiring entrepreneurs with the necessary tools, resources, and networks to scale, improve and accelerate growth in their business.

Office of International Affairs (BED101)

The Office of International Affairs develops policies that promote and strengthen relations with other countries in the areas of international business, economy, culture and the arts, and promotes transportation between and tourism with other countries. It develops and promotes international telecommunications and high technology exchanges; encourages development of international sister-state and city programs pairing Hawaii and its cities with states and cities around the world for artistic, cultural, economic, educational and faith-based exchanges; develops and promotes Hawaii as the economic, trade, commerce, transportation, banking and tourism hub of the Pacific; develops an international affairs and peace education curriculum that includes studies of international affairs and peace initiatives and takes a proactive, strategic approach to the development of policies that promote the prevention of national and international conflict, nonviolent intervention, mediation, peaceful resolution of conflict, and structured mediation of conflict; and provides for exchanges of individuals between Hawaii and other nations to develop international peace-based initiatives.

Accordingly, the OIA embarked on the following projects in 2024 and will follow the path of engaging in similar projects, such as funding, producing and or co-sponsoring missions to help participants gain a comprehensive understanding of major issues and to elevate awareness. Past missions included Innovative Transportation Safety Solutions mission to Europe; planned and organized a delegation from Hawaii to support the premier of Peace on Your Wings, a musical presentation that debuted in Hawaii and on the Continental U.S. and finally showcased the show in Hiroshima, Japan; planned and organized a delegation that visited three sister-states in Japan – Hiroshima, Ehime and Fukuoka. Each location featured the importance of educational exchanges that support workforce development in Hawai'i and Japan, and sister state networking functions.

Creative Industries Division (BED105)

Hawai'i has a thriving and vital cultural ecosystem with a creative economy that supports a highly skilled workforce. This sector contributes to the advancement of Hawai'i's general

economy and positively impacts Hawai'i's overall quality of life through innovation, fostering a flourishing environment for creative entrepreneurship and expanding the State's global export of creative content.

The Creative Industries Division (CID) focuses on the sectors of Hawai'i's economy that are more aptly called Hawai'i's Creative and Entertainment Industries. These industry sectors impact Hawai'i in many ways as they cross over many disciplines, industries, cultures and communities. They represent a cluster composed of for-profit components and non-profit organizations. Both groups employ more than 52,000 people annually and imbued a sense of multi-cultural uniqueness that we call Hawai'i. In its broadest definition, Creative Industries encompass economic activity of a wide spectrum of commercial businesses, individuals, cultural enterprises, non-profit institutions, and government agencies that directly or indirectly produce goods and/or provide services that are rooted in, or generated by artistry, design, aesthetic value or cultural enterprise.

In Hawai'i, Creative Industries employ 55,619 individuals, representing 6.2% of all jobs in the State. In total, the value of output from this sector equals \$5.1 billion or 5.4% of Hawai'i's total civilian GDP.

Hawai'i's Creative Industries include both base growths, transitioning and emerging growth industries:

- Film, Media and Entertainment (television, streaming, internet and direct to consumer content, post-production, visual effects, interactive media, game development, advertising)
- Visual Arts (painting, drawing, print making, sculpture, folk art, galleries,)
- Performing & Cultural Arts (theatre, music, dance, hula
- Design and Applied Arts (architecture, marketing, interior design, industrial design, fashion design, graphic/commercial design, culinary arts, web design, 3D design, and jewelry design)
- Literary Arts (writing, publishing)

CID focuses on development and growth of a thriving film industry, while accelerating emerging and transitioning sectors that align with Hawai'i's innovation and creative economy development, emphasizing workforce programs that take individuals from curriculum to career through skills development programs: 1) manages the department's media and entertainment facilities serving the creative, media and entertainment industries; and 2) manages the Hawai'i film and creative industries development fund (HRS 201-113); and 3) manages the Hawai'i motion picture, digital media, and film development income tax credit program (HRS 235-17) in conjunction with the Department of Taxation (DoTAX).

Two branches comprise the major activities of the Level III program, Creative Industries Division (BED 105 CID): 1) Film Industry Branch (FIB) also known as the Hawaii Film Office (HFO) handling day-to-day production servicing, the statutory film permitting program and

management of the Hawai'i Film Studio; and 2) Arts & Culture Development Branch, which oversees strategic development of creative, media and entertainment industry development, through three focus areas; workforce and skills training to career placement, infrastructure and facilities development, and supports community based organizations and nonprofits in its Creative Lab Hawaii Music and Media Accelerator initiatives. (CLH)These programs compliment education resources, offering options for aspiring artists and entrepreneurs in the creative sectors. ACDB is also department and statewide lead for the creative industries sector partnership under the U.S Department of Commerce, Economic Development Administration Good Jobs Challenge the University of Hawaii for the Good Jobs Hawai'i initiative (to date, over 230 Hawaii industry, education, and community partners in the sector partnership, 100 enrollments in new creative industries trainings funded by Good Jobs Hawaii, 28 DOE CTE instructors receiving professional development through an externship, and multiple ongoing initiatives including further career awareness building, on-the-job training initiatives and mentorship initiatives, and an AI workgroup seeking ways to leverage the new technology for business optimization and creative work). and the CreativeSpace Studio and collaboration facilities development, which aims to address the workforce and economic development gap between the educational pathway and either career or entrepreneurship in creative industries.

The Film Industry Branch, which is branded as the Hawai'i Film Office (HFO): 1) established in 1978 offices administers a statewide consolidated film permitting program and is the first point of contact for all film and television production taking place throughout the Hawaiian Islands. HFO Works in coordination with the four county film offices to encourage motion picture and television production companies and studios to use Hawai'i as a production site for feature films, television series, streaming content programs, national and local commercials, independent locally produced films and other filming activities; 2) develops and maintains contacts with film industry executives, labor unions, guilds and studio leadership to keep them apprised of local resources and development of new resources including locations, equipment, and human resources; 3) provides logistical, coordination and mitigation assistance to producers in obtaining film locations, equipment, facilities, permits, and clearances, and other requirements for production of film and television productions, still photography and live event productions ; 4) working to streamline and migrate to a digital statewide, one-stop film permit system, tied to longstanding Memoranda of Agreements (MOA) with other State departments such as state Departments of Transportation and Land and Natural Resources, and integration of these requirements to a more efficient on-line system to better service local and offshore productions filming on state lands and property; 5) arranges for research regarding the film industry, providing online resources to identify people, firms and other resources available to support production and disseminates research findings and information; 6) prepares and administers State contracts for development and promotion of the film industry; 7) identifies and analyzes major public concerns and issues involving the film industry and recommends appropriate State actions through community organizations and government agencies and develop legislative proposals and potential policy recommendations; 8) works closely with legislative committees, task forces, community groups, and industry representatives to strengthen and preserve Hawai'i's film friendly reputation to better promote business attraction to film in the state; 9) markets, administers and manages the Hawai'i Film Studio for production of television series, motion pictures and commercials, and oversees design, construction, and operation of the facility, as well as develops materials to promote the facility; 10) markets Hawai'i as an ideal filming destination, including maintaining and developing an up-to-date website, press kit, advertisements, videos, and other promotional materials; 11)

participates in industry trade shows and film festivals; and publicizes new film industry developments; 12) maintains membership and leadership roles and certified film commissioner (cfc) status within the Association of Film Commissioners International (AFCI) as the global subject matter experts on film commissioning; and 13) coordinates programs to develop the local filmmaking community to organize educational forums, seminars and workshops.

In a report prepared by DBEDT's Research and Economic Analysis Division (READ), several emerging areas point to increasing emphasis on intellectual property development where new technologies provide mobile and new forms of content distribution which has led the Creative Industries Division (CID) to focus on other areas of Creative, Media and Entertainment.

CID's focus has centered on Workforce Development/Career pipeline initiatives, Development of Facilities/Infrastructure and Access to Capital to grow local IP, READ's 2023 Targeted and Emerging Industries Report, continues to show the scope of creative activity beyond the previous focal areas of art and culture. Industries such as Computer and Digital Media, Engineering/R&D, Marketing and Design, among many others, better reflect the integration of art, technology and other creative activities: 1) develops and effectuates a strategic vision for Hawaii's creative economy based on data, sector-specific research, and regional approach; 2) implements initiatives which integrate with department objectives which further the business acumen and resources to increase revenue streams for creative entrepreneurs; 3) acts as a statewide liaison to identify and support economic development opportunities for new media, cultural arts, music, game development, interactive media and entertainment cluster sectors, including culture organizations; 4) prepares and administers State contracts for development and promotion of Hawaii's arts and culture industry; and 5) identifies and analyzes major challenges and issues involving the arts and culture industry and works closely with industry representatives and recommends appropriate State actions through development of legislative proposals and policies.

Foreign-Trade Zone (BED107)

The objective of this Level III program is to encourage value-added and international trading activities that will create new investment and job opportunities in Hawaii through a statewide foreign-trade zone program that reduces the barriers and costs associated with international trade.

The Foreign-Trade Zone (FTZ) Division administers the federal grant of authority, issued in 1965 to the State of Hawaii, for Foreign Trade Zone No. 9 (FTZ9). In 2018, FTZ9 reorganized its structure under provisions by the federal Foreign-Trade Zones Board regulations for authorization to operate under Alternative Site Framework (ASF). This reorganization means FTZ9 no longer needs to establish FTZ sites solely within industrial parks, but rather allows the program greater flexibility to identify and work with any eligible company within Hawaii to obtain and operate as a Foreign-Trade Zone regardless of location. Additionally, as the designated grantee, the FTZ Division is responsible for ensuring that U.S. Customs and Foreign-Trade Zones Board regulations are followed at all activated sites within the state and act as liaison with the Foreign-Trade Zones Board in Washington, D.C., and U.S. Customs and Border Protection.

The FTZ Division markets the FTZ program and provides technical advice and directions to potential users of these facilities. In addition, the FTZ Division is also an operator of a general-

purpose zone at the Pier 2 facility. Any company that imports and exports merchandise can take advantage of the benefits of the FTZ program at this shared-use facility. This prime waterfront location is adjacent to the State’s main, international container cargo terminals, the vibrant Kakaako district, the Prince Jonah Kūhiō Kalaniana’ole Federal Building, Oahu’s main cruise ship terminal facility and the downtown Honolulu business district. This seven-acre site provides over 500,000 cubic feet of warehouse storage and services.

Incubator office space is also available for rent at the Pier 2 site for companies who import, export, or offer international trade support services. There is currently over 48,000 square feet of office space operated by FTZ9 at Pier 2. Businesses include customs brokerage houses, logistics providers, shipping agents, as well as small business start-ups who do not have the capital to support sufficient warehousing and shipping container logistics. FTZ9 believes that by concentrating these international trade related resources in one location, it will increase business formation, improve coordination in Hawaii’s international trade community, and ultimately increase the amount of international trade activity in Hawaii.

Use of the FTZ program has an impact on levels of international trade in Hawaii and helps Hawaii companies leverage the benefits of the program to successfully compete in national and international markets. In FY 23, 317 firms used FTZ9, handling nearly \$11.5 billion of merchandise using FTZ procedures, and nearly \$6.6 billion in value-add products. Firms using the FTZ program report on employment of 3,878. Exports from activated FTZ sites totaled over \$518 million. Capital improvement expenditures within Hawaii’s FTZs was over \$103 million.

Key indicators of the value of the FTZ program to Hawaii’s economy over the past five years in terms of employment, merchandise handled (received plus forwarded), and exports as a percentage of foreign merchandise received are shown in the table below.

Foreign-Trade Zone No. 9 Program Key Indicators

	2019	2020	2021	2022	2023
Employment (direct)	3,039	3,100	3,070	3,771	3,878
Total merchandise handled, in + out (\$ million)	9,498	4,513	7,147	11,923	11,480
Pier 2 merchandise handled, in + out (\$ million)	31.8	31.8	37.9	62.2	45.9
Exports (\$ million)	539.9	179.8	145.9	403.4	518.3
Capital improvements (\$ millions)	45.4	56.9	7.2	45.3	103.4
Exports as % of foreign merchandise received	11	8	6.51	11.8	16

More information about FTZ9 can be found at www.ftz9.org.

General Support for Economic Development (BED142)

The Office of the DBEDT Director provides leadership to the overall operation of DBEDT. The office accomplishes this by serving as a catalyst that supports and facilitates regional economic development efforts in partnership with the four county economic development offices in the State of Hawaii as well as private for profit and not-for-profit organizations. The Director’s

Office focuses on achieving the broad-based economic goal of ensuring the overall wellbeing of Hawaii's people, culture, and environment. It accomplishes this through collaboration, objectivity (use of data), and the perpetuation and proliferation of the spirit of "can" to ensure the achievement of our State's economic goals in the highly dynamic, fast-paced global economy.

The DBEDT Director's Office includes the Director's administrative and operational staff, the Administrative Services Office, and the Small Business Regulatory Review Board. Collectively, these offices support regional and statewide economic development programs by effectively, efficiently, and timely allocating resources including data to programs that support growth, diversification, and resiliency of Hawaii's economy; ensure the overall well-being of staff by supporting digital and human development investments that improve our employees' work-life balance that simultaneously increase productivity; and ensures fairness to Hawaii's small businesses by reviewing and making recommendations to State and County agencies on any proposed new or amended administrative rules and responding to small business requests for assistance with administrative rules.

The Military and Community Relations Office (MACRO) was established on April 1, 2024, through funding from the Office of Defense Community Cooperation (OLDCC) and is fully federally funded. The office is dedicated to enhancing Hawai'i's ability to assess, communicate, and address the state's needs for a sustainable future while simultaneously supporting the long-term sustainability of Department of Defense (DoD) activities in the state. As the primary coordination function between the State of Hawai'i and the U.S. DoD, MACRO serves as the principal line of communication on matters relating to the DoD's presence, fostering a cooperative working relationship focused on problem-solving and mutual benefit.

The military's presence in Hawai'i creates significant economic, social, and environmental interdependencies. In recent years, direct spending by the DoD accounted for 8.3% of the state's GDP—the second-highest share in the nation—and represents the second-largest sector of Hawai'i's economy. Approximately 6% of Hawai'i's population consists of defense personnel and their dependents. Additionally, the state is home to about 20,000 other defense civilians, 115,000 veterans, and 18,000 retirees. The military owns or utilizes approximately 221,000 acres, or 5% of Hawai'i's total land area. This presence is especially concentrated on Oahu, where 88,574 military personnel and their dependents reside, accounting for about 9% of the island's population.

Unlike most other metropolitan areas, Honolulu County hosts every branch of the U.S. Armed Forces. Furthermore, the state is home to the Combatant Commander of U.S. Indo-Pacific Command (Indo-Pacom) and the Component Commanders of the U.S. Pacific Fleet, U.S. Army Pacific, U.S. Marine Forces Pacific, U.S. Pacific Air Forces, and the Commander of the 14th Coast Guard District, among other key military installations.

MACRO serves as the primary liaison between the U.S. DoD, the State of Hawai'i, and the broader community. The office is committed to fostering strong, enduring partnerships between Hawai'i's military and civilian sectors. MACRO's mission is to enhance mutual respect, deepen understanding, and promote collaboration on strategic issues critical to both the U.S. DoD and the State of Hawai'i. By leading strategic engagement, providing comprehensive education, and ensuring transparent communication, MACRO is dedicated to preserving and advancing Hawai'i's cultural heritage, economic interests, and environmental sustainability.

Recognizing that historical and recent issues have led some residents of Hawai‘i to view the military with strong reservations, MACRO is focused on rebuilding and maintaining trust between the community and the military. Through transparent engagement and collaboration among the various military components and Hawai‘i’s citizens, MACRO aims to bridge the divide between community interests and the essential operations of the military. The office’s efforts are geared towards ensuring long-term capability and sustainability.

MACRO supports the Hawai‘i Department of Education in executing the Public Schools on Military Installations (PSMI) capital improvement projects across the state. The PSMI program addresses capacity and condition issues, with 11 schools identified thus far. MACRO is working to strengthen the capacity to execute both current and future PSMI school projects, ensuring that these initiatives are carried out effectively.

Through its initiatives, MACRO is fostering cooperation and mutual benefit between the U.S. Department of Defense and the State of Hawai‘i, to ensure a more sustainable future for all of Hawai‘i.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0101

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT

II. 01 BUSINESS DEVELOPMENT

OBJECTIVE: TO FACILITATE GROWTH, DIVERSIFICATION, AND LONG-TERM STABILITY BY PROMOTING HAWAII'S PRODUCTS AND SERVICES AND ATTRACTING BUSINESS AND INVESTMENT.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0101	1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION		10	10	10	10	10	10	10	10
	2. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)		400	400	400	400	400	400	500	500
	3. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)		2	3	3	3	3	3	3	3
	4. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)		21.0	21.1	22.0	22.9	23.7	23.7	23.7	23.7

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
010101	STRATEGIC MARKETING AND SUPPORT	BED-100	8,200	5,095	5,551	5,551	5,552	5,552	5,552	5,552
010102	OFFICE OF INTERNATIONAL AFFAIRS	BED-101	449	250						
010103	CREATIVE INDUSTRIES DIVISION	BED-105	1,692	3,029	2,965	3,001	3,001	3,001	3,001	3,001
010104	FOREIGN TRADE ZONE	BED-107	2,600	2,791	2,796	2,796	2,796	2,796	2,796	2,796
010105	GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT	BED-142	2,825	3,082	3,243	3,243	3,243	3,243	3,243	3,243
	TOTAL		15,766	14,247	14,555	14,591	14,592	14,592	14,592	14,592
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
010104	FOREIGN TRADE ZONE	BED-107	2,500		6,070					
	TOTAL		2,500		6,070					

Tourism

The Hawai'i Tourism Authority (HTA), established in 1998 through Act 156, serves as the state's primary agency responsible for managing and guiding tourism policy from a statewide perspective. HTA operates as an attached agency to the Department of Business, Economic Development, and Tourism (DBEDT) and acts as the key advocate for Hawai'i's visitor industry.

Its mandate encompasses fostering collaboration between the public and private sectors to promote sustainable economic growth, supporting both the visitor industry and the well-being of local communities. In 2024, the State Legislature expanded HTA's responsibilities to include destination management, regenerative tourism, and updating Hawai'i's Tourism Functional Plan in accordance with the State Planning Act. These additions mark a new era for Hawai'i's tourism, emphasizing a shift toward a regenerative tourism model that prioritizes the sustainability of natural, cultural, and community resources.

Hawai'i Tourism Authority – Administrative and Governance (BED 113)

HTA's administrative and governance arms focus on implementing Board of Directors' policies, overseeing the authority's operations, and positioning HTA as a credible leader in both tourism marketing and destination management.

HTA aims to maintain a balanced approach to tourism management, integrating government, the visitor industry, visitors, and state residents to support sustainable economic development. By promoting a more holistic vision of tourism, HTA ensures that the benefits of tourism extend beyond economic gains to include improvements in the visitor experience and the quality of life for residents. HTA also strives to manage tourism growth in a way that respects and perpetuates native Hawaiian culture while promoting local communities and counties.

The administrative and governance section is crucial in planning, organizing, coordinating, evaluating, and reporting on all HTA activities, ensuring that the authority remains responsive to the needs of both visitors and residents.

Hawai'i Convention Center – Administrative (BED 113XC)

The Hawai'i Convention Center (HCC), another key component of HTA's portfolio, aims to establish itself as a premier global destination for events while serving as a cultural hub for the local community. To maintain its competitive edge, the HCC has embarked on an ambitious 6-year maintenance and repair plan, with major projects, including a \$64 million rooftop repair, set for completion by 2026. This extensive maintenance project will temporarily close the HCC, but upon completion, it will enhance the facility's capacity to host large-scale global events and reinforce its position as a world-class venue.

Fiscal Year 2024 marked a milestone for HCC, which achieved record financial performance. With gross revenues of \$28.9 million and a net income of \$3.4 million, the HCC contributed significantly to Hawai'i's economy. Offshore events alone generated \$390.9 million in visitor spending and \$45.7 million in tax revenue, providing the state with a return of \$14.65 for every dollar invested.

In recent years, HCC has diversified its offerings by investing in portable sports such as basketball, volleyball, futsal, and pickleball. Between 2017 and 2024, these sporting events attracted nearly 150,000 attendees and generated \$157.1 million in visitor spending, along with \$16.5 million in tax revenue. Going forward, the HCC plans to expand its event offerings to maximize economic impact and continue driving Hawai'i's competitiveness in the global event industry.

Hawai'i Tourism Authority – Brand Marketing (BED 114)

The Brand Marketing program is focused on globally positioning Hawai'i as a premier destination for leisure and business travel, which is essential for strengthening tourism's overall contribution to the state's economy. HTA's marketing efforts are targeted toward major global markets, including the U.S., Canada, Japan, Korea, Oceania, Europe, and China. Current advertising activity returns \$34 in tax revenue for every dollar spent. In addition, the HTA continues to grow the Meetings, Conventions, and Incentives (MCI) market, which represents a key area of opportunity for reaching higher spending travelers and expanding the economic benefits of tourism.

In 2024, Hawai'i faced a decline in visitor arrivals, particularly in the aftermath of the Maui wildfires, fierce competition, and weak yen, which have deeply impacted demand from major markets like the U.S. and Japan. To address these challenges, HTA has prioritized quick-return marketing strategies, such as market saturation activations and co-op programs.

These efforts are critical in stabilizing the domestic market and rebuilding interest from international travelers. Despite these challenges, HTA's marketing team remains focused on sustaining awareness and interest in Hawai'i as a world-class destination, while working to regain momentum in key markets.

Hawai'i Tourism Authority – Signature Events and Sports (BED 115)

The Signature Events and Sports program plays an important role in attracting visitors to Hawai'i by supporting high-profile sports events and cultural festivals. These events are designed to enhance Hawai'i's competitiveness as a vibrant destination while providing economic and social benefits to local communities.

Sports tourism, in particular, has become the fastest-growing segment of the global travel industry. As part of its strategy, HTA is focused on developing new sports events that generate millions of dollars in economic impact while delivering positive community benefits. By leveraging sports diplomacy, HTA is positioning Hawai'i as a leader in sports tourism, drawing international attention and creating opportunities for local engagement and development.

Hawai'i Tourism Authority – Destination Management (BED 116)

The Destination Management program is tasked with balancing the economic, environmental, and cultural needs of Hawai'i's tourism industry through strategic planning and community engagement. Working closely with residents and industry stakeholders, HTA has developed island-specific destination management action plans to guide sustainable tourism growth.

Through this program, HTA seeks to ensure that tourism development aligns with local values and enhances the quality of life for residents. Destination managers in each county will play a key role in coordinating these efforts, addressing local concerns, and implementing projects that support long-term sustainability.

Additional initiatives include post-arrival marketing aimed at educating visitors while they are in the islands, and visitor assistance programs designed to support those who may experience difficulties during their stay in Hawai'i. A destination management application is also in development to enhance communication and oversight. The Kahu 'Āina program will focus on the preservation and protection of natural resources, while the Ho'okipa Malihini Program is designed to foster a sense of place at resort areas and key visitor entry points such as airports and harbors.

Hawai'i Tourism Authority – Regenerative Tourism (BED 117)

HTA's Regenerative Tourism program is designed to transform Hawai'i's tourism industry toward sustainability by focusing on the protection and preservation of the state's natural and cultural resources. The program encourages visitors to engage in authentic, regenerative experiences that respect Hawaiian culture, local communities, and ecosystems.

Through partnerships with community organizations and local businesses, HTA aims to build capacity for sustainable tourism practices that benefit both residents and visitors. Regenerative tourism is seen as a way to foster deeper connections between visitors and the places they visit, ultimately contributing to the long-term health of Hawai'i's tourism industry.

The initiatives will encompass Community Tourism Collaboratives, focused on capacity-building programs, along with the newly launched tourism quality assurance program, Qurator. Additionally, efforts will be directed towards enhancing visitor experiences through the Community Enrichment and Kūkulu Ola programs.

Hawai'i Tourism Authority – Workforce Development (BED 118)

The Workforce Development program ensures that Hawai'i's tourism industry remains a key driver of economic opportunity for residents. As competition in the global tourism market intensifies, a well-trained and engaged workforce is critical to maintaining Hawai'i's competitiveness.

HTA is focused on positioning the visitor industry as a desirable career path, strengthening the current workforce, and preparing the next generation of industry leaders. By increasing awareness of career opportunities and providing access to workforce development programs, HTA aims to build a robust pipeline of talent that will support the long-term growth and sustainability of Hawai'i's tourism industry. The program also seeks to address workforce gaps and ensure that residents have the skills and training needed to thrive in the tourism sector, securing Hawai'i's position as a premier global destination for years to come.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0102

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT
 II. 02 TOURISM

OBJECTIVE: STRATEGICALLY MANAGE HAWAII TOURISM IN A SUSTAINABLE MANNER CONSISTENT WITH ECONOMIC GOALS, CULTURAL VALUES, PRESERVATION OF NATURAL RESOURCE COMMUNITY DESIRES AND VISITOR INDUSTRY NEEDS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0102	1. PER PERSON PER DAY SPENDING (\$)		217.5	219.0	222.0	225.1	228.2	228.2	228.2	228.2
	2. VISITOR EXPENDITURES (IN BIL \$)		21.0	21.1	22.00	22.9	23.7	23.7	23.7	23.7
	3. VISITOR SATISFACTION - % OVERALL SATISFACTION			87.9	87.9	89	89	89	89	89

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
010201	HAWAII TOURISM AUTHORITY-ADMIN & GOVERNANCE	BED-113		37,696	30,340	17,363	17,364	17,364	17,364	17,364
010202	HTA - BRANDING AND MARKETING	BED-114		39,249	42,022	42,022	42,023	42,023	42,023	42,023
010203	HTA - SPORTS AND SIGNATURE EVENTS	BED-115		7,318						
010204	HTA - DESTINATION STEWARDSHIP & COMMUNITY	BED-116		7,923	24,010	24,010	24,010	24,010	24,010	24,010
010205	HTA - REGENERATIVE TOURISM DEVELOPMENT	BED-117		3,762						
010206	HTA - WORKFORCE DEVELOPMENT	BED-118		1,050						
	TOTAL			96,998	96,372	83,395	83,397	83,397	83,397	83,397
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
010201	HAWAII TOURISM AUTHORITY-ADMIN & GOVERNANCE	BED-113		64,000	5,000	5,000				
	TOTAL			64,000	5,000	5,000				

Agriculture

LNR 172 Forestry-Resource Management & Development

This program's overall objective is to strengthen the State's economic opportunities through forest resource management, improve and assist in the sustainable production of forest products and services from Forest Reserves and other public and private lands, and promote resource restoration and conservation through outreach and education.

Specific program objectives include: (1) plan, research and implement reforestation and management of degraded and disturbed State lands for commercial forest resource production, native resource protection, watershed value enhancement, and other forest purposes; (2) plan and administer commercial forest management activities on State land, which includes resource inventory and forest product sale administration; (3) implement State and Federal technical forestry assistance and grant programs to provide support for forest management on public and private lands and to processors of forest products; (4) support a sustainable forest industry that maintains and creates jobs while generating revenues for managing public resources; (5) maintain and enhance forest reserve resources for cultural gathering and uses; (6) provide public education regarding the diversity and importance of forest products, ecosystem services, and natural resource values; (7) develop mechanisms by which the division obtains revenue from ecotourism, camping, cabin fees, production of water, nontimber forest products and other ecosystem services; (8) enhance forest reserve infrastructure maintenance, hazard reduction, and timber salvage opportunities through the commercial harvest permit system; (9) operate the Central Tree Nursery in Kamuela and district nurseries for distribution of high-quality tree seedlings for reforestation, special use plantings such as windbreaks and propagation of native plants for out planting; (10) compile maps and statistics on the extent and condition of forests throughout the State; and (11) foster the development of professional forest management plans for public and private lands.

This program typically cooperates with the following State departments on technical matters and for field implementation of program objectives: DBEDT; Hawaiian Home Lands; Agriculture; Health; and Education, as well as the Office of Hawaiian Affairs.

Important relationships via program implementation include: (1) landowner assistance programs to reforest private lands that are expanding under the Forest Stewardship and CREP grant programs; (2) the Federal Forest Legacy Program that has a focus on acquisition of land or conservation easements for protecting and conserving threatened natural resources of Hawaii, including important additions to Hawaii's Forest Reserve System; (3) the Federal Urban and Community Forestry Program that improves the health and viability of trees in Hawaiian communities through educational programs, financial support via cost-share grants, technical training, Arbor Day promotion, and partnerships with the public and private sectors, community groups and not-for-profit organizations; (4) cultural and educational aspects relating to sound management and stewardship of Hawaii's natural resources; these programs include cooperation with other resource management agencies and organizations as well as Department of Health students and the general public; (5) direct support of forest industry development by the private sector in Hawaii through issuance of permits or licenses with selected partners or companies, and providing timber and other forest product resources from commercial public land areas, and promoting economic development and resource self-sufficiency in Hawaii.

Significant activities include (1) protecting and managing Hawaii's Forest Reserve System for watershed values, invasive species control, and commercial, recreational, and cultural uses via direct management and key partnerships; (2) work with the Office of Hawaiian Affairs to implement forest restoration and management on the Wao Kele O Puna Forest Reserve purchased with USDA Forest Legacy program funds; (3) utilize revenue from sand mining at the Mana Coastal Forest Reserve to implement and oversee development of the 130-acre Mana wetland complex, providing habitat for endangered waterbirds, and recreational opportunity for the public; (4) implement the Waiakea management plan; (5) implement and manage commercial timber sales via program permits or licenses; (6) implement koa reforestation projects that include recovery and salvage of dead and downed koa timber resources, fencing improvements, and site scarification to stimulate natural koa regeneration; (7) promote and process Forest Reserve additions as opportunities arise to enhance the Forest Reserve System; (8) implement a Kapapala Koa Canoe Management Area plan that addresses long-term management of native forest for sustainable production of koa canoe logs and cultural and educational aspects of resource stewardship relating to growing and harvesting koa canoe logs and other important native forest products and values; (9) implement commercial forestry and private landowner and community assistance programs, including maintenance of the State cost-shared Federal Conservation Reserve Enhancement Program that supports Hawaii ranchers and farmers in implementation of forest and stream restoration projects on private lands; (10) secure land or conservation easements to protect and conserve threatened natural resources of Hawaii through the Federal Forest Legacy Program which seeks to provide enhanced capacity to 1) implement watershed and forest reserve protection and management efforts, including continued support of invasive species prevention, control, research, and public outreach efforts; 2) support forest industry development in Hawai'i to improve resource self-sufficiency of the State and program funding self-reliance; 3) provide assistance to private landowners to improve forest habitat and water quality by offering financial incentives, cost-share and rental payments; 4) secure titles or conservation easements for key land areas whose resources are under threat; and 5) support cultural and educational aspects of natural resource management.

Agribusiness Development Corporation (BED170)

Purpose: To create a vehicle and process to make optimal use of the agricultural assets for the economic, environmental, and social benefit of the people of Hawaii.

The objective of this Level IV program is to acquire and manage, in partnership with farmers, ranchers and aquaculture groups, selected arable lands, water systems and infrastructure for commercial agricultural use and to direct research into areas that will lead to the development of new crops, markets and lower production costs.

Rich agricultural lands are one of Hawaii's greatest assets. The role of the Agribusiness Development Corporation(ADC) is to protect the future of agriculture in Hawaii by facilitating its transformation from a dual crop economy of sugar and pineapple to a multi-crop industry. The breadth of ADC's responsibilities includes transitioning former plantation lands and water systems to diversified long-term agricultural use; initiating and developing diversified agriculture facilities; and finding innovative solutions for issues facing the agricultural industry today.

ADC Land Portfolio:

Island	Project Area	Total Gross Acres	Total Tillable Acres	Licensed Acres	Potential Tenant, ROE	Vacant Acres	% Licensed
Hawaii	Keaau	1.53	1.53	0.00	1.53	0.00	0.00%
Kauai	Kalepa	5,720.40	5,607.83	5,447.83	0.00	160.00	97.15%
Kauai	Kekaha	13,256.29	7,273.65	3,637.97	0.00	3,635.68	50.02%
Oahu	Galbraith	1,186.43	1,132.19	1,126.16	0.00	6.02	99.47%
Oahu	Paalaa Uka	1,405.00	1,362.19	561.30	0.00	800.89	41.21%
Oahu	Whitmore	1,078.78	1,076.68	541.91	234.00	300.77	50.33%
Oahu	Tamura	1.57	1.57	1.57	0.00	0.00	100.00 %
Oahu	Kunia	91.22	91.22	91.22	0.00	0.00	100.00 %
Oahu	Mililani	91.65	91.65	0.00	0.00	91.65	0.00%
		22,832.86	16,638.50	11,407.97	235.53	4,995.01	68.56%

ADC's unique position enables it to coordinate federal, state and private resources to optimize agribusiness opportunities. Its exemptions from Hawaii Revised Statutes Chapter 171 regarding land use, as well as Public Utilities Commission regulations and civil service laws, allow for greater flexibility in managing its programs. ADC fosters the growth of agricultural enterprises across the state by providing affordable irrigation and long-term licenses or leases to tenants, which stimulates investment in agribusiness and enhances the viability of agriculture in Hawaii.

The agribusiness research and development program cover the following functions: administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises; conducts marketing analysis to direct agricultural industry evolution; and provides the leadership for the development, financing, improvement, or enhancement of agricultural enterprises.

ADC's activities are focused on the following:

a) Land Acquisition and Development

The ADC manages 22,000 acres on the islands of Kauai and Oahu. Of the 22,000 acres it manages, 13,900 acres have commercial value and are considered ideal lands for agriculture production. The remainder is comprised of gulches, ravines, ditches, and roadways. To date, the ADC has issued license agreements and permits to agriculture operations for long-term use of 8,000+ acres, which represents over 60% of its total land inventory. Keeping large tracts of former plantation lands in agriculture and providing long-term licenses and leases to agricultural operations are the key elements to building the agriculture sector of the future and achieving food security.

b) Irrigation System Development and Maintenance

In addition to agricultural lands on Kauai and Oahu, the ADC also manages the Waiahole Water System. The ADC continues to work with its farmers to improve and maintain the critical infrastructure necessary to support agricultural operations. In addition to ongoing maintenance of existing infrastructure, the ADC is also developing new infrastructure and improving water storage capacity by constructing reservoirs and storage ponds to anticipate climate change and ensure farmers have a consistent and affordable supply of irrigation water.

c) Improve Components of the Food System

A food system includes all processes and infrastructure involved in feeding a population: growing, harvesting, processing, packaging, transporting, marketing, consumption, and disposal of food and food-related items. It also includes the input needed and output generated at each of these steps. A food system operates within and is influenced by social, political, economic and environmental contexts. It also requires human resources that provide labor, research and education.

The COVID-19 pandemic presented tremendous challenges and opportunities for Hawaii's agriculture sector. ADC is developing an agricultural food hub in Central Oahu to consolidate the various supply chain sectors such as crop production, cold storage, distribution, and value-added processing. This food hub, which can be a template for other agriculture regions throughout the state, will help promote Hawaii's agriculture industry by creating synergy throughout the farm-to-consumer supply chain.

d) Hawaii Agribusiness Plan

Pursuant to Act 219, SLH 2022, which amended Section 163D- 5, HRS, the ADC shall prepare a Hawaii agribusiness plan, which shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy. The plan shall include but not be limited to:

- An inventory of agricultural lands with suitable adequate water resources that are or will become available, provided that the inventory of agricultural lands under this paragraph shall be agricultural lands within the purview of the corporation that can be used to meet present and future agricultural production needs;
- An inventory of agricultural infrastructure such as irrigation systems, drainage systems, processing facilities, and other accessory facilities;
- Strategies for federal, state, county, and community stakeholder actions that will promote the development and enhancement of Hawaii's agricultural industries.

AGR101 Financial Assistance for Agriculture

The program has a budgeted ceiling of \$5,000,000 for agricultural loans and \$500,000 for aquaculture loans. Credit from commercial sources remains tight, making it difficult for farmers to obtain credit, especially under the current economic conditions.

AGR122 Plan Pest and Disease Control

FB 2025-27 increases the funding and staffing levels which will have significant positive impacts on the program's ability to expand current operations. Act 231, SLH 2024, provided unprecedented levels of funding to DOA to further secure and improve Hawaii biosecurity programs.

AGR 131 Rabies Quarantine

The Rabies Quarantine Program is a special-funded program and must therefore operate on a self-supporting basis. Ensuring operational costs remain within revenues while adjusting fee structure and expenditures is a management challenge.

AGR132 Animal Disease Control

The program proposes to maintain current program activities by seeking and utilizing federal grants to supplement any shortfalls in State funding and support global commerce of production animal commodities. The program also proposes to increase disease surveillance and response capability by increasing field activities and continued improvement of the capabilities of the veterinary laboratory. Adding meat inspection will add expenditures for staff and other categories.

AGR151 Quality and Price Assurance

Utilization of temporary staff for certification inspection services for seed, coffee, product identity/traceability, and food safety. Regulatory functions are at low priority, with emphasis on complaints and preventing violations through education, to more effectively utilize branch's reduced staff.

AGR171 Agricultural Development and Marketing

The program has been aggressive in pursuing external grants to supplement funding for its existing activities. Additionally, more efforts have been placed to increase labor productivity and return on investments by utilizing technology and by measuring performance of its program activities.

AGR141 Agricultural Resource Management

The agricultural land programs are currently self-sustaining.

AGR192 General Administration of Agriculture

Limited resources and increasing costs have affected program effectiveness and level of service. In addition, new federal and State legislation, standards and requirements, as well as new programs, have continued to place new responsibilities and demands on the support staff. The division continues to assume additional responsibilities with no additional resources.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0103

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT
 II. 03 AGRICULTURE

OBJECTIVE: TO ASSIST IN MAINTAINING THE AGRICULTURAL SECTOR OF THE STATE'S ECONOMY, INCLUDING LIVESTOCK PRODUCTION, FORESTRY, CROPS AND AQUACULTURE, IN A STRONG AND COMPETITIVE CONDITION BY PROVIDING POLICIES, SERVICES, LOANS, SUBSIDIES, ENVIRONMENTAL PROTECTION, LAND AND WATER, OPERATIONS, FACILITIES, ADVICE, COORDINATION, AND INFORMATION SO AS TO ACHIEVE APPROPRIATE RATES OF GROWTH, HIGH LEVELS OF EMPLOYMENT, REASONABLE RETURNS ON INVESTMENT, AND STEADY GAINS IN REAL PERSONAL INCOME.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0103	1. FINANCING PROVIDED IN COOPERATION W/ PROG (000'S)		0	750	750	750	750	750	750	750
	2. # INTERCEPTED PEST SPECIES NOT ESTABLISHED IN HI		477	475	525	525	525	525	525	525

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
010301	FINANCIAL ASSISTANCE FOR AGRICULTURE	AGR-101	1,877	6,364	6,374	6,374	6,375	6,375	6,375	6,375
010302	PRODUCTIVITY IMPROVEMENT & MGMT ASSISTANCE FOR AGRICULTURE	-	19,346	23,944	34,576	34,507	34,467	34,467	34,467	34,467
010303	PRODUCT DEVELOPMENT AND MARKETING FOR AGRICULTURE	-	24,967	27,993	29,489	32,818	31,781	31,781	31,781	31,781
010304	GENERAL SUPPORT FOR AGRICULTURE	-	17,534	19,270	19,069	18,987	18,987	18,987	18,987	18,987
	TOTAL		63,724	77,571	89,508	92,686	91,610	91,610	91,610	91,610
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
010302	PRODUCTIVITY IMPROVEMENT & MGMT ASSISTANCE FOR AGRICULTURE	-	400		1,400					
010303	PRODUCT DEVELOPMENT AND MARKETING FOR AGRICULTURE	-	7,400	5,500						
010304	GENERAL SUPPORT FOR AGRICULTURE	-	16,800	34,501	69,971	9,200				
	TOTAL		24,600	40,001	71,371	9,200				

Fisheries and Aquaculture

AGR153 Aquaculture Development

The program's actual expenditures met budgeted expectations, and production value and employment were within forecast. Operating personnel and cost projections for the activity reflect targeted efforts to maintain a level of service with the resources available, despite anticipated larger increases in need. Full staffing should permit additional caseloads.

Within the State's aquaculture industry, farms, production and jobs are expected to increase as disease, finance, marketing, and siting issues are resolved, new species identified, and funding issues are resolved for the development of a local commercial aquaculture feedmill.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0104

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT
 II. 04 FISHERIES AND AQUACULTURE

OBJECTIVE: TO SUPPORT AND ASSIST IN THE WISE USE OF HAWAII'S FISHERY AND OTHER AQUATIC RESOURCES FOR HAWAII'S FISHING PUBLIC, WHETHER NON-CONSUMPTIVE, RECREATIONAL OR SUBSISTENCE, COMMERCIAL IN NATURE, BY APPROPRIATE REGULATORY FRAMEWORKS, MANAGEMENT, OUTREACH, COLLABORATION, AND RESEARCH.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0104	1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)		715	720	721	721	722	723	724	724
	2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)		89627	95000	95950	96910	97879	98857	98846	100844
	3. TOTAL AQUACULTURE EMPLOYMENT		415	415	415	415	415	415	415	415

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
010402	FISHERIES MANAGEMENT (HISTORICAL)	LNR-153	1,610	2,016						
010403	AQUACULTURE DEVELOPMENT	AGR-153	734	1,102	2,603	1,103	1,104	1,104	1,104	1,104
	TOTAL		2,344	3,118	2,603	1,103	1,104	1,104	1,104	1,104

Technology and Energy

The objective of this Level II program is to support statewide economic development and diversification and increase productivity and competitiveness of all economic sectors in the State by facilitating growth and development of technology businesses and related industries as well as Hawaii-based industries which focus on sustainable resources.

Four Level III programs within the DBEDT, comprise the Technology and Energy program: Hawai'i State Energy Office (BED120); Hawaii Green Infrastructure authority (BED138); Hawaii Technology Development Corporation (BED143); and Natural Energy Laboratory of Hawaii Authority (BED146).

Hawaii Technology Development Corporation (BED143)

The Hawaii Technology Development Corporation (HTDC) was established by the 1983 Legislature in recognition of the potential economic impact of technology on the State with the objective of providing a means to facilitate growth of the technology industry and assisting Hawaii's entrepreneurs and fledging start-ups.

HTDC's activities are focused on the following:

Innovation Programs

HTDC Innovation programs are focused on building an innovation ecosystem - an economic development engine which supports the growth of new businesses able to compete in the global economy and appropriate for Hawaii's business and cultural environment. The programs support a range of business needs including training, funding, networking, facility, and more. The programs target businesses with a technology or product development core focus, although many of the activities benefit a wider entrepreneurial community.

The Entrepreneurs Sandbox, located in Kakaako, is the front door for tech and entrepreneurial activity on Oahu and home-base for HTDC innovation programs. The Sandbox supports public-private partnership ventures including business startup accelerator and corporate tech enablement programs, hosts in-person and online training workshops, pilots technology demonstration projects, and sponsors innovation ecosystem building activities such as business networking events, hackathons, and business pitch events.

HTDC's Innovation programs are built through partnerships with other government agencies and the private sector to grow the community of stakeholders involved in the innovation ecosystem. HTDC considers the partnerships an essential component of the innovation program and provides the state high leverage with limited program funding and staff. HTDC also offers office space and business support programs at the Maui Research and Technology Center.

Federally funded programs

HTDC applies for, secures, and administers federal funds to support technology and manufacturing small businesses in Hawaii and help Hawaii small businesses compete for and win more federal awards.

The Hawaii Small Business Innovation Research program helps to develop Hawaii's scientific and research expertise that is focused on commercialization opportunities.

The Hawaii Center for Alternative Transportation Technologies is funding various transportation research projects for the U.S. Air Force on Hickam Joint Base Pearl Harbor in alternative energy sources with dual use applications.

The INNOVATE Hawaii Manufacturing Extension Partnership program, funded by the National Institute of Standards and Technology, assists manufacturers to become more globally competitive by improving their business operation and expanding business through new product development.

Stakeholder and Statutory Obligations Infrastructure Development

HTDC continues to assist in the development of additional innovation centers including the Hilo Innovation and Manufacturing Center, and a creative media studio space on Kauai. These innovation infrastructure projects serve to build critical mass and an anchor for building economic clusters.

Marketing and Promotion

“HTDC.org” is HTDC’s informational web portal for visitors and local companies to assist with marketing of Hawaii’s programs and incentives for technology and manufacturing businesses, links to a calendar of tech related events, and links to other technology resources statewide.

Data, Reporting, and Policy

HTDC continues annual surveys of the local technology sector to determine current needs, trends, and priorities; promote and support initiatives at the Legislature that enhance the business climate for the innovation sector; and provide sector visibility by organizing industry day and other industry showcase events.

Education and workforce

HTDC plays a support role in technology education and workforce development initiatives by working with other organizations that directly impact these essential support functions. HTDC is part of a consortium of organizations working to develop an Information Technology workforce through continued efforts to grow the skilled tech workforce by recruiting new graduates and former Hawaii residents through an annual tech job fair.

HTDC Strategic Development Program

The HTDC Strategic Development program provides venture capital funding to emerging and high growth companies by investing in limited partnerships managed by venture capital professionals. The program was transferred to HTDC in 2019 with the merger of the Hawaii Strategic Development Corporation into HTDC. The program has been recapitalized in 2022 through the American Rescue Plan Act’s State Small Business Credit Initiative.

HTDC supports DBEDT initiatives of improving the small business environment, enhancing innovation infrastructure, expanding exports and renewable energy sources along with workforce development and urban core development. Near-term objectives include working with DBEDT on entrepreneurial development programs.

Natural Energy Laboratory of Hawaii Authority (BED146)

The Natural Energy Laboratory of Hawaii (NELHA) administers the Hawaii Ocean Science and Technology Park (HOST Park) located on the western side of the Island of Hawaii. In response to the oil embargo of 1973-74 and the States' concern about its near total dependence on fossil fuels the 1974 Legislature established NELHA as a facility for research and development of alternative sources of renewable natural energy such as Ocean Thermal Energy Conversion (OTEC) on 300 acres near the airport.

By 1984, it became apparent that seawater being pumped for OTEC could also be used for other profitable uses, namely aquaculture and commercial purposes such as marine biotechnology, air conditioning and desalinated drinking water. In anticipation of growing business needs at NELHA an additional 550 acres was added in 1985.

The Legislature further expanded NELHA's role several times in 1990s to include economic development and specifically engaging in ocean-related research, technology, and industry and allowing other business activities that could enhance economic development and generate additional revenues to support the growing park. As these commercial tenants began to reach profitability, NELHA's revenue stream from land rents, seawater purchases and support services grew and allowed the agency to be self-sufficient from an operating standpoint for nearly the past 15 years.

HOST Park is the second largest industrial park in Hawaii and its seawater supply system is the only one of its size and capacity in the world. Current equipment and pipeline infrastructure is capable of pumping up to 127,000 gallons per minute of warm surface and cold deep seawater throughout the HOST Park. Since this location is the sunniest location in the coastal U.S., NELHA can offer tenants a unique combination of ample sunlight, natural temperature differential, and pristine seawater resources for development and commercialization of new technologies in a wide array of fields such as aquaculture, ocean sciences, and renewable energy.

HOST Park has become the world's premier ocean science innovation hub and operates at the nexus of water, energy, and food. NELHA has almost 60 tenants, that employ over 650 people, generating over \$140 million annual input into the local economy and about \$5 million in tax revenues to the State. NELHA has a staff of 17 State employees whose responsibilities include implementation of strategic long-term planning and development, negotiation and management of leases, operation and maintenance of the seawater systems, environmental monitoring, monitoring compliance with permits, and other vital services to its tenants.

Looking forward, Hawaii has a significant comparative worldwide advantage as a large ocean state to grow a statewide ocean economy that expands our oceans' economic potential while preserving and safeguarding its long-term health and making the Hawaii economy more resilient. NELHA also continues to foster innovation in renewable energy space to help Hawaii achieve its clean energy objectives.

Many of the building blocks are already in place at HOST Park with world-class government infrastructure assets; education and R&D foundations; an increasing number of entrepreneurial ecosystems and talent development programs; and non-profit-led community improvement

projects. On a broader scale, growing these businesses will also improve the competitive position and balance of trade for the US and help the US build global dominance in ocean innovation and conservation technologies. At the same time, NELHA is ideally positioned to help address many Hawaii sustainability challenges in multiple areas including food security, energy security, climate and conservation. As such, it seeks to develop an entrepreneurial ecosystem that will support businesses and projects grounded in Hawaiian culture and values.

Hawaii State Energy Office (BED120)

The Hawai'i State Energy Office is established under HRS §196-71 for the purpose of promoting energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy economy and to serve as the State's primary government entity for supporting the clean energy initiative pursuant to HRS **§196-10.5**.

The first and broadest of the 19 functions the Chief Energy Officer shall perform, subject to the approval of the Governor, is to formulate, analyze, recommend, and implement specific policies, strategies, and plans, in coordination with public and private sector stakeholders, to cost-effectively and equitably achieve the state's energy goals (ref. HRS §196-72(d)(1)). This function provides the context for HSEO in each of the agency's priorities and actions. More specifically, the Governor has tasked the Chief Energy Officer to formulate and implement an updated state energy plan that lowers costs, lowers carbon and attracts the capital investment needed to achieve Hawai'i's clean energy transition and strengthen the energy ecosystem.

By statute, HSEO shall:

- (1) Provide analysis and planning to actively develop and inform policies to achieve energy efficiency, renewable energy, energy resiliency, and clean transportation goals with the legislature, public utilities commission, state agencies, and other relevant stakeholders;
- (2) Lead efforts to incorporate energy efficiency, renewable energy, energy resiliency, and clean transportation to reduce costs and achieve clean energy goals across all public facilities;
- (3) Provide renewable energy, energy efficiency, energy resiliency, and clean transportation project deployment facilitation to assist private sector project completion when aligned with state energy goals; and
- (4) Engage the private sector to help lead efforts to achieve renewable energy and clean transportation goals through the Hawai'i Clean Energy Initiative.

A key objective of HSEO is to make energy more affordable and resilient while reducing the carbon footprint of energy on a lifecycle basis. To ensure reliable energy delivery and coordination of energy sector activity. HSEO serves as the State's Emergency Support Function #12 under the National Disaster Recovery Framework and National Incident Management System.

Among the 19 line items under HRS 196-72 [L. 2019, c 122] for which the HSEO is responsible are:

- Data collection and analysis to formulate and implement data-driven specific policies and programs, in coordination with public and private sector stakeholders, to cost-effectively and equitably achieve the state’s decarbonization and energy goals;
- Providing technical assistance to state and county agencies to assess and implement projects and programs related to energy conservation and efficiency, renewable energy, clean transportation, energy resiliency, and related measures;
- Identifying market gaps and opportunities, collaborating with stakeholders, and facilitating public-private section partnerships to develop projects, programs and tools to encourage private and public exploration, research and development of energy resources, distributed energy resources and data analytics that will support the state’s energy and decarbonization goals;
- Creating and reviewing proposed state actions that may have a significant effect on the state’s energy and decarbonization goals, reporting to the governor their effect on the energy program, and performing other services as required;
- Evaluating, recommending and participating in the development of incentives and programs that encourage the development of energy efficiency, renewable energy, energy resiliency, distributed energy resources and clean transportation resources;
- Analyzing the status of energy resources, systems, and markets, both in-state and in other states and countries, particularly in relation to the state’s economy, and recommending and developing proposals for, and assessments of the effectiveness of policy and regulatory decisions, and energy emergency planning;
- Developing and recommending programs for, and assisting public agencies in the implementation of energy assurance and energy resilience;
- Supporting the development, evaluation, revision and adoption of energy related codes and standards that advance the state’s energy goals;
- Acting as the state’s energy clearing house by identifying, collecting, compiling, analyzing, publishing, and where possible, monetizing energy and clean transportation data and analyses;
- Advocating for the state’s energy and decarbonization goals at relevant venues and departments, including but not limited to the public utilities commission, legislature, and division of consumer advocacy, to ensure that state energy policies and regulations align with the state strategic goals and are data-driven;
- Facilitating the efficient, expedited permitting of energy efficiency, renewable energy, clean transportation and energy resiliency projects;
- Identifying and recommending policies to align utility goals with those of ratepayers, including evaluating utility models that best support state energy goals;

- Coordinating the state’s energy programs with those of the federal government and obtaining and administering federal funds to facilitate the deployment of renewable energy, energy efficiency, and clean transportation technologies; conducted emergency response activities under ESF-12; and
- Engaging community members, trades, and the private sector to understand their priorities so that the clean energy transition can respond to their needs and concerns.

Since July of 2023, the executive office and four branches of HSEO prepared critical decarbonization and energy strategy reports; securing more than \$150 million in federal grants to support renewable energy, energy efficiency, clean transportation and energy resilience, as summarized below:

1. Pathways to Decarbonization Report: The [Hawai’i Pathways to Decarbonization Report](#) (Decarb Report) was published and submitted to the Hawai’i State Legislature in December 2023 with 30 recommendations to achieve the State’s economy-wide decarbonization goals. This report creates a strategy and implementation pathway to meet the statewide greenhouse gas (GHG)emissions limit and sequester more atmospheric GHG than emitted no later than 2045. Metrics include annual progress on the 30 recommended measures, including adoption of policies and mechanisms, starting in 2026, on RPS, EV charging installations, EV purchases and GHG emissions as measured by the Department of Clean Air Branch (DOH-CAB.)
2. Alternative Fuels, Repowering and Energy Transition Analysis: HSEO conducted a comprehensive alternative fuels study, developing a preliminary migration path to meet the state’s RPS and decarbonization objectives, evaluating priority fuels including Liquefied Natural Gas (LNG) as an alternative to LSFO and a bridge to hydrogen and locally produced biofuels in 2045. Fuels were reviewed relative to technology maturity, commercial viability, cost effectiveness and life cycle carbon emissions. The final report and energy strategy will be published in December 2024. Key performance measures will include adoption of recommended actions, private sector investment and community acceptance.
3. Resilience, Emergency Response and Hazard Mitigation:
 - a. Activated ESF-12 from August 8 to September 27 in support of the State’s emergency response and recovery effort to the Maui wildfires, supporting the deployment of 20 generators from August 8 to September 27 and coordinating a power line drop for wells, pump stations, field boosters, a mobile morgue and power restoration for the disaster recovery center. Ongoing support from HSEO continued for over nine months.
 - b. Completed a \$600K energy system inventory and risk assessment for O‘ahu funded by FEMA Hazard Mitigation Grant Program funding. Highlights are:
 - i. Developed the Geospatial Decision Support System (GDSS), a common operating visualization tool to map critical infrastructure and dependencies of community lifeline key customers. The GDSS will be

awarded national recognition by the National Association of State Chief Information Officers (NASCIO) for Emerging and Innovative Technologies in October 2024.

- ii. Identified 28 energy hazard mitigation measures for inclusion in the State Hazard Mitigation Plan, informing an update to the State's Energy Security Plan. The key performance measures for this function are the development of a Common Operating Picture (COP) for energy security, the integration of mitigation measures in state and county hazard mitigation plans and the deployment of technology and grid resilience strategies to protect lives, critical infrastructure and property from climate change events, including blackouts and energy shortfalls.
 - c. Completed an Energy Industry Information Reporting Program (EIIRP) Refresh
 - i. EIIRP is an important dataset for situational awareness. Petroleum importers are required to report volumes of petroleum products that move to and through the state.
 - ii. HSEO conducts outreach and collects feedback on the program.
 - iii. Simplified and streamlined reporting forms to be more in line with EIA, developed a new reporting portal with automated data validation and error check, and conducted training on the new forms and system for reporting entities.
 - iv. Worked with reporting entities on catch-up submissions going back five years to establish a reliable baseline.
- 4. Total resilience and grid modernization federal grants secured and applications in progress:
 - a. Secured \$450K in federal funding to complete a statewide GDSS in 2025 for Maui, Kaua'i and Hawai'i Island.
 - b. Hazard Mitigation Grant Program 07/01 - Present
 - i. Submitted nine project concepts totaling ~\$75M for mitigation projects under the Hazard Mitigation Grant Program (HMGP, DR-4724).
 - ii. Including \$20M Battery storage backup program for medical needs customers to mitigate impact of the implementation of the Public Safety Power Shutoff (PSPS).
 - c. Secured \$17.9 Million for Grid Resilience (GRIP): Submitted three applications in 2023 and were selected for two projects that will bring \$17.925 million in federal funding to support grid projects on Kauai to increase grid stability and enable higher levels of renewable energy.

- d. In partnership with Hawaiian Electric, secured \$8.3 million in federal funding to build three Critical Customer Hubs (CCHs) for Windward Oahu through the Building Resilient Infrastructure and Communities (BRIC) Grant program.
- e. Secured \$6 Million in IIJA 40101(d) Grid Resilience.
- f. State Fleet Transition: Secured \$1M of federal funding to carry out a project *Integrating Resilience Strategies for ZEV Infrastructure* in partnership with DOT, OHS, HIEMA, and DAGS. This study will examine the transition to 100% ZEV for government fleets by better understanding the makeup of the fleet and the charging requirements of a transition and develop solutions for resilient charging and identifying locations.

5. Analytics:

- a. Employed Engage software development and modeling for Pathways to Decarbonization Study.
- b. Constructed models in NREL's Engage modeling software based on HECO and KIUC inputs.
- c. Developed data pipelines for model inputs and future iterations.
- d. Supported the Alternative Fuels and Repowering Analysis with constructing model inputs, final data processing and visualizations.
- e. Sankey Flowchart Data Visualizations: HSEO and UH are in the process of developing and procuring additional HAVEN tools for each main Hawaiian Island with the ultimate goal of placing HAVEN tools at select public or community institutions along with training and curriculum.
 - i. Initialized development of data processing scripts that can depict various data sources such as HSEO's Decarbonization Scenarios and EIA's SEDS database into easily digestible Sankey Flowcharts.
 - ii. Finalized Sankey flowcharts that depict HSEO's Decarbonization Scenarios.
 - iii. Finalized Sankey flowchart that depicts 2022 EIA SEDS data (current Hawaii snapshot of energy system).
- f. Onboard Fellows from UH Data Science Institute.
- g. Initiate new VR Project showing power generation sites.
 - a. Refresh HAVEN table and decarbonization study data, presenting to key stakeholders:
 - i. NASEO Western Regional Conference in Honolulu.

- ii. National Governor's Association (NGA) Conference.
- iii. FestPac.

Clean Transportation:

Maintain the website for State fleet vehicle procurement and exemptions policy, including information on the requirements and the online form for submitting exemption requests and supporting information on procurement through Sustainability Partners.

Draft and circulate State Fleet Procurement Memorandum to all state agencies and departments, measuring conversion to Zero Emission Vehicles (ZEVs) to meet legislated timelines for net negative emissions by 2035, 2040 and 2045.

Administer the Diesel Replacement Rebate program, with an additional \$4.5 million in federal funds secured.

Energy Efficiency

Residential: Design and implementation of \$70 million in federal rebate programs for home energy efficiency upgrades for low-and-moderate income Hawaii households earning less than 150% of the Area Median Income. Hired a program manager and issued an RFP for a program implementor in July 2024. Impacted communities will include residential ratepayers, local trades, utilities and appliance retailers. The KPI rests in the installation investment and lower energy bills for working-class families.

Commercial: Applied for and received notice of selection for \$18 million in federal funding to develop an Energy Efficient Building Performance (BPS) Standard for large commercial and residential buildings including hotels and resorts, strip malls and public storage facilities. HSEO's responsibility, with the input of program partners, is the design and implementation of a BPS to improve the energy efficiency of the state's largest commercial buildings (50,000 square feet and above, which account for 80% of the state's commercial energy usage and about 78% of total commercial building emissions. The KPI is an overall reduction in energy use and emissions from this sector, with a commensurate increase in demand for skilled trades.

Renewable Energy Deployment:

By analysis, to foster an understanding by energy stakeholders and policy makers of renewable resource adequacy and scenarios to realize the state's 100% RPS and decarbonization policies by 2045, including geothermal in the resource mix. Contracted for \$5 million in slim hole drilling for geothermal resource characterization, with the potential for long-term transformational impact on Hawaii's energy system resulting in greater energy security.

Jobs and Workforce Development:

1. Lead the clean energy and skilled trades sector lead for Good Jobs Hawai'i, administering the Clean Energy Sector Partnership and coordinating training and employment opportunities in these sectors.

Resilient Hawaii: Good Jobs Challenge

	Goal	Current	Percentage of Goal
Project Total: Enrolled Participants	400	628	157%
Project Total: Completers	341	404	118%
Project Total: Job Placement	255	205	80%
Average Wage: \$36			

Most participants come from the skilled trades sector which includes welders, heavy equipment operators, commercial drivers, and other industries that support utilities and the energy sector. KPIs include number of trainings, number of participants and number of placements.

2. Partner with the Chamber of Commerce and UHCC to lead the Hawai'i Clean Energy Sector Partnership (CESP) a growing partnership of over 120 energy and skilled trades employers and organizations, facilitating recruitment and on-the-job training, and connecting Hawai'i educators with the energy industry to learn about careers in the field
3. Secure federal funding for, develop and offer training for energy efficiency contractors under the Training for Residential Energy Contractors (TREC) program with the goal of training and certifying at least 200 participants with a focus on new hires and upskilling the current workforce to undertake the installations eligible for the USDOE HEAR/HOMES rebates.
4. Serve on the HI Dept. of Education Career and Technical Education Advisory Council providing guidance on the development and implementation of the energy curriculum.
5. Manage the Energy Pathways pilot with James Campbell High School, Kapolei High School, Kealakehe High School and Wai'anae High School, building capacity for energy curriculum outside of the CTE Energy Pathway.
6. Regularly engage with Hawai'i's schools to educate students on Hawai'i's energy ecosystem and potential careers in the energy sector.
7. Secure funding to train 90 commercial energy auditors over a 3-year period; application submitted 7/12/24
8. Manage \$1M in federal Congressionally Delegated funds to engage Hawai'i communities on priority energy issues and build community capacity by partnering with community-based organizations (CBOs). Contracted Pa'akai Communications to serve as the outreach lead with plans to partner with select CBOs throughout Hawai'i through the two-year term of this project. Through the USDOE this project will also develop lessons learned for other jurisdictions on community engagement in the energy sector.

9. Manage the nationally recognized Clean Energy Wayfinders program in partnership with Kupu, sharing information and opportunities for participation in the clean energy transition with Hawai'i's schools, community organizations, and households — especially those in low- to moderate-income (LMI), asset-limited, income-constrained, employed (ALICE), and under-resourced communities — to help increase energy conservation and efficiencies, lower monthly energy utility bills, increase access to clean transportation and renewable energy resources, promote green career training and employment opportunities, and raise awareness about the renewable energy policymaking and regulatory process.
10. From September 2023 to July 2024 the Wayfinders led or participated in over 70 events and engaged over 2,300 community members and business operators including recruiting 28 Hawaii Green Business Program awardees.

The Clean Energy Wayfinders have been cited as HSEO's primary community engagement capacity in 17 federal grant programs.

HSEO was recently awarded five (5) new Wayfinders from Kupu, with a pending application for a sixth Wayfinder dedicated to Maui, to serve between November 2024 to November 2025.

Jobs and Outreach undertook the following in 2023/2024:

11. HSEO Sponsorships: Provided \$60K to seven competitively selected programs, events, and exhibits in support of HSEO's mission: Hawai'i Green Growth UN Local 2030 (Clean Energy Transformation Working Groups, Local 2030 Islands Network Welcome Reception); KHON2 Living 808 segments (5) on clean energy; Kupu Youth Corps Environmental Fair and Summer Trainings; Hawai'i Keiki Museum hydrogen exhibit; Pacific International Center for High Technology Research (PICHTR) PACT 2024 Conference; and, Blue Planet educator professional development and webinar series on clean energy.
12. HSEO Decarbonization Report Outreach: Sought community and public input on HSEO's Decarbonization Report, including 25 stakeholder discussions, four working groups, two public webinars, and other presentations for public organizations.
13. Moloka'i Community Energy Resilience Action Plan (CERAP): Coordinated economic analysis and bill impact study, and development of the Hawaii Advanced Visualization Energy Nexus (HAVEN) equipment that projects GIS layers onto a 3D printout of Moloka'i to help visualize energy planning.
14. FestPAC 2024: Operated an exhibit of HAVEN at FestPAC 2024 and engaging approximately 75 visitors per day in discussion of Hawai'i's energy transition using O'ahu and Moloka'i as examples.

Numerous island nations and organizations have asked about developing a similar tool for their planning efforts and HSEO is coordinating with the University of Hawai'i LAVA Lab to field all inquiries.

15. USDOE Clean Energy Innovator Fellow: Awarded a new Clean Energy Innovator Fellow from the USODE in September 2024 to increase community engagement with HAVEN and gauge its effectiveness as a tool for community outreach.
16. HSEO Energy Equity Coordinator: Hired an Energy Equity Coordinator in April 2024 focused on ingraining equity into HSEO programs and identifying ways to meaningfully address energy inequities in Hawai'i and lead efforts to include community benefits plans in its federal grant projects.
17. Energy Equity Hui: Support coordination of Hawai'i's Energy Equity Hui including monthly public meetings. The Hui is now being facilitated by the Hawaii Alliance for Community Based Economic Development (HACBED) and HSEO plays a core role in the guidance and future development of the Hui.
18. UH Sea Grant Building Coastal Community Resilience Through Energy Transition Engagement in the Main Hawaiian Islands: Act as the primary partner for this project focused on sustained dialogue and relationship building between island communities across Hawai'i, informing the state's energy future. UH Sea Grant is executing contracts with community-based organizations to build community capacity and help support resident education and resource opportunities.

Finally, HSEO is tasked with coordinating the state's energy programs with those of the federal government and obtaining and administering federal funds to facilitate the deployment of the aforementioned programs. This includes the identification, application and administration of funding under the CARES Act, Infrastructure and Investment Jobs Act (IIJA), inflation Reduction Act (IRA), Energy Efficiency and Conservation Block Grant (EECBG) and other sources. Federal grants awarded and pending since January 2023 totaled \$195,134,323.

The Energy Security Special Fund (ESSF) was created to support the Hawaii clean energy initiative program and projects that promote and advance dependable and affordable energy, renewable energy, energy efficiency, energy self-sufficiency, and greater energy security and resiliency for the State and public facilities. However, in recent years, an insufficient appropriation ceiling has limited HSEO's ability to expend ESSF monies for clean energy program activities.

The Hawaii State Energy Office's (BED120) biennium budget requests include the trade-off/transfer adjustment to fully fund one underfunded position. Funds from Other Current Expenses would be transferred to Personal Services to fully fund the Public Affairs Officer position which is critical to supporting the Governor and the Governor's Communications Director through DBEDT and serves as the Public Information Officer for the State Emergency Response Team #12 Energy during a declared energy emergency. HSEO has requested ancillary support in this Biennium Budget for visualization tools and integrated marketing to better educate the general public on energy strategy, its inherent trade-offs and the critical decisions now required for energy security and to accelerate Hawaii's clean energy transition. In addition, full-year funding is requested for six positions which were half-year funded in FY23. Full-year funding will enable the retention of experienced staff performing the essential work of the agency. Also, a federal fund adjustment is needed for the State Energy Program (SEP) in FY25.

SEP is a major, recurring federal award from the U.S. Department of Energy. HSEO also requires other critical resource allocations. These requests are undergoing further review.

Hawaii Green Infrastructure Authority (BED138)

The Hawaii Green Infrastructure Authority (HGIA), Hawaii's Green Bank, was originally created to democratize clean energy by making investments accessible and affordable to Hawaii's underserved ratepayers, as well as addressing financial market barriers by leveraging innovative tools to mitigate risks and reach new markets.

HGIA has since expanded its objectives to increase access to capital for eligible small businesses and nonprofits statewide, while serving as a financial intermediary for Hawaii's non-depository Community Development Financial Institutions ("CDFI") and providing direct financing for catalytic projects that advance the state's goals and/or benefit the community.

As the state-wide Administrator for the Commercial Property Assessed Financing Program, the HGIA leverages private capital sources to provide affordable financing to help the State address a number of critical issues for commercial property owners, including aging cesspools, water conservation, energy efficiency upgrades, resiliency measures and transitioning to clean energy.

HGIA achieves its objectives through the following financing programs:

1. Green Energy Money \$aver (GEM\$) On-Bill Program to finance energy efficiency and/or renewable energy systems for low and moderate-income homeowners, renters, small businesses, nonprofits and multi-family rental projects. As this program is capitalized using rate payer funds, Hawaii Public Utilities Commission approval is required.
2. State Revolving Line of Credit to finance energy efficiency retrofits and/or purchase options in an existing solar PV Power Purchase Agreement (PPA) for state departments and agencies. Electric Vehicle (EV) Charging Stations and EVs may be financed utilizing the excess cash flow created out of the energy savings from resulting from the purchase of the PPA. As this program is capitalized using rate payer funds, Hawaii Public Utilities Commission approval is required.
3. HI-CAP Collateral Support Program, which is a credit enhancement program designed to assist eligible small business and nonprofit organizations in obtaining financing by providing cash collateral to Participating Lenders to enhance the collateral coverage of its borrowers. This program is administered under a Memorandum of Understanding with HGIA's sister agency, the Hawaii Technology Development Corporation.
4. HI-CAP CDFI Loan Pool Program, which is designed to provide non-depository Community Development Financial Institutions (CDFI) with reliable, low-cost loan capital to re-lend to eligible small businesses throughout Hawaii. This program is administered under a Memorandum of Understanding with HGIA's sister agency, the Hawaii Technology Development Corporation.
5. The HI-CAP Loan Program designed to provide financing for businesses and organizations spearheading transformative projects which accelerate the State's goals

and/or provide significant community impact. This program is administered under a Memorandum of Understanding with HGIA's sister agency, the Hawaii Technology Development Corporation.

6. Commercial Property Assessed Financing Program is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy, water conservation, resilience and other qualified improvements approved by HGIA, leveraging private capital and repaid as a voluntary assessment on eligible commercial properties. In order to implement this financing program, the City and Counties are required to opt-in. As such, HGIA will collaborate with the City and County of Honolulu, County of Hawaii, County of Kauai and County of Maui to implement this program.

All of the Authority's financing programs create/retain jobs, generate state tax revenue, and provide other economic development and environmental benefits.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0105

PROGRAM LEVEL: I. 01 ECONOMIC DEVELOPMENT
 II. 05 TECHNOLOGY AND ENERGY

OBJECTIVE: TO SUPPORT ECONOMIC DIVERSIFICATION BY INCREASING COMPETITIVENESS IN HAWAII'S SCIENCE AND TECHNOLOGY SECTORS; ENHANCE ALL ECONOMIC SECTORS THROUGH THE DEPLOYMENT OF TECHNOLOGY SOLUTIONS THAT INCREASE YIELD OR PRODUCTIVITY AND INCREASE INVESTMENT ATTRACTION; AND SUPPORT ENTREPRENEURSHIP, COMMERCIALIZATION, AND TECHNOLOGY TRANSFER, AS WELL AS FUND AND CAPITAL DEVELOPMENT TO FUEL HAWAII'S RESEARCH, SCIENCE, AND TECHNOLOGY INDUSTRIES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0105	1. INCREASE IN NUMBER OF COMPANIES FUNDED		0	0	0	0	0	0	0	0
	2. # OF COMPANIES ASSTD WITH HTDC PROGRAMS		25	50	55	60	65	70	70	70
	3. NELHA REVENUES (INCL REIMBURSABLES) (\$M)		6.0	5.6	6.0	6.5	7.0	7.5	8.0	8.5

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
010501	HAWAII STATE ENERGY OFFICE	BED-120	2,466	12,008	10,664	10,664	10,664	10,664	10,664	10,664
010502	HAWAII TECHNOLOGY DEVELOPMENT CORPORATION	BED-143	6,591	12,316	8,317	8,317	6,317	6,317	6,317	6,317
010504	NATURAL ENERGY LAB OF HAWAII AUTHORITY	BED-146	4,717	7,924	7,929	7,929	7,929	7,929	7,929	7,929
010505	HAWAII GREEN INFRASTRUCTURE AUTHORITY	BED-138	50,752	86,864	87,077	87,083	87,084	87,084	87,084	87,084
	TOTAL		64,526	119,112	113,987	113,993	111,994	111,994	111,994	111,994
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
010504	NATURAL ENERGY LAB OF HAWAII AUTHORITY	BED-146	3,400							
010505	HAWAII GREEN INFRASTRUCTURE AUTHORITY	BED-138		15,000						
	TOTAL		3,400	15,000						

Water and Land Development

LNR 141 Water and Land Development

Specific policies pursued by this program are: 1) the development of new water supplies, giving priority support to areas with State demands experiencing critical water problems; 2) investigate and promote development and use of alternative sources of water supply; 3) encourage the conservation and wise use of the water supply; 4) develop water sources and water systems in support of State-sponsored projects; 5) promote partnerships and cost sharing in the development of water projects to meet the goals of otherwise competing entities; and 6) support research and new technological advances in the development of alternative water sources. This program's effectiveness depends on securing funding for required projects and the ability to locate viable water sources that meet county requirements.

PROGRAM ID: LNR141
 PROGRAM STRUCTURE: 0106
 PROGRAM TITLE: WATER AND LAND DEVELOPMENT

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0	0	0	0	0	0	0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1	1	1	1	1	1	1	1
3. WATER CREDITS PROVIDED TO STATE AGENCIES (1000 GALS)	0	0	0	0	0	0	0	0
4. STATE LANDS DEVELOPED (ACRES)	10	10	10	10	10	10	10	10
5. GEOTHERMAL ROYALTIES COLLECTED (DOLLARS)	3604	3237	3237	3237	3237	3237	3237	3237
6. ROCKFALL PROJECTS IMPLEMENTED (# OF PROJECTS)	4	4	4	4	4	4	4	4
PROGRAM TARGET GROUPS								
1. DEFACTO POPULTN BENEFITNG FR IMPRVMENTS (NO. IN MIL)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
PROGRAM ACTIVITIES								
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	27	26	26	26	26	26	26	26
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	32	32	32	32	32	32	32	32
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	32	32	32	32	32	32	32	32
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	21600	20000	20000	20000	20000	20000	20000	20000
5. CIP EXPENDITURES (\$1,000)	26872	30000	30000	30000	30000	30000	30000	30000
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0	0	0	0	0	0	0	0
7. GEOTHERMAL RESOURCE PERMITS ISSUED (# OF PERMITS)	0	1	1	1	1	1	1	1
8. ROCKFALL/SLOPE MOVEMNT AREAS INVSTGTD &OR ADDRSSD	5	5	5	5	5	5	5	5

Special Community Development

The objective of this Level II program is to stimulate economic development of specific community districts by planning and implementing community development programs and facilitating capital investment.

Hawaii Community Development Authority (BED150)

Hawaii Community Development Authority (HCDA), an administratively attached agency of DBEDT, was established in 1976 to plan and implement initiatives that increase economic, social/cultural, and environmental value in community development districts, and transit-oriented development zones. HCDA plans and implements capital improvement projects to upgrade infrastructure and develop public facilities within and outside its established community development districts. HCDA also implements long-term planning initiatives to support the development of mixed-use communities that strengthen and diversify Hawaii's economy while enhancing the quality of life for Hawaii's people. With the support of the Hawaii State Legislature and stakeholders, HCDA strives to build *better communities for tomorrow*.

The Hawaii State Legislature established four community development districts, and the Transit-Oriented Development Infrastructure Improvement Districts under HCDA:

Kakaako Community Development District. This district consists of a Mauka (1976) and Makai (1982) area of approximately 600 acres of land.

The Kakaako Community Development District Plan and Rules were adopted by HCDA in 1982, and subsequently, the Makai Rules were amended in 2023 and the Mauka Rules in 2024, pending the Governor's approval. This plan serves as the basis for guiding both public and private development activities in the revitalization of Kakaako.

This includes private development projects, district-wide improvements to the infrastructure systems, parks, public parking garages, waterfront-related improvements, and other community facilities. Development shall be mixed-use with an appropriate mixture of residential (both market and reserved housing), commercial, industrial, and other uses.

Kalaeloa Community Development District. Act 184, SLH 2002, designated the former Barbers Point Naval Air Station in Kalaeloa as a new Community Development District under HCDA. The district contains approximately 3,700 acres of land. The HCDA adopted Kalaeloa Master Plan and Rules in 2006, which serve as the basis for guiding development in the district and transform the district into a model community that will create new jobs, attract new businesses, and develop needed housing and public facilities.

Heeia Community Development District. Act 210, SLH 2011, designated approximately 400 acres of wetlands in He'eia as a new Community Development District under the HCDA, to facilitate culturally appropriate agriculture, education, and natural resource restoration and management of these He'eia wetlands. The He'eia Community Development District Plan and Rules were adopted and became effective in August 2021. The Mana'o Ho'okō (intent) of the He'eia Master Plan is "*Recognizing the value of ahupu'a management principles, promote and cultivate 'āina momona (abundance) for the lands of He'eia for present and future generations through culturally appropriate agriculture, education, and natural resources restoration and management.*"

Pulehunui Community Development District. Act 190, SLH 2022, designated approximately 986 acres of land in Pulehunui, Maui, as the Pulehunui community development district. The HCDA is tasked to coordinate regional infrastructure improvements serving several large parcels of undeveloped state lands in the district. Planned land uses include a new public safety complex operated by the Department of Public Safety, a judiciary complex operated by the Judiciary, light industrial, and residential use on adjacent Hawaiian Homelands property.

Transit-Oriented Development Infrastructure Improvement Districts. Act 184, SLH 2022, established the Transit-Oriented Development (TOD) Infrastructure Improvement Districts under the HCDA, to foster community development by strategically investing in infrastructure improvements for each county. This act requires the Transit-Oriented Development Infrastructure Improvement District Boards (one for each county) to develop a program to identify necessary infrastructure improvements within each district.

Current major agency activities include:

- Administration of land use, zoning, and other regulatory provisions of the applicable Plans and Rules relating to all development activities in Kakaako, Kalaeloa, and Heeia. (HCDA utilizes county zoning for the Pulehunui and TOD districts.)
- Identifying innovative ways to produce more for sale and rental affordable housing in the Kakaako and Kalaeloa Community Development Districts.
- Plan and design a supportive housing project that combines affordable housing with on-site support services for people experiencing or on the verge of homelessness.
- Planning and design of central Kakaako Street improvements
- Plan, design, and construct a community facility in the Kakaako district.
- Kakaako historic pump station roof and other repairs.
- Revising, with stakeholder input, the Kalaeloa community development district master plan and rules.
- Saratoga Avenue electrical upgrades in the Kalaeloa district will connect the downtown area to the Enterprise Energy Corridor, providing more reliable electricity.
- Clearing land and constructing an access road to the Heeia Stream in the Heeia district.
- Identifying, with stakeholder input, the infrastructure and other public facility improvements that need to be made in the Pulehunui Community Development District to facilitate the development of undeveloped and underutilized state lands. Develop an assessment report and infrastructure master plan to guide phased infrastructure development.

- Identifying, with stakeholder input, the priority areas for transit-oriented infrastructure development that support the production of affordable housing in designated transit-oriented development zones.
- Design and construction TOD infrastructure in the Iwilei-Kapalama area.
- Develop the TOD East Kapolei infrastructure implementation master plan with the assistance of the Office of Planning and Sustainable Development
- Plan, design and build TOD infrastructure at the University of Hawaii West Oahu.

Current major agency activities include:

- Administration of land use, zoning, and other regulatory provisions of the applicable Plans and Rules relating to all development activities in Kakaako, Kalaeloa, and Heeia.
- Implementation and identification of Kakaako, Kalaeloa, and Heeia improvement and public facility projects.
- Revising, with stakeholder input, the Kakaako Mauka Area Rules to encourage private sector development activities and maximize attainment of overall community development objectives for selected parcels that could benefit from transit-oriented development.
- Revising, with stakeholder input, the Kalaeloa community development district master plan and rules.
- Identifying, with stakeholder input, the infrastructure and other public facility improvements that need to be made in the Pulehunui Community Development District to facilitate the development of undeveloped and underutilized state lands.
- Identifying, with stakeholder input, the priority areas for transit-oriented infrastructure development that support the production of affordable housing in designated transit-oriented development zones.
- Identifying innovative ways to produce more for sale and rental affordable housing in the Kakaako and Kalaeloa Community Development Districts.

PERFORMANCE MEASURES AND PROGRAM REVENUES

PROGRAM ID: **BED150**
PROGRAM STRUCTURE: **0107**
PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
MEASURES OF EFFECTIVENESS								
1. # OF NEW HOUSING UNITS IN KAKAAKO	350	350	350	350	350	350	350	350
2. COMMUNITY BENEFITS - KAKAAKO	1	1	1	1	1	1	1	1
3. % OF NEW AFFORDABLE HOUSING UNITS IN KAKAAKO	20	20	20	20	20	20	20	20
4. COMMUNITY BENEFITS - KALAELOA	1	1	1	1	1	1	1	1
5. % OF NEW AFFORDABLE HOUSING UNITS IN KALAELOA	20	20	20	20	20	20	20	20
6. RESTORATION OF WETLANDS IN HEEIA (ACRES)	6	4	4	4	4	4	4	4
7. ACTIVE PROJECTS IN PULEHUNUI	0	1	1	1	1	1	1	1
8. ACTIVE PROJECTS IN TOD	2	3	3	3	3	3	3	3
PROGRAM TARGET GROUPS								
1. RESIDENTS, BUSINESS, AND STAKEHOLDERS IN KAKAAKO	30280	50000	50000	50000	50000	50000	50000	50000
2. RESIDENTS, BUS, AND STAKEHOLDERS IN KALAELOA	0	20000	20000	20000	20000	20000	20000	20000
3. RESIDENTS, BUSINESSES, AND STAKEHOLDERS IN HEEIA	0	10000	10000	10000	10000	10000	10000	10000
4. RESIDENTS, BUS., AND STAKEHOLDERS IN PULEHUNUI	0	10000	10000	10000	10000	10000	10000	10000
5. RESIDENTS, BUSINESS, AND STAKEHOLDERS IN TOD	0	20000	20000	20000	20000	20000	20000	20000
PROGRAM ACTIVITIES								
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	2	2	2	2	2	2	2	2
2. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (IN MIL \$)	20	5	5	0	0	0	0	0
3. REVISED KAKAAKO MAUKA AREA RULES	0	0	0	0	0	0	0	0
4. NEW INFRASTRUCTURE DEV IN KALAELOA (IN MIL \$)	0	6	6	6	6	6	6	6
5. REVISED KALAELOA MASTER PLAN AND RULES	0	0	0	0	0	0	0	0
6. INFRASTRUCTURE PROJECTS IN PULEHUNUI	0	1	1	1	1	1	0	0
7. INFRASTRUCTURE PROJECTS IN TOD PROJECTS	0	2	2	2	2	2	0	0
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	2,722	2,456	2,334	2,275	2,167	2,167	2,167	2,167
REVENUE FROM OTHER AGENCIES: ALL OTHER	98	98	98	98	98	98	98	98
CHARGES FOR CURRENT SERVICES	163	102	102	102	102	102	102	102
TOTAL PROGRAM REVENUES	2,983	2,656	2,534	2,475	2,367	2,367	2,367	2,367
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	2,983	2,656	2,534	2,475	2,367	2,367	2,367	2,367
TOTAL PROGRAM REVENUES	2,983	2,656	2,534	2,475	2,367	2,367	2,367	2,367

Hawaii Housing Finance and Development Corporation

The objective of this Level II program is to increase and preserve the supply of affordable and workforce housing, thereby supporting growth of the State's economy.

Hawaii Housing Finance and Development Corporation (BED160)

This program is administratively attached to the Department of Business, Economic Development and Tourism (DBEDT).

For the state's economy to thrive, Hawaii must have an adequate supply of affordable and workforce housing proximate to employment centers, public transportation, and community facilities. A lack of housing negatively affects quality of life and hinders economic expansion.

Hawaii has a serious undersupply of housing. According to the study Hawaii Housing Demand: 2025-2035 (DBEDT, 2024), the state's projected housing demand based on expected population growth for the 2025-2035 period is 32,970 housing units. Unlike the Hawaii Housing Planning Study, 2019 (SMS Research and Marketing Inc. for HHFDC, 2019), which found that the number of additional housing units needed statewide for the period 2020-2025 was much greater at 50,156 units, the DBEDT projection does not consider pent-up demand.

Numerous factors, largely systemic in nature, impede affordable and workforce housing production in Hawaii. The State's land use classification system artificially constrains the supply of land available for housing development, with a mere 5% of the state's land classified as urban.

A major barrier to housing development is the lack of regional infrastructure, primarily potable water, wastewater, and electrical systems. Water resources in certain locations such as North Kona, Lahaina, and potentially urban Honolulu have severely restricted development opportunities in these areas. Progress at Kamakana Villages in North Kona came to a halt in 2018 due to a change in the water permit policy, which indeterminately delayed the delivery of about 1,600 workforce housing units. Finally, multi-layered zoning and permitting regulations lead to numerous delays and incremental costs on new housing development.

Structural barriers include the remoteness of the Hawaii archipelago and its effect on the costs of materials and availability of affordable, skilled labor, and the islands' mountainous topography and often difficult geology.

On the demand side, individual incomes have not kept pace with inflation, which limits the ability of households to afford housing as prices increase over time. Also, technological advances combined with the rise of remote work resulting from the COVID-19 pandemic have created increased demand for housing in locations offering a high quality of life for households of certain means.

HHFDC's primary financing program is the Low-Income Housing Tax Credit (LIHTC) program, which subsidizes the acquisition, construction, and rehabilitation of rentals for households earning up to 60% of the AMI. LIHTC financing is typically used in conjunction with HHFDC's Rental Housing Revolving Fund (RHRF) program. Non-volume cap (4%) LIHTC must be used with tax-exempt, private activity bond (PAB) financing, typically through HHFDC's Hula Mae Multi-Family (HMMF) bond program. Due to the increase in the availability of RHRF, there has been an oversubscription in the HMMF program.

Another HHFDC financing program is the Dwelling Unit Revolving Fund (DURF). DURF provides below-market interest rate, generally interim, loans primarily used for land acquisition; the planning, entitlement, and development of on-site and off-site infrastructure; and other activities, particularly for mixed-use affordable housing projects that entail for-sale housing together with rental housing.

HHFDC's major development tool is its 201H Expedited Processing Program. Pursuant to Section 201H-38, Hawaii Revised Statutes (HRS), HHFDC may develop, on behalf of the State or with an eligible developer, or may assist under a government assistance program, in the development of housing projects which are exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon. Colloquially, these projects are referred to as "201H projects."

Another important development tool is the ability to make state land available for housing development using a Request for Proposals (RFP) process. Additionally, in 2023, Governor Josh Green, M.D., issued the Emergency Proclamation Relating to Housing (the Housing EP) to eliminate barriers to developing housing. The original Build Beyond Barriers Working Group was concluded in February 2024, and its duties were transferred to HHFDC, which has been reviewing developer applications for eligibility and processing fee waiver exemptions.

HHFDC has begun to direct more focus on helping more local residents purchase their homes, a theme that will continue in the upcoming biennium.

Act 92, SLH 2023, authorized HHFDC to establish a Dwelling Unit Revolving Fund Equity Pilot Program to buy down the cost of housing for Hawaii residents. Administrative rules to implement the program became effective in January 2024. Units in three projects have participated in the program so far: Kuilei Place, the Modea, and The Flats at Sky Ala Moana. HHFDC plans on refining the program and making it permanent so it can help more eligible buyers.

HHFDC staff are also working to restart the programs for the Hula Mae Single Family and Downpayment Loan. Thus far, staff is updating the 25-year-old administrative rules for both and hopes to receive the Governor's approval by the end of the year.

HHFDC continuously reviews its statutory requirements to see how it can better meet them. For instance, §201H-6, HRS, requires HHFDC to develop and maintain an affordable housing inventory registry. Previously, HHFDC maintained a database posted on its website. In June 2024, HHFDC rolled out a new interactive Affordable Rental Housing Inventory Locator Map that allows viewers to easily search by island, AMI level, and unit type, as well as to access website and contact information so they may follow up on vacancies.

HHFDC strives to maximize the efficiencies of its financing programs. For example, Act 35, Session Laws of Hawaii (SLH) 2024, authorizes HHFDC to establish a bond volume cap recycling program that would allow us to preserve and recycle the prior years' bond cap that would otherwise expire upon repayment of a project's construction loan. This allows the funds to be used for more projects.

STATE OF HAWAII
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PERFORMANCE MEASURES AND PROGRAM REVENUES

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

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
MEASURES OF EFFECTIVENESS								
1. # OF UNITS FOR SALE TO HOMEBUYERS	331	0	39	1829	175	0	783	72
2. # OF UNITS FOR NEW RENTAL HOUSING	1250	1334	1019	1626	940	1985	2622	250
3. # OF UNITS PRESERVED FOR EXISTING RENTAL HOUSING	0	715	306	80	150	150	150	150
PROGRAM TARGET GROUPS								
1. HSEHLDs EARNING UP TO 140% OF AREA MEDIAN INCOME	4000	4000	4000	4000	4000	4000	4000	4000
PROGRAM ACTIVITIES								
1. LOANS/GRANTS FOR ACQ/REHAB/DEV OF HSG	1204	496	288	1342	616	1078	656	250
2. RESERVE TAX CRDT FOR ACQ/REHAB/DEV OF HSG UNITS	1254	179	150	150	150	150	150	150
3. ISSUE TAX-EXEMPT REVENUE BONDS (IN MIL \$)	263.5	248	150.9	50	50	50	50	50
4. FACILITATE DEVELOPMENT OF REAL PROPERTY (UNITS)	802	200	1	1966	987	2613	3011	172
5. ASSIST HOMEBUYERS THROUGH FINANCING PROGRAMS	198	374	375	273	250	250	250	250
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	38,000	38,000	30,000	30,000	30,000	30,000	30,000	30,000
REVENUES FROM THE USE OF MONEY AND PROPERTY	29,355	17,325	8,459	4,778	4,646	4,646	4,646	4,646
REVENUE FROM OTHER AGENCIES: FEDERAL	7,226	5,827	3,644	2,285				
CHARGES FOR CURRENT SERVICES	9,918	8,300	5,537	5,537	5,537	5,537	5,537	5,537
NON-REVENUE RECEIPTS	554,543	13,611	4,032	4,032	4,032	4,032	4,032	4,032
TOTAL PROGRAM REVENUES	639,042	83,063	51,672	46,632	44,215	44,215	44,215	44,215
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	3,285	3,259	1,644	1,000				
ALL OTHER FUNDS	635,757	79,804	50,028	45,632	44,215	44,215	44,215	44,215
TOTAL PROGRAM REVENUES	639,042	83,063	51,672	46,632	44,215	44,215	44,215	44,215

III. PROGRAM CHANGE RECOMMENDATIONS

Business Development

BED100 Strategic Marketing and Support

The program has the following operating budget requests:

1. Adds \$1,450,000 for Healthcare Workforce Development Program in FY 26 and FY 27.

BED101 Office of International Affairs

None.

BED 105 Creative Industries Division

The program has the following operating budget requests:

1. Adds 1.00 permanent position and \$35,508 in FY 26 and \$71,016 in FY 27 for Film Industry Development Specialist.
2. Adds 1.00 permanent position and \$71,016 in FY 26 and FY 27 for Program Specialist V.

BED 107 Foreign Trade Zone

The program has the following operating budget and capital improvement project requests:

1. Adds \$120,000 in FY 26 and FY 27 for forklift replacement and maintenance.
2. Adds \$6,070,000 in reimbursable general obligation bonds in FY 26 for Tropical Agricultural Tech Center Warehouse, Hawai'i.

BED 142 General Support for Economic Development

The program has the following operating budget requests:

1. Adds 1.00 permanent position and \$149,000 in FY 26 and FY 27 for Sports Tourism Manager Position.

Tourism

BED 113 Hawai'i Tourism Authority-Admin and Governance

The program has the following operating budget and capital improvement project requests:

1. Adds \$1,977,020 in special funds in FY 26 for Hawai'i Convention Center operations
2. Reduces \$332,715 in FY 26 and FY 27 for Hawai'i Tourism Authority.
3. Adds \$11,000,000 in FY 26 for Hawai'i Tourism Authority reimbursement to Budget and Finance.
4. Adds \$5,000,000 in FY 26 and FY 27 in general obligation bonds for Hawai'i Convention Center Improvements, O'ahu.

BED 114 HTA-Branding and Marketing

The program has the following operating budget requests:

1. Adds \$2,773,676 in FY 26 and FY 27 in OCE for Branding and Marketing

BED 115 HTA-Sports and Signature Events

None.

BED 116 HTA-Destination Stewardship and Community

The program has the following operating budget requests:

1. Adds \$3,956,228 in FY 26 and FY 27 for HTA increases

BED 117 HTA-Regenerative Tourism Development

None.

BED 118 HTA-Workforce Development

None.

Agriculture

LNR 172 Forestry-Resource Management & Development

Threats to forests throughout the world continue to intensify. Forest and resource management funding in Hawaii has not kept up with the challenges and has resulted in deferred management and a backlog of activities that need to be undertaken in Forest Reserves to address the impacts of climate change, invasive species, and expanding human activities. The forest management program within the Division of Forestry and Wildlife has a wealth of expertise but insufficient capacity to undertake the intensive and extensive management needed to sustain the resource. Therefore, the most important recommendation for changes to the forestry program over the next five years is to ensure sufficient resources and staff are available to implement the program's forest protection, restoration, and management plans.

Improved forest management is an important concept encompassing a range of protection, restoration, reforestation, and revenue-generating activities across the 700,000-acre forest reserve system. This work is needed to ensure our forests continue to provide societal benefits for current and future generations. To be successful, a significant increase of 2-3 times in funding is needed to undertake improved forest management activities, including fencing high-value forest areas, removing ungulates and other invasive plants and animals, and replanting in gaps, riparian areas, and degraded lands. These activities need to occur concurrently across hundreds of thousands of acres in the Forest Reserves, where forest threats and deferred management have left our forest system vulnerable to accelerated degradation. Effective management requires consistent effort over time.

BED 170 Agribusiness Development and Research

The program has the following operating budget and capital improvement project requests:

1. Adds \$120,000 in revolving funds in FY 26 for Attorney General support.
2. Adds \$1,800,000 in general obligation bonds in FY 26 for State Postharvest Facility Construction, O'ahu.

3. Adds \$4,000,000 in general obligation bonds in FY 26 for Small Animal Slaughterhouse, O'ahu.
4. Adds \$350,000 in general obligation bonds in FY 26 for Food and Product Innovation Network, Statewide.
5. Adds \$6,470,000 in general obligation bonds in FY 26 for Kekaha Irrigation System Improvements, Kekaha, Kaua'i.
6. Adds \$9,200,000 in general obligation bonds in FY 26 for Agricultural Infrastructure Improvements, O'ahu.
7. Adds \$3,000,000 in general obligation bonds in FY 26 for Land Acquisition for Water Security, Lihu'e, Kaua'i.
8. Adds \$1,300,000 and \$250,000 in general obligation bonds in FY 26 and FY 27 for Value-Added Product Development Center, Hawai'i.

AGR101 Financial Assistance for Agriculture

None.

AGR122 Plan Pest and Disease Control

The program has the following operating budget and capital improvement project requests:

1. Adds \$11,930,523 in general funds and 32.00 permanent positions in FY 26 and FY 27 to continue Biosecurity programs originally appropriated in Act 231, SLH 2024.
2. Deletes 3.00 permanent positions and \$114,309 in general funds for positions that have been vacant for longer than four years.
3. Deletes 2.00 temporary positions and \$162,466 in federal funds for positions that have been vacant for longer than four years.
4. Adds \$1,400,000 in general obligation bond funds for a capital improvement project for Hilo Greenhouse and Insectary Improvements, Hawaii.

AGR 131 Rabies Quarantine

None.

AGR132 Animal Disease Control

The program has the following operating budget requests:

1. Adds \$107,000 in FY 26 and \$38,000 in FY 27 in general funds for motor vehicle replacement.
2. Deletes 2.00 temporary positions and \$131,497 in federal funds for positions that have been vacant for longer than four years.

AGR151 Quality and Price Assurance

The program has the following operating budget requests:

1. Adds \$97,000 in FY 26 and \$38,000 in FY 27 in general and revolving funds for motor vehicle replacement.
2. Deletes 1.00 permanent position and \$50,916 in general funds for positions that have been vacant for longer than four years.
3. Deletes 1.00 permanent position and \$135,802 in special funds for positions that have been vacant for longer than four years.

AGR171 Agricultural Development and Marketing

The program has the following operating budget requests:

1. Adds \$63,096 in each year for 1.00 permanent Economic Development Specialist position for the Market Development program.
2. Adds \$42,000 in FY 26 in general funds for a motor vehicle replacement.
3. Deletes 1.00 temporary position and \$64,476 in federal funds for positions that have been vacant for longer than four years.

AGR141 Agricultural Resource Management

The program has the following operating budget and capital improvement project requests:

1. Adds \$26,000,000 in FY 26 in general obligation (G.O.) bond funds for Royal Kunia Agricultural Park, Oahu.
2. Adds \$1,000,000 in FY 26 in G.O. bond funds for Non-Agricultural and Agricultural Park Improvements, Statewide.
3. Adds \$5,000,000 in FY 26 in G.O. bonds and \$1,000 in FY 26 in federal funds for State Irrigation System Reservoir Safety Improvements, Statewide.
4. Adds \$2,700,000 in FY 26 and \$5,000,000 in FY 27 in G.O. bond funds for Molokai Irrigation System Improvements, Molokai.
5. Adds \$1,250,000 in FY 26 and \$1,750,000 in FY 27 in G.O. bond funds for Kahuku Agricultural Park Miscellaneous Improvements, Oahu.

AGR192 General Administration of Agriculture

The program has the following operating budget and capital improvement project requests:

1. Adds \$538,394 in FY 26 and \$576,788 in FY 27 and 1.00 permanent Program Specialist position for the Farm to State and Farm to Foodbank programs.
2. Deletes 1.00 permanent position and \$45,984 in general funds that has been vacant for longer than four years.
3. Adds \$1,900,000 in FY 26 and \$2,200,000 in FY 27 in general obligation bond funds for a capital improvement project for Miscellaneous Health, Safety, Code and Other Requirements, Statewide.
4. Adds \$6,000,000 in FY 26 in general obligation bond funds for tar removal at the Halawa Animal Quarantine Station, Oahu.

Fisheries and Aquaculture

AGR153 Aquaculture Development

The program has the following operating budget request:

1. Adds \$1,500,000 in FY 26 in general funds for aquaculture projects.

Technology and Energy

BED143 Hawai'i Technology Development Corporation

The recommendation of the newly formed board of directors of the Hawaii Technology Development Corporation (BED143) is to accelerate the diversification of the economy through technology and innovation. HTDC is working on a new strategic plan that will include additional budget and staffing requests to submit to the administration and legislature to address Hawaii's global economic competitiveness leveraging the lessons learned from COVID-19; expansion of exports; and the digital economy expressed in section IV of this memorandum.

This request is in addition to HTDC's existing core programs.

HTDC has already taken a bold step by taking the lead role in administering the \$62 million American Rescue Plan Act State Small Business Credit Initiative for the State of Hawaii. The new program, named HI-CAP, provides access to capital for small businesses through loans and investments. This new program is administered jointly by HTDC and HGIA and will support the priorities identified by DBEDT.

Addressing the economic exposure from the impacts of the war in Ukraine on fuel costs as identified in section IV of this memorandum have heightened and accelerated the need to strengthen Hawaii's clean energy economy. While Kaua'i's success (at a 60% RPS with the lowest average costs in the state) serves as a model for most of Hawai'i's main islands, O'ahu faces a particularly challenging situation, as its underlying energy demand is approximately 19 times greater than Kaua'i's and represents approximately 70% of the state's generation needs, necessitating significantly more resources to meet the electrical energy demand. At the same time, the state's largest electric utility, Hawaiian Electric, is undergoing significant challenges that have complicated Hawai'i's renewable energy transition. The subsequent downrating of Hawaiian Electric's credit rating in the aftermath of the Maui wildfires has increased the cost of debt financing for the utility and independent power producers, challenging the financing of future renewable energy projects and necessary capital expenditures by the utility to continue moving the energy transition forward. The credit and capital crunch are exacerbated by the utility's paucity of reserve capacity due largely to the historical practice of extending the life of its generation fleet well beyond its useful life and mostly deferring high-efficiency power plant replacements. Furthermore, the increased cost of private capital due to the Federal Reserve's fight against inflation has made state-administered financing and programs that provide access to lower cost capital more critical for Hawaii's continued economic development.

BED146 Natural Energy Lab of Hawai'i Authority

None.

BED120 Hawai'i State Energy Office

The Hawaii State Energy Office's (BED120) biennium budget requests include the trade-off/transfer adjustment to fully fund one underfunded position. Funds from Other Current Expenses would be transferred to Personal Services to fully fund the Public Affairs Officer position which is critical to supporting the Governor and the Governor's Communications Director through DBEDT and serves as the Public Information Officer for the State Emergency Response Team #12 Energy during a declared energy emergency. In addition, full-year funding is requested for six positions which were half-year funded in FY23. Full-year funding will enable the retention of experienced staff performing the essential work of the agency. Also, a federal fund adjustment is needed for the State Energy Program (SEP) in FY25. SEP is a major, recurring federal award from the U.S. Department of Energy. HSEO also requires other critical resource allocations. These requests are undergoing further review.

BED138 Hawai'i Green Infrastructure Authority

To maximize program efficiency and effectiveness the Hawaii Green Infrastructure Authority (BED138) believes it will be necessary to increase staffing by one(1) FTE to assist with the three new HI-CAP Programs as well as the new Commercial Property Assessed Financing Programs. This position would be funded by a combination of Federal SSBCI funds and/or program revenue.

Water and Land Development

LNR 141 Water and Land Development

This program has no Operating Budget requests.

This program has a recurring Capital Improvements Program request for funding to mitigate rockfall and/or flood hazards on DLNR lands to protect public safety.

Special Community Development

The Hawaii Community Development Authority's (BED150) biennium budget request includes electrical and communication infrastructure improvements on Saratoga Avenue. These vital infrastructure investments enhance mixed-use development in the Kalaeloa Community Development District laying the foundation to address housing, workforce housing and ultimately, the workforce shortages identified in section IV of this memorandum.

Hawaii Housing Finance and Development Corporation

BED160 Hawai'i Housing Finance and Development Corp

The program has the following operating budget and capital improvement project requests:

1. Adds \$58,800 in revolving funds in FY 26 and FY 27 for Ceiling increase for OCE to assist in Maui Wildfires Recovery Efforts for Housing Administration.
2. Adds \$31,600 in revolving funds in FY 26 and FY 27 for Ceiling increase for OCE to assist in Maui Wildfires Recovery Efforts for Housing Development.
3. Adds \$265,800 in revolving funds in FY 26 and \$94,800 in revolving funds in FY 27 for Ceiling increase for OCE to assist in Maui Wildfires Recovery Efforts for Housing Finance.
4. Adds \$50,000,000 in general obligation bonds in FY 26 and FY 27 for Cash Infusion for Rental Housing Revolving Fund, Statewide.
5. Adds \$75,000,000 in general obligation bonds in FY 26 and FY 27 for Cash Infusion for Rental Housing Revolving Fund Tier II, Statewide.
6. Adds \$20,000,000 in general obligation bonds in FY 26 and FY 27 for Dwelling Unit Revolving Fund Infusion, Statewide.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Business Development

Outlook for the Economy

Hawaii's economy has been greatly impacted by the COVID-19 pandemic. However, during the first seven months of 2022, Hawaii welcomed a total of 5.4 million visitors, representing 86.8% recovery from the same period in 2019. U.S. visitors were 12.4% higher than those who came during the same period in 2019. International visitors recovered 33.8% with Canadian visitors leading the recovery at 63.3%, Japanese visitors at 6.7%, and other international visitors at 52.4%. Through July 2022 and measured in current prices, visitor spending totaled \$11.2 billion, representing 5.8% higher than the spending made during the same period in 2019.

Visitor arrivals to the State during the second quarter of 2022 totaled 2,425,566 an increase of 27.3% from the same quarter in 2021. The average daily visitor census increased 20.7% in the second quarter of 2022.

The value of private building permits showed a decrease of 52.8% or \$711.0 million during the second quarter of 2022 compared with the same quarter of the previous year. The value for the residential permits decreased by \$536.8 million or 65.6% from the same period in the previous year; followed by the additions & alterations category, which was down by \$156.4 million or 36.7% while the value of commercial & industrial building permits declined by \$17.7 million or 17.4% during the same period. In the second quarter of 2022, government contracts awarded increased \$3,974.3 million or 1,544.9% compared with the same quarter of the previous year.

At the national level, U.S. real GDP growth began to gradually improve from the first quarter of 2021, with 0.5% growth over the same quarter of the previous year. This was followed by 12.2% growth in the second quarter of 2021, 4.9% in the third quarter of 2021, 5.5% in the fourth quarter of 2021, 3.5% in the first quarter of 2022, and 1.7% in the second quarter of 2022 as compared to the same quarters of the previous respective years. The Blue Chip Economic Indicators report from August 10, 2022, which is the consensus of 50 economic forecasting organizations, projected that the U.S. economic growth rate for 2022 will increase by 1.5%. The report projected a positive 0.7% U.S. economic growth for 2023. For Hawaii, DBEDT estimates that Hawaii's real gross domestic product (GDP) will increase by 2.6% in 2022. The forecast then projects 1.7% growth in 2023, 2.1% in 2024, and 2.0% in 2025.

Hawaii will welcome an estimated 9.2 million visitors in 2022, an increase of 35.6% from the 2021 level. Visitor arrivals are projected to increase to 9.8 million in 2023, 10.2 million in 2024, and 10.55 million in 2025. Visitor spending is estimated to increase 45.2% in 2022. The forecast then projects an increase of 9.2% in 2023, 5.1% in 2024, and 4.9% in 2025.

Non-agriculture payroll jobs are estimated to increase 4.2% in 2022. The forecast projects an increase of 3.2% in 2023, 2.2% in 2024, and 1.9% in 2025.

Overall, for 2022, the average annual unemployment rate is estimated to be 3.8%. The forecast projects a decrease to 3.6% in 2023, 3.2% in 2024, and 2.9% in 2025. These rates are still higher than Hawaii's average unemployment rate of 2.5% from 2017 to 2019.

Nominal personal income is estimated to decrease by 0.9% in 2022. The forecast then projects an increase of 2.5% in 2023, 2.9% in 2024 and 3.0% in 2025.

Hawaii's consumer inflation rate, as measured by the Honolulu Consumer Price Index, for All Urban Consumers, is estimated to increase 6.3% in 2022. The forecast then projects an increase of 3.2% in 2023, 2.3% in 2024, and 2.2% in 2025.

Hawaii's population is expected to decrease 0.1% in 2022, increase 0.1% in 2023, and increase 0.2% in 2024 and 2025.

Lessons Learned from COVID-19

The Covid-19 Pandemic was a "stress test" for Hawaii's economy, focusing attention on economic sectors that were more volatile and vulnerable to temporary job losses and those sectors that demonstrated resilience. Industries sectors such as Professional Services and

Educational Services remained viable through the deployment of remote/telework solutions that also offered Hawaii residents better work/life balance.

Expansion of Exports

It is essential that Hawaii maintain the inroads it made in expanding exports during the past decade of low interest rates. The current strength of the dollar poses headwinds to increasing exports; however, it is important to retain market position.

Japan is Hawaii's prime market for exports, where the dollar-yen exchange rate is at a 24 year high. While Hawaii products are in demand, it is vital that continuous marketing take place, and that efforts be coordinated with tourism marketing.

Worker Shortage

Hawaii continues to face a pre-COVID-19 labor shortage measured by the declining Labor Force Participation Rate and the U-6 unemployment rate. Between July 1992 69.8% to June of 2022, Hawaii's Labor Force Participation Rate has declined from 69.8% to 60.1%. Hawaii's U-6 unemployment rate is at 8.2% of as July 2022. The U-6 rate measures the total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons.

Global Impact of the war in the Ukraine on Fuel Costs and Hawaii's economic vulnerability

The war in the Ukraine limited the global supply of high-quality petroleum products as well as the global supply of grain. The ongoing conflict creates supply push inflationary pressures on the global and Hawaii economy that can impact Hawaii's future economic growth.

Tourism

For more than three decades, tourism has continued to play a major role in the economic health of the State. Presently, it remains Hawaii's primary economic engine. While the State strives to achieve greater economic diversification, tourism will continue to play a key role in the State's economy in the future. Hawaii has a competitive advantage over other destinations; its culture, environment, climate, diversity, and history make Hawaii one of the most preferred destinations. However, competition is growing as newer destinations are opening and travelers want to travel to places they have never visited.

Proper asset management must be established to ensure that Hawaii's tourism product remains vibrant and its culture intact.

It is the challenge of the HTA not only to provide economic stimulus to the state economy, but to also consider the needs of future generations. The groundwork that is being developed will be the foundation for tomorrow's tourism industry. This foundation must be appropriately designed and structurally sound so that it can provide stimulus today, and adequate support in the future.

Agriculture

Tourism

Tourism continues to play a significant role in the economic health of the State. It remains Hawaii's primary economic engine. While the State strives to achieve greater economic

diversification, tourism will continue to play a vital role in the State's economy in the future. Hawaii's culture, environment, climate, diversity, and history make Hawaii one of the world's most desirable destinations. However, competition is growing as newer destinations open, and travelers want to travel to places they have never visited. Proper asset management must be established to ensure that Hawaii's tourism product remains authentic and its culture intact.

The Hawaii Tourism Authority's challenge is to provide economic stimulus to the state economy while considering the needs of future generations. The groundwork being developed will be the foundation for tomorrow's tourism industry. This foundation must be appropriately designed and structurally sound so that it can provide stimulus today and adequate support in the future.

LNR 172 Forestry Resource Management and Development

Visitors are drawn to Hawaii for its natural beauty, including its rugged landscape and dense tropical forests. Tourists want to visit and spend time in forest areas. Community members regularly recreate in the forests and gather materials such as fibers and fruits. Globally, forests are increasingly recognized for the critically important benefits they provide to society and their role in sustaining life on Earth. People in Hawai'i know that their forests keep waters clean and plentiful above and below ground and in the near shore environment. Forests provide habitat to hundreds of unique species found only in Hawaii, are a source of medicine, mitigate climate, cool the air, produce oxygen, and gather water from the clouds. The Division of Forestry manages all these uses and benefits while protecting and sustaining 700,000 acres of forest resources for the future.

Improved forest management will ensure that Forestry protects all the forest offers to society, including monetized and non-monetized products and services. Improved forest management maintains a holistic approach, prioritizing the resources and ensuring no activity or use sacrifices the system's integrity. Under improved Forest Management, the Division of Forestry will:

1. Develop new timber and wood fiber products for personal and cultural use and for Hawaii's commercial and consumer markets; explore value-added processing and underutilized species; support bio-energy use as a renewable energy source; explore new climate-friendly commodities.
2. Continue to advance the potential for carbon markets to support the restoration of degraded lands that are no longer capable of natural regeneration. Pilot projects on Maui are taking the lead with other projects to follow.
3. Work to establish high-value commercial species, such as Koa, at a scale that produces volume for markets in Hawaii and beyond.
4. Ensure our forests continue to provide clean water by protecting watersheds from damage by ungulates and other invasive species, fire, soil degradation, and other threats. Success will require support from private landowners and partners, who make up 66% of Hawaii's forests.
5. Manage forest recreation such as hiking, camping, hunting, biking, equestrian use, motorized recreation, and user experiences as appropriate.

6. Where appropriate, lease lands for activities that align with the forest's protection. Work with leaseholders to ensure investments in forest and land management occur.
7. Be a responsible neighbor in areas where our lands are adjacent to private landowners and work with communities to advance forest protection and appropriate use.
8. Continue working with private landowners across the state who are interested in improving forest management on their lands.
9. Look for opportunities to acquire parcels that are critical to protect so that Hawaii can meet its water, forest, and conservation goals in the future.

AGR101 Financial Assistance for Agriculture

The agricultural lending landscape is rapidly changing, micro-lenders are playing a larger role with faster approval times and significant increase in their loan limits in some cases up to \$250,000. The U.S. Department of Agriculture (USDA) loan program has also undergone major changes. The program is no longer a lender of last resort and offers very favorable rates and flexible terms. These industry changes have resulted in decreased demand for state agricultural loans.

AGR122 Plan Pest and Disease Control

With dependence on world trade, imports, travel, and the continued increase and reliance on direct sales through the Internet, Hawaii is at great risk of new pest introductions. Recent introductions of serious pests of important agricultural industries, such as honeybee (Varroa Mite and Small Hive Beetle) and coffee (Coffee Berry Borer and Coffee Leaf Rust), have occurred and now seriously threaten the economic viability of industries within and outside of agricultural industries in Hawaii. Pests of Ohia (Ohia Wilt, also known as Rapid Ohia Death) have also been introduced and threaten Hawaii's environment and natural resources. This trend is not likely to lessen and DOA has great concern that reductions in funding for positions in plant prevention, inspection, surveillance and control programs substantially increases the risk of other serious pests entering the State.

AGR 131 Rabies Quarantine

The planned relocation of the Oahu Community Correctional Center (OCCC) to the site of the current AQS along with aged, deteriorated, and inadequate facilities requires relocation of AQS. Design and planning to relocate AQS to a different area of the current property will be completed in FY 25. Funding for construction is necessary in FY 26 to complete the project. An effective AQS is required to address not only rabies but also the constant and emerging threats of diseases and parasites on imported animals. For example, there is a recent detection of New World Screwworm (NWS) in Mexico. The larvae of this fly burrows into the flesh of living animals and cause serious, often deadly damage to the animal. NWS infest livestock, pets, wildlife, occasionally birds, and in rare cases, people. In August of this year, an exotic tick, *Dermacentor Variabilis*, was found on an imported dog. This tick is known to carry several diseases, two of which are Rocky Mountain Spotted Fever (RMSF) and Tularemia. The CDC reported three human fatalities from RMSF in California in November 2024.

Biosecurity pertains to parasites and infectious agents (bacteria, fungi, and viruses), that can affect animals and humans. This is an important component of the State's overall biosecurity needs. When a case of these types arises, an effective quarantine facility is required.

Movements of civilian and military communities contribute to the fluctuation in animals arriving in Hawaii each year. The 2018 modification of the pre-arrival waiting period, along with a general trend towards more imported animals qualifying for Five-Day-or-Less and direct airport release, has resulted in fewer animals held in quarantine. Other trends in movement related to the addition of the neighbor island entry program in FY 07 that allows qualified animals to fly directly from the continental U.S. to airports at Kona, Kahului, and Lihue. Pet owners desiring to fly directly to these airports must: 1) qualify their dog or cat for direct airport release; 2) contract with private, State approved contractors to receive, inspect, and process the animal at the neighbor island airport; and 3) apply for a Neighbor Island Inspection Permit with the department more than 30 days before the intended arrival. Utilizing private approved contractors is necessary because the program does not have the staff on the neighboring islands.

AGR132 Animal Disease Control

The program responded to HPAI outbreak in November 2024 on Oahu (also refer to section C Description of Activities Performed). HPAI was not identified previously in Hawaii until this November detection. Now that HPAI has been identified in wild birds, it is anticipated that additional outbreaks are possible similar to the situation on the continental U.S. Outbreaks such as these, of foreign animal diseases, threat of bioterrorism, and the rise of emerging diseases of high consequence have necessitated increased emphasis on preparation and response resulting in premovement review, inspection and surveillance activities being placed at a heightened state of alert.

Increased awareness of the relationship between animal origin microbes and diseases and their association with human illness outbreaks have resulted in the development of program activities designed to mitigate the potential risk of such outbreaks.

Food, health, safety issues; animal welfare concerns; international trade agreements; economics related to animal commodity movement; and the ability to manage risk using tools, such as advanced diagnostic tests and emerging animal disease information, continue to be other major activities affecting animal industry programs.

AGR151 Quality and Price Assurance

The following external trends affect this program:

1. Increased production of new commodities on lands vacated by sugar and pineapple and from agricultural parks, such as coffee, seed, and exotic tropical fruits.
2. State emphasis on the orderly expansion of diversified agriculture and food manufacturing.
3. A decrease in the number of dairies and other livestock farms, and the federal enforcement on the use of pesticides and the ban of pesticides, such as Dichlorodiphenyltrichloroethane or DDT and Heptachlor, affecting the further reduction of feed contamination.
4. Changes in quarantine treatments, exports, and changes in the mode and frequency of transportation of agricultural crops.
5. Increasing costs of feed, energy, handling of waste, transportation, other inputs, and

- land, impact of milk profitability, beef cattle, eggs and pork production.
6. Federal expansion or curtailment of agricultural quality assurance, food safety, and organic programs.
 7. Growth in the coffee industry on the Big Island (Kau, Kona, Hamakua, and Puna), Maui (Kaanapali and Kula), and Oahu.
 8. Increased attention on food safety, biosecurity, production, certification, and labeling of organic and transgenic agricultural products.

AGR171 Agricultural Development and Marketing

The impacts to agriculture resulting from COVID-19 are predicted to continue for the next few years with challenges expected to include growing food that meets local demand and replacing imports.

The continuing loss of prime agricultural land to other development activities (e.g., solar energy), as well as high input costs of fuel, fertilizers, pesticides, and germplasm. High shipping costs will become increasingly challenging to agricultural producers, food manufacturers, and wholesalers, particularly those on the neighbor islands. Local farmers will continue to face challenges due to labor shortages and persistent pest pressures.

While production of certain diversified agriculture crops continues, growing foreign and mainland competition affecting Hawaii agricultural and food products are still a threat, including free trade agreements. The State continues to place emphasis on orderly expansion of diversified agriculture and food manufacturing. Growing urban encroachment, natural disasters, trade policies, and taxation of agricultural lands are other threats. Growing demands by industry groups for the collection, publication, and dissemination of local agricultural statistics, particularly with regards to food cannot be fulfilled with existing staff and funding resources.

On the other hand, the establishment of farmers' markets and food hubs locally continues and provides an additional market outlet for our producers.

AGR141 Agricultural Resource Management

Environmental concerns are affecting the ability of the program to meet its development responsibilities because rules, regulations, and statute changes limit availability of land and water.

The recent trend in renewable energy production is leading to conflict with food self-sustainability goals and ranching for the State's limited water and land resources.

Energy, transportation, and fertilizer costs, as well as workers benefits, etc., are severely straining the local farmer's finances and viability.

The cost of maintaining the irrigation systems properly, while remaining fiscally responsible, has arrived at a critical juncture

AGR192 General Administration of Agriculture

Increased emphasis on the diversification of our agricultural base and the utilization of agricultural lands will result in greater levels of activity for this program. In addition, the passage and adoption of new federal and State legislation, standards and requirements without

increased resources will have a significant impact on the department's ability to respond effectively and efficiently to the public served.

Fisheries and Aquaculture

AGR153 Aquaculture Development

Aquaculture is a multimillion-dollar growth industry, in Hawaii and worldwide, that globally produces one half of the world's seafood. Growing concern over world food shortages, and declining production of wild fishery stocks, has focused worldwide attention on expanding aquaculture. National goals include increasing production and jobs, balancing trade, and fostering sustainable rural development. World aquaculture production has tripled since 1976 and should triple again by 2025 to cover projected shortfalls in fisheries production. U.S. production, tripled from the 1980s, and is worth \$1.7 billion in 2017. With increased emphasis by Congress on increasing domestic supplies of seafood and a target U.S. goal of a \$5 billion dollar industry by 2025, interest within the federal government is very high. Hawaii's industry is positioned to enjoy long-term advantage from these trends by developing needed technologies, exporting technology and expertise, and applying them to commercial development in Hawaii.

Technology and Energy

Digital Divide and Impact on Hawaii's Competitiveness in the Digital Economy

In 2020, the Bureau of Economic Analysis estimated that 9.0% of the U.S. GDP in 2018, was attributable to the digital economy.

During this same year, the BEA reported that the digital economy real value added grew at an average annual rate of 6.8% per year compared to 1.7% growth of the overall economy. The digital economy offers tremendous opportunity to increase prosperity, resiliency, and diversification to Hawaii's economy.

However, participation in the digital economy requires a level of technology proficiency that is inequitably distributed throughout our state. In Hawaii, it is estimated that approximately 55,000 households (roughly 11.8%) do not have internet subscriptions. Of these, 44,198 households have no internet access at all. This threatens to increase the gap in digital equity leaving some Hawaii residents out of participation in the fast-growing digital economy.

The coronavirus disease 2019 (COVID-19) pandemic has heightened the existence of the digital divide and the demand for reliable, affordable internet connectivity as work, education, and access to essential services have shifted toward being provided online. DBEDT recognizes the importance of broadband equity and digital equity which ensures that all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy and is necessary for civic and cultural participation, lifelong learning, and access to essential services, such as telemedicine, distance learning, and the workplace. Work will continue to leverage state and federal funding programs to build the foundation for all Hawaii residents can access the digital tools and literacy to fully participate in the digital economy.

Energy

The State of Hawaii has a bold energy agenda — to achieve 100% clean energy by the year 2045. Along with reducing our islands' dependency on fossil fuels and increasing efficiency measures, the clean energy plan is also contributing to the state's economic growth. Because Hawaii is committed to re-powering the clean energy market, HSEO embraces bold solutions that will help develop this competitive industry, making Hawaii one of the leaders in the clean energy race.

HSEO leads statewide energy security and resilience initiatives, while catalyzing energy independence and decarbonization.

Water and Land Development

LNR 141 Water and Land Development

The program will continue its water development activities and its search for new water sources to fulfill the water needs of State-sponsored projects. The program maintains contact with the various State departments to anticipate their water needs, statewide. However, trends to locate projects in areas where water sources are not cheaply or easily accessible pose challenges. The program will continue to work with county water departments to seek water within their requirements.

Special Community Development

None.

Hawaii Housing Finance and Development Corporation

Availability of Affordable/Workforce Housing

Affordable and accessible workforce housing, along with a trained and qualified workforce, are essential ingredients to strengthen and grow economic activity and opportunity in Hawaii. The inability of working families to purchase or rent a decent home in, or close to, the communities where they work is a growing problem.

According to the 2019 Hawaii Housing Demand: 2020-2030 study commissioned by DBEDT, the state's unmet demand of available residential housing units was projected to increase to about 36,000 by 2030—a shortfall encompassing nearly 12,000 homeowners and over 14,000 rental housing units for the populations targeted by HHFDC programs (i.e., households earning from 30% up to 140% of the area median income, or AMI).

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Agriculture may be found at the following web address: <https://hdoa.hawaii.gov/meetings-reports/>.

Reports and studies by the Department of Business, Economic Development and Tourism may be found at the following web address: <https://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Reports and studies by the Department of Land and Natural Resources may be found at the following web address: <https://dlnr.hawaii.gov/reports/>.

LNR 172 Forestry-Resource Management & Development

One of the common challenges for forest management today, and in Hawaii in particular, is the capacity and capital required to protect threatened forests and restore degraded areas. Forests are under increasing pressure as the climate changes and invasive species invade. With new tools available to support restoration (including perhaps carbon funds), opportunities exist to reverse trends on degraded lands and more effectively protect high-value areas. Forest managers across the state are working to find new products and markets to supplement restoration through carbon, fiber products, and other revenue; opportunities exist to reverse trends on degraded lands, protect high-value forests, and explore ways to undertake Improved Forest Management across landscapes.

LNR 141 Water and Land Development

The need for this program cannot be overemphasized since the proposals to boost the State's economy by promoting State-sponsored construction, such as schools and housing, will increase the demand on our finite water resources. To seek this balance, we must continuously reevaluate the methods of maximizing the yields of existing and new water sources while also evaluating alternative sources of water.

Water source and system development requires planning many years in advance. Thus, when needs are determined, it is vital that water Capital Improvement Program projects be steadily funded and obtained as early as possible.

02

Employment

EMPLOYMENT

I. OVERVIEW

The Economic Development program is the first of eleven major programs in the statewide program structure. The overall objective of the Employment major program is to assure all workers full and equal opportunity to work, decent working conditions, fair treatment on the job, equitable compensation, and assistance in work-related difficulties.

The program consists of five Level II programs: Full Opportunity to Work; Enforcement of Labor Laws; Labor Adjudication; Overall Program Support; and Assistance in Work Related Matters/Benefits. The following organizational entities are involved in this program: Department of Human Services and the Department of Labor.

Full Opportunity to Work Program

The objective of this program is to enhance an individual's opportunity to seek and obtain employment by facilitating the development of job skills and job placement, and to protect individuals and families from undue economic hardships resulting from the involuntary loss of jobs.

LBR 111 Workforce Development

The objective of this program is to plan, direct, coordinate, and implement a customer-driven statewide workforce development system with other partners to deliver employment and training services to job applicants, workers, and industries.

This program:

- Administers programs for employment, training, apprenticeship and related services; allocate resources; and establish statewide policies.
- Coordinates employment, training, and apprenticeship programs within the State and partners to maximize the use of resources and improve the delivery of services.
- Registers, assesses, and counsels job seekers, as needed, to assist them in developing and implementing employment plans.
- Solicits and receives job orders from employers, and recruits, screens, selects, and refers job seekers to job openings, training, and apprenticeship programs.
- Monitors programs as required and provide technical assistance for the maintenance and operation of approved programs.

The Workforce Development programs maintain close relationships with federal, county and private sector agencies. The primary source of program funds is from federal appropriations provided through the U.S. Department of Labor. Staff works closely with federal representatives in administering the various programs. Some federal funds are provided to private, nonprofit agencies to service special groups such as older individuals. Apprenticeship program staff maintains close working relationships with various labor unions and non-union employer organizations. Employment and Training Fund program staff works with business and industry

representatives and training providers to develop training programs for the private sector and their employees.

LBR135 Workforce Development Council

To provide coordinated, aligned, comprehensive State workforce development systems that ensure all employers have competitively skilled employees and residents have sustainable employment and self-sufficiency and support economic growth in compliance with the Workforce Innovation and Opportunity Act (WIOA).

The Workforce Development Council (WDC) advises the Governor; Legislature; and partners with federal, State, and county agencies on workforce strategies and policies.

WDC is the Governor's designated agency to administer and implement the Federal Workforce Innovation and Opportunity Act (WIOA) in Hawaii. WDC receives federal funding for WIOA Title 1 adult, dislocated worker, and youth programs. WDC facilitates partnerships and collaboration among workforce programs.

WDC provides the US Department of Labor with annual WIOA performance reports, the State's four-year workforce plan, quarterly performance and fiscal reports for WIOA Title 1 programs, and the WDC annual report to the Governor and Legislature.

WDC provides technical assistance to local workforce development boards, updates WIOA policies and the four-year State WIOA Plan, reviews and advises on the workforce partners' status and issues, and ensures compliance with federal laws and regulations.

WDC conducts reviews, monitoring, and certification of local boards and plans prepared by the local workforce development boards, and county American Job Centers (one-stop centers).

The WDC Executive Director serves on the National Association of State Workforce Agencies (NASWA) Board of Directors as Region IX Alternate and is active with various workforce programs through the National Governors Association (NGA) providing representation for Hawaii at the national level.

The WDC Board's Workforce Resiliency Initiative is a three-year plan to help Hawaii's workforce prepare for and mitigate future economic disasters through retraining and upskilling people to improve employment opportunities through creating digital equity by training up to 91% of the State's residents who need basic training on computers (digital devices).

WDC prepares a funding summary and analysis every other year for the Governor and Legislature providing an overview of all State and federal funded workforce and education programs.

The WDC's major policy documents are the U.S. Department of Labor WIOA law enacted by Congress in 2014 and the Code of Federal Regulations (CFR), the approved four-year WIOA Unified State Plan, and the Workforce Development Council's Strategic Plan which serves both State and federal purposes. WDC is the workforce policy advisory body to the Governor, Legislature, and State and local workforce programs.

LBR171 Unemployment Insurance Program

The objective of this program is to alleviate economic hardships that result from loss of wage income during periods of involuntary unemployment.

Program activities include administering the statewide Unemployment Insurance (UI) Program (including the payment of allowances under special training programs). The two major functions are:

1. The collection of contributions from subject employers to finance the payment of benefits.
2. The payment of benefits to eligible persons who are unemployed.

UI works with the U.S. Department of Labor, Training Administration. Since the program receives a substantial portion of its administrative funds from federal grants, the program must comply with the regulations prescribed by the Secretary of Labor and with the policies contained in the Employment Security Manual or set forth in other official U.S. Department of Labor publications or agreements.

Close relationships are maintained with other State agencies that render services for each division, such as the Department of Accounting and General Services (data processing services and preparation of benefit checks), the Department of the Attorney General (legal services), the Department of Taxation (cashiering services), and the Office of Enterprise Technology Services.

LBR 903 Office of Community Services

The objective of this program is to facilitate and enhance the development, delivery, and coordination of effective programs for the economically disadvantaged, immigrants, and refugees, to achieve economic self-sufficiency.

Per Chapter 371, Hawaii Revised Statutes (HRS), the Office of Community Services (OCS) is charged to:

- Establish statewide goals and objectives relating to economically disadvantaged persons, immigrants, and refugees.
- Study the facts concerning the needs of disadvantaged persons, immigrants, and refugees in the State through adequate research studies.
- Review legislation pertaining to programs within the purview of the office and appropriations made for services to disadvantaged persons, immigrants, and refugees. Recommend necessary additions and revisions, and report to the Governor regarding such legislation.
- Evaluate the availability, adequacy, and accessibility of all services for disadvantaged persons, immigrants, and refugees in the State.
- Assist and coordinate the efforts of all services for disadvantaged persons, immigrants, and refugees in the State.
- Establish and maintain contacts with local, State, and federal officials and public and private agencies concerned with the planning for disadvantaged persons, immigrants, and refugees.

- Monitor the performance of all agencies receiving funds through the program as it relates to the delivery of services to disadvantaged persons, immigrants, and refugees.
- Encourage and foster local action on behalf of disadvantaged persons, immigrants, and refugees.

OCS is responsible for contracting services with private agencies possessing appropriate capabilities to operate federal and State human service programs responsibly and effectively.

Vocational Rehabilitation (HMS 802)

The Vocational Rehabilitation (VR) program enables persons with disabilities to achieve competitive, integrated employment by providing a wide range of VR services, including but not limited to: assessment; counseling and guidance; vocational training, higher education, or other specialized training, transitional work experiences; job placement; and follow-up. In addition, the VR program partners with the State Rehabilitation Council, DLIR, WDC, WIOA core partners statewide, and employers to assist persons with disabilities in preparing for, obtaining, retaining, and advancing in competitive, integrated employment in the workforce to further their economic self-sufficiency and independence.

DHS also works with DLIR, DOE, and the University of Hawaii to administer the First-to-Work (FTW) program and the Employment and Training Program (E&T) for clients of the Temporary Assistance for Needy Families/Temporary Assistance for Other Needy Families (TANF/TAONF) programs and the Supplemental Nutrition Assistance Program (SNAP), respectively. These programs provide employment assessments, development planning, education and vocational training, job search assistance, counseling, and benefits payments to encourage TANF/TAONF and SNAP clients to obtain gainful employment; however, since these programs are operated in conjunction with DHS' benefits programs, they fall under the Social Services program instead of the Employment program.

Enforcement of Labor Laws

The objective of this program is to assure and protect the rights of jobseekers and workers related to fair and equitable treatment for hiring, on-the-job matters, safe and healthful working conditions, and undue economic hardships resulting from work or non-work related injury or illness.

LBR 143 Hawaii Occupational Safety and Health Program

The objective of this program is to ensure every employee safe and healthful working conditions; and the safe operation and use of boilers, pressure systems, amusement rides, elevators, and kindred equipment.

The program promotes voluntary compliance with Chapter 396, HRS, and with the nationally recognized standards adopted by the program by providing consultation and compliance assistance through training, education, information, and outreach activities. The program reinforces employers' voluntary compliance through compliance inspections with citations and penalties. The program also investigates employee complaints regarding workplace hazards and fatalities/catastrophes to determine the root causes of accidents and to prevent their recurrence.

The program inspects boilers and pressure vessels, elevators and kindred equipment, and amusement rides for the safety of equipment and operation in accordance with Chapter 397, HRS, and with nationally recognized standards adopted by the program to protect the public.

The program issues Certificates of Fitness for blasters and pyrotechnics/special effects specialists to protect employees and the public.

The Hoisting Machine Operators' Advisory Board issues certificates to crane operators and reviews the department's activities related to hoisting machines.

The State can administer its own occupational safety and health program because the department met the minimum requirements set forth by the U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), and received 18(e) status. In exchange, OSHA provides up to 50% of the funding for the program. OSHA regularly evaluates the program to ensure that the department uses the funds efficiently and effectively and that the program is "as effective as" OSHA.

LBR152 Wage Standards Program

The objective of this program is to assure workers of their lawful rights and benefits related to wages, safeguard against unlawful employment practices and protect young workers, and promote voluntary compliance by educating and assisting employers.

Major activities include: (1) investigation and hearing of complaints relating to minimum wage, overtime, unpaid wages, child labor, prevailing wages and hours on government construction projects, work injury termination, family leaves, and lie detector tests; (2) issuing certificates for child labor, timely payment of wages, and special minimum rates; (3) random compliance checks; and (4) educational workshops to promote voluntary compliance.

Coordination with the U.S. Department of Labor and the State Department of Education (DOE) is important to the certification and monitoring of working minors by the program under the Hawaii Child Labor Law. Reaching out to educate employers and parents of working teens is essential in starting and keeping minors safe as they enter the workforce.

Coordination with State and county contracting agencies is essential to effective enforcement of Chapter 104, HRS, Wages and Hours of Employees on Public Works Law. Memoranda of Agreements have been signed with the Department of Transportation, the Department of Accounting and General Services, and DOE that are the major State contracting agencies.

LBR153 Hawaii Civil Rights Commission

The objective of this program is to safeguard and assure the rights of the public against discriminatory practices due to race, color, religion, age, sex, marital status, national origin, ancestry, or handicapped status in employment, housing, public accommodations, and State-funded services through enforcement of anti-discrimination laws and providing public education and outreach.

The major powers and functions of the Hawaii Civil Rights Commission (HCRC):

- To receive, investigate and conciliate complaints alleging any unlawful discriminatory practice under Chapters 489 and 515, Part 1 of Chapter 378, and Section 368-1.5, HRS.
- To hold hearings in accordance with Chapter 91, HRS, and make inquiries, and for the purpose of these hearings and inquiries, administer oaths and affirmations, issue subpoenas, examine witnesses under oath and require answers to interrogatories.
- To order appropriate legal and equitable relief or affirmative action when a violation is found.
- To commence action in Circuit Court to seek appropriate relief including the enforcement of any HCRC order.
- To issue publications and results of investigations and research that will promote goodwill and minimize or eliminate discrimination in employment, housing, public accommodations, and State-funded services.

The HCRC is required under its administrative rules to have a clear division of its enforcement and adjudicatory functions between the HCRC staff who carry out these functions. In addition, the HCRC investigators and attorneys involved in the prosecution of a complaint are prohibited from having any discussions or advising the Commissioners on the complaint outside of the contested case hearing process.

The HCRC is also bound by Chapter 368, HRS, to resolve complaints through conciliation. The HCRC is further charged with conducting public education activities to alert and inform the public at large of their rights and responsibilities under the State's discrimination laws.

Finally, the HCRC has work share contracts with the U.S. Equal Employment Opportunity and U.S. Department of Housing and Urban Development to enforce federal employment and fair housing laws in concert with equivalent State laws. Complaints are dual filed with the HCRC and the appropriate federal agency, but only one investigation is conducted.

LBR183 Disability Compensation Program

The objective of this program is to alleviate the economic hardships resulting from the loss of wage income due to work or nonwork-connected disability and provide vocational rehabilitation opportunities and incentives for industrially injured workers.

Major program activities are:

1. Investigating non-complying employers;
2. Auditing employer's financial and payroll records to ensure compliance with legal requirements;
3. Reviewing disability plans to determine conformity with legal requirements;
4. Registering new subject employers;
5. Processing new industrial injury cases and reopened cases;
6. Processing claims for closing including final review of accident costs;
7. Conducting investigatory hearings for issuance of administrative decisions on issues;
8. Reviewing, approving, and issuing administrative decisions and settlements;

9. Reviewing and approving private vocational rehabilitation (VR) agencies as certified providers of rehabilitation services, and the rehabilitation plans offered by these agencies to rehabilitate industrially injured workers;
10. Reviewing health care provider treatment plans to ensure that medical care and services are considered necessary and reasonable; and
11. Adjudicating complaints against health care providers.

Other programs or agencies with which the wage replacement programs have some direct relationships are: Department of Accounting and General Services, Office of Enterprise Technology Services; Department of Commerce and Consumer Affairs; Department of Human Services, VR Division; the Department of Labor and Industrial Relations (DLIR), Fiscal Office and Wage Standards Division; private VR agencies; and health care provider organizations.

Labor Adjudication

The objective of this program is to provide prompt response, equitable treatment, and administrative redress of grievances to parties appealing decisions as provided by the workers' compensation and other labor laws, and to resolve disputes in collective bargaining for employees.

LBR161 Hawaii Labor Relations Board

The Hawaii Labor Relations Board (Board) administers HRS Chapters 89 and 377 in a neutral quasi-judicial capacity to promote harmonious and cooperative labor-management relations, and to resolve collective bargaining disputes. The Board also hears appeals of occupational safety and health citations and orders issued under HRS Chapter 396.

The Board's major activities include resolving unfair labor or prohibited practice complaints, conducting representation proceedings and elections (certification, decertification and amendment or clarification of appropriate bargaining units), reviewing the propriety of payroll deduction of union dues, providing impasse assistance as necessary (mediation and arbitration), conducting investigations, appearing in court to defend its decisions and orders on appeal or seeking enforcement of its subpoenas or orders, and issuing declaratory rulings on the applicability of statutes, rules, or orders of the Board. With respect to occupational safety and health matters, the Board conducts hearings on contests of citations issued and discrimination complaints filed under HRS Chapter 396.

LBR812 Labor and Industrial Relations Appeals Board

The Labor and Industrial Relations Appeals Board's (LIRAB) primary objective is to provide fair treatment for individuals in the prompt, just, and administrative review of appeals from workers' compensation (WC) decisions of the Director of Labor and Industrial Relations.

To determine or resolve appeals filed from decisions of the Director of Labor and Industrial Relations in the areas of WC. LIRAB conducts initial conferences, settlement conferences, status conferences, and hearings. LIRAB also issues written decisions and orders that may be appealed to the Intermediate Court of Appeals.

Overall Program Support

The objective of this program is to enhance the effectiveness and efficiency with which the objectives of the program are achieved by providing executive direction, program planning and analysis, other program support, and administrative services.

LBR902 General Administration

The objective of this program is to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel, and providing other administrative and support services.

Included in this program are: Director's Office; Information Office; Administrative Services Office; Electronic Data Processing Systems Office; Equal Opportunity Employment; Personnel Office; and Hawaii Retirement Savings Program.

Executive direction to the department's divisions and programs is provided by undertaking such activities as short- and long-range planning; instituting policy changes; proposing State legislation; developing and/or executing innovative and improved programs; keeping abreast of new solutions to manpower problems; preparing program and budget presentations; maintaining fiscal, accounting, purchasing, and office services functions; providing information systems maintenance and support; and maintaining personnel transactions, advisory services and position classification functions.

Close working relationships are maintained and coordinated with the U.S. Department of Labor's Employment and Training Administration, the Bureau of Labor Statistics, and the Occupational Safety and Health Administration.

The objective of this program is to alleviate economic hardships during periods of involuntary unemployment and from work or nonwork-connected disability.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 02

PROGRAM LEVEL: I. 02 EMPLOYMENT

OBJECTIVE: TO ASSURE ALL WORKERS FULL AND EQUAL OPPORTUNITY TO WORK, DECENT WORKING CONDITIONS, FAIR TREATMENT ON THE JOB, EQUITABLE COMPENSATION, AND ASSISTANCE IN WORK-RELATED DIFFICULTIES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
02	1. % FEDERALLY-MANDATED REPORTS THAT MEET DEADLINES		100	100	100	100	100	100	100	100
	2. % APPRENTICES COMPLETING TRAINING & ATTAINING CERT		6	6	6	6	6	6	6	6

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
0201	FULL OPPORTUNITY TO WORK	-	311,235	429,514	431,872	431,872	431,458	431,458	431,458	431,458
0202	ENFORCEMENT OF LABOR LAWS	-	25,124	40,357	43,601	43,724	40,740	40,740	40,740	40,740
0203	LABOR ADJUDICATION	-	2,113	2,252	2,347	2,347	2,347	2,347	2,347	2,347
0204	OVERALL PROGRAM SUPPORT	-	2,085	6,273	9,286	9,286	9,286	9,286	9,286	9,286
	TOTAL		340,557	478,396	487,106	487,229	483,831	483,831	483,831	483,831
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0201	FULL OPPORTUNITY TO WORK	-	20,495	20,000						
	TOTAL		20,495	20,000						

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Full Opportunity to Work Program

LBR 111 Workforce Development

Employment outcomes for training programs and labor exchange generally improved slightly from prior years because of the decreasing unemployment rate and new jobs being created. The outcomes generally fell within 80% of the levels negotiated with the federal government, which is considered to be a satisfactory performance.

LBR135 Workforce Development Council

The list of Title 1 program goals with the WIOA performance measures negotiated with the U.S. Department of Labor are: the percentage of adults placed in employment (2nd quarter after exit); the percentage of dislocated workers placed in employment (2nd quarter after exit); the percentage of youths placed in employment (2nd quarter after exit); the percentage of adults placed in employment (4th quarter after exit); the percentage of dislocated workers placed in employment (4th quarter after exit); the percentage of youths placed in employment (4th quarter after exit); the percentage of credential attainment rate for adults; the percentage of credential attainment rate for dislocated workers; and the percentage of credential attainment rate for youths.

LBR171 Unemployment Insurance Program

Unemployment-related data is based on the department's projections, and the forecasted rate of insured unemployment is expected to average 1.5%. Employer data is based on the number of subject employers.

LBR 903 Office of Community Services

For the Employment Service, the largest purchase of services run by OCS, the office has used a performance-based payment methodology. This practice directly relates payments to documentation of achievements in client progress at specific rates. Thus, measures of effectiveness must be completed as a condition of payment, and each dollar spent is a reflection of a completed outcome and not an associated administrative or personnel cost.

Vocational Rehabilitation (HMS 802)

The 2024 estimates of eligible individuals accessing VR services statewide, including students eligible for Pre-Employment Transition Services and VR individualized services, represent close to 8 percent of the state's total potential workforce of individuals with disabilities. For more information, please see the Annual Report of the State Rehabilitation Council.¹

¹ https://humanservices.hawaii.gov/wp-content/uploads/2024/01/State-Rehabilitation-Council_122623-combined-signed.pdf

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0201

PROGRAM LEVEL: I. 02 EMPLOYMENT
 II. 01 FULL OPPORTUNITY TO WORK

OBJECTIVE: TO ENHANCE AN INDIVIDUAL'S OPPORTUNITY TO SEEK AND OBTAIN EMPLOYMENT BY FACILITATING THE DEVELOPMENT OF JOB SKILLS AND JOB PLACEMENT, AND TO PROTECT INDIVIDUALS AND FAMILIES FROM UNDUE ECONOMIC HARDSHIPS RESULTING FROM THE INVOLUNTARY LOSS OF JOBS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0201	1. % PERSONS EMPLOYED THRU OCS		320	320	320	320	320	320	320	320
	2. NO. INSURED EMPLOYEES AS % OF TTL LBR FORCE		94	94	94	94	94	94	94	94
	3. % ADULTS EMPLOYED 12 MONTHS AFTER PROGRAMS									
	4. % APPRENTICES COMPLETING TRAINING & ATTAINING CERT		6	6	6	6	6	6	6	6

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
020101	WORKFORCE DEVELOPMENT	LBR-111	5,786	24,273	21,927	21,927	21,928	21,928	21,928	21,928
020102	WORKFORCE DEVELOPMENT COUNCIL	LBR-135		6,983	11,155	11,155	11,155	11,155	11,155	11,155
020103	UNEMPLOYMENT INSURANCE PROGRAM	LBR-171	295,512	362,644	362,672	362,672	362,672	362,672	362,672	362,672
020104	OFFICE OF COMMUNITY SERVICES	LBR-903	3,806	10,056	10,496	10,496	10,497	10,497	10,497	10,497
020106	VOCATIONAL REHABILITATION	HMS-802	6,129	25,556	25,621	25,621	25,206	25,206	25,206	25,206
	TOTAL		311,233	429,512	431,871	431,871	431,458	431,458	431,458	431,458
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
020104	OFFICE OF COMMUNITY SERVICES	LBR-903	20,000	20,000						
020106	VOCATIONAL REHABILITATION	HMS-802	495							
	TOTAL		20,495	20,000						

Enforcement of Labor Laws

LBR 143 Hawaii Occupational Safety and Health Program

None. The program mandates are to prevent the loss of life and property in the most efficient way.

LBR152 Wage Standards Program

Program effectiveness is measured by the time it takes to notify complainants of investigation findings and of decisions rendered after hearings. Public satisfaction derived from the collection of back wages for workers as well as savings to employers when costly violations are prevented through compliance checks and educational activities is quantified in voluntary surveys to reflect total program effectiveness.

Program size is reflected in the target groups and number of investigations and hearings conducted, certificates issued, and attendance at educational workshops.

LBR153 Hawaii Civil Rights Commission

The number of complaints filed, investigations conducted, cause determinations issued, settlements, and other dispositions, as well as a body of final Commission decisions, reflect the need for and cost-effectiveness of the program. The program is highly cost-effective in that it provides a mechanism for a uniform procedure for the enforcement of State discrimination laws by one agency, rather than several as was the case before 1991.

The HCRC enforcement and administrative process is more cost-effective than litigation in State Circuit Court. The courts require the filing of the complaint with the HCRC to satisfy the exhaustion of administrative remedies. The great majority of complaints filed with the HCRC are resolved, reached disposition, and closed without going to court.

The HCRC receives telephone and walk-in inquiries and intakes completed by HCRC investigators may result in initial complaint filings with the HCRC.

The HCRC closes cases at various stages of the administrative process due to the complainant electing court action or other administrative basis. Cases which were investigated to a cause or no cause determination, or settled or resolved between the parties, either resulted in a cause determination or were settled through predetermination settlement.

In cases settled through predetermination settlement or post-cause determination conciliation, the HCRC may obtain monetary relief. Significant affirmative relief may include the development and implementation of anti-discrimination policies, posting policies, and publication of notices of State anti-discrimination laws enforced by the HCRC.

Case closure data does not reflect the number of investigations completed that resulted in cause (reasonable cause to believe that unlawful discrimination has occurred) recommendations and determinations, because cases are not closed upon a cause determination, but are conciliated and litigated.

LBR183 Disability Compensation Program

Until the DCD can fill its vacant positions, the program plans to focus its efforts on services that have statutory deadlines while providing its remaining services on a time-available basis. Budget restrictions will prevent DCD from filling vacant positions and restoring its services to the public to pre-pandemic levels. Positions will be filled via Internal Vacancy Announcements to minimize additional staffing costs, and in this way, program employees will be allowed to pursue promotional opportunities in support of operating requirements.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0202

PROGRAM LEVEL: I. 02 EMPLOYMENT
 II. 02 ENFORCEMENT OF LABOR LAWS

OBJECTIVE: TO ASSURE AND PROTECT THE RIGHTS OF JOBSEEKERS AND WORKERS RELATED TO FAIR AND EQUITABLE TREATMENT FOR HIRING, ON-THE-JOB MATTERS, SAFE AND HEALTHFUL WORKING CONDITIONS, AND UNDUE ECONOMIC HARDSHIPS RESULTING FROM WORK OR NON-WORK RELATED INJURY OR ILLNESS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0202	1. % OF NON COMPLIANT EMPLOYERS		25	25	25	25	25	25	25	25
	2. ACCIDENT, INJURY/ILLNESS RATE PER 100 EMPLOYEES		3	3	3	3	3	3	3	3
	3. COMPLAINT RATE (PER 100,000 LABOR FORCE - WAGES)		34	34	34	34	34	34	34	34

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
020201	HAWAII OCCUPATIONAL SAFETY AND HEALTH PROGRAM	LBR-143	3,898	6,539	6,539	6,539	6,539	6,539	6,539	6,539
020202	WAGE STANDARDS PROGRAM	LBR-152	1,075	1,615	1,883	1,942	1,943	1,943	1,943	1,943
020203	HAWAII CIVIL RIGHTS COMMISSION	LBR-153	1,610	2,193	2,193	2,193	2,194	2,194	2,194	2,194
020204	DISABILITY COMPENSATION PROGRAM	LBR-183	18,540	30,009	32,984	33,048	30,064	30,064	30,064	30,064
TOTAL			25,123	40,356	43,599	43,722	40,740	40,740	40,740	40,740

Labor Adjudication

LBR161 Hawaii Labor Relations Board

In 2018, the Board received funding for two positions, a staff attorney and a hearings and case management specialist, which has allowed the Board to steadily reduce its backlog of cases and improve productivity and efficiency through the implementation of new technologies. In 2024, the Board received funding for FB 2025-27 for a new staff attorney position pursuant to Act 143, SLH 2024, to implement criteria and procedures for creating new bargaining units, including the drafting of new administrative rules pursuant to the Act.

LBR812 Labor and Industrial Relations Appeals Board

The challenge for LIRAB in the fiscal biennium is to tackle the pandemic-related backlog and to address the anticipated increase in caseload.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0203

PROGRAM LEVEL: I. 02 EMPLOYMENT
 II. 03 LABOR ADJUDICATION

OBJECTIVE: TO PROVIDE PROMPT RESPONSE, EQUITABLE TREATMENT, AND ADMINISTRATIVE REDRESS OF GRIEVANCES TO PARTIES APPEALING DECISIONS AS PROVIDED BY THE WORKERS' COMPENSATION AND OTHER LABOR LAWS, AND TO RESOLVE DISPUTES IN COLLECTIVE BARGAINING FOR EMPLOYEES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0203	1. % OF APPEALS RESOLVED IN 15 MONTHS		56	56	56	56	56	56	56	56

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
020301	HAWAII LABOR RELATIONS BOARD	LBR-161	921	1,043	1,138	1,138	1,138	1,138	1,138	1,138
020302	LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD	LBR-812	1,192	1,209	1,209	1,209	1,209	1,209	1,209	1,209
	TOTAL		2,113	2,252	2,347	2,347	2,347	2,347	2,347	2,347

Overall Program Support

LBR902 General Administration

The program is managing to maintain its effectiveness under the current level of services. The program continually seeks efficiencies and better cost/benefit procedures to enhance the operation for continuous improvement on the timeliness of financial/expenditure and other management information reports, with a focus on improving information (timeliness, accuracy, presentation) to better support line operations to encourage effective and efficient allocation and use of resources.

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
020401	RESEARCH AND STATISTICS	LBR-901		695	618	618	618	618	618	618
020402	GENERAL ADMINISTRATION	LBR-902	2,085	5,578	8,667	8,667	8,668	8,668	8,668	8,668
	TOTAL		2,085	6,273	9,285	9,285	9,286	9,286	9,286	9,286

III. PROGRAM CHANGE RECOMMENDATIONS

Full Opportunity to Work Program

LBR 111 Workforce Development

This program has the following FB 2025-27 Executive Budget Request (LBR 111):

1. Decrease of \$2,245,490 in federal funds in FY 26 and FY 27 due to the Workforce Innovation Opportunity Act (WIOA) grants now administered by the Workforce Development Council (LBR135).
2. Decrease of \$100,000 in other federal funds in FY 26 and FY 27 for the Trade Adjustment Assistance Training Program.

LBR135 Workforce Development Council

This program has the following FB 2025-27 Executive Budget Request (LBR 135): Increase of \$4,171,130 in federal funds in FY 26 and FY 27 for the Workforce Investment Opportunity Act to support the adults, youth, and dislocated workers programs by contracting with the counties and nonprofit agencies.

LBR171 Unemployment Insurance Program

The program has the following FB 2025-27 Executive Budget Request (LBR 171):

1. Transfer \$20,400,000 in trust funds in FY 26 and FY 27 from LBR171/LC to LBR171/LA for the Unemployment Insurance Trust Fund benefit payments for a combined total of \$341,400,000.
2. Increase of \$27,944 in federal funds in FY 26 and FY 27 to support the Unemployment Insurance (UI) Administration Program.
3. Convert two full-time equivalent (FTE) permanent federal funded UI Specialists to permanent general funded program specialists in FY 26 and FY 27 to promote equitable access, diversity, and inclusion in all aspects of the UI Program.

LBR 903 Office of Community Services

This program has the following FB 2025-27 Executive Budget Request (LBR 903): Add two FTE permanent positions and \$440,000 in general funds in FY 26 and FY 27 to expand the immigration resource centers and provide more direct client assistance.

Vocational Rehabilitation (HMS 802)

None.

Enforcement of Labor Laws

LBR 143 Hawaii Occupational Safety and Health Program

None.

LBR152 Wage Standards Program

This program has the following FB 2025-27 Executive Budget Request (LBR 152):

1. Add two FTE permanent Labor Law Enforcement Specialist IVs and \$68,696 in general funds in FY 26 for six months of funding and \$127,792 in FY 27 for the Compliance Branch to reduce the backlog of labor law complaints investigated by the Wage Standards Division. Includes additional funds to provide equipment for the positions.
2. Increase of \$200,000 in special funds in FY 26 and FY 27 for the Labor Law Enforcement Special Fund to pay the Department of Budget and Finance for Department Administrative Expenses and Central Services annual Special Fund assessment.

LBR153 Hawaii Civil Rights Commission

None.

LBR183 Disability Compensation Program

The program has the following FB 2025-27 Executive Budget Request (LBR 183):

1. Add general funds of \$2,974,112 in FY 26 and \$2,984,583 in FY 27 for IT consultant, software licenses, and Amazon Web Services (AWS) Environment and storage costs in support of the Disability Compensation Electronic Case Management Modernization project.
2. Add two FTE permanent Disability Compensation Enforcement Specialist IVs and general funds of \$76,996 in FY 26 and \$130,592 in FY 27 to enforce Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws.
3. Transfer out one FTE permanent IT Band B and \$83,064 in general funds in FY 26 and FY 27 to LBR 902/AA, General Administration to support all department programs.

Labor Adjudication

LBR161 Hawaii Labor Relations Board

This program has the following FB 2025-27 Executive Budget Request (LBR 161): Add one FTE temporary Staff Attorney and \$95,000 in general funds in FY 26 and FY 27 to draft rules establishing criteria and procedures for the creation of new bargaining units.

LBR812 Labor and Industrial Relations Appeals Board

None.

Overall Program Support

LBR901 Research and Statistics

This program has the following FB 2025-27 Executive Budget request (LBR 901): Decrease of \$76,798 in other federal funds in FY 26 and FY 27.

LBR902 General Administration

This program has the following FB 2025-27 Executive Budget Request (LBR 902):

1. Transfer in one FTE permanent IT Band B and \$83,064 in general funds in FY 26 and FY 27 from LBR 183/DA, Disability Compensation Program to support all department programs.

2. Add two FTE permanent Human Resources Specialist IVs and \$126,192 in general funds in FY 26 and FY 27 to implement the Holo delegation and Act 186, SLH 2024, hiring programs and enhance the efficiency of recruitment functions while maintaining consistency and compliance with civil services laws.
3. Add \$30,000 in general funds in FY 26 and FY 27 to adjust the compensation of the Executive Director of the Hawaii Retirement Savings Program from \$105,000 to \$135,000.
4. Increase in \$2,789,857 in other federal funds in FY 26 and FY 27 due to anticipated program support by the Administrative Services, Electronic Data Processing, and Human Resources Offices.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Full Opportunity to Work Program

LBR 111 Workforce Development

The state of the economy, both locally and nationally, affects the amount of federal funds received. This affects the level of expenditures and the number of individuals who can be served.

LBR135 Workforce Development Council

The immediate external trends affecting the program are primarily due to the COVID-19 pandemic:

1. State government reductions;
2. Federal government workforce program requirements and decreasing funds to support an increasing workload hampered by social distancing restrictions limiting services through virtual technology;
3. Imbalances in labor supply and demand;
4. Changing State economic sectors impacted by the burgeoning effects of technology, industry restructuring, global competition, and State and private diversification efforts;
5. Demographics such as the aging population and growing immigrant populations; (6) education and training reform particularly in standards-based knowledge, skills and performance; and (7) federal work first policies in social services programs.

LBR171 Unemployment Insurance Program

The program size is dependent on the economic condition of the State. As unemployment increases, workloads will increase. Program scope is dependent on legislation. If federal changes are enacted, the State will be required to implement similar provisions.

LBR 903 Office of Community Services

Due to emergency food organizations' supply chain challenges and elevated food costs, two federally funded programs administered by OCS received supplemental funding through the Commodity Credit Corporation Charter Act, resulting in more awards for OCS to administer.

Furthermore, OCS is currently overseeing a total of 237 Grants in Aid (GIAs) that encompass grants from SLH 2019 to SLH 2024. At this time, 125 of the GIAs are active contracts, while 112 remain uncontracted, pertaining to grants from SLH 2023 and SLH 2024.

Vocational Rehabilitation (HMS 802)

The major focuses of the VR program during the next biennium will be:

- Sustaining training supports for counselors in the field of rehabilitation to meet the diverse needs of individuals with disabilities, especially the most significantly disabled, in order for clients to achieve their employment goals and strengthen their economic self-sufficiency.
- Coordinating with Hawaii's workforce development system to provide individuals with disabilities participation and access to vocational training and employment programs.
- Developing resources to enhance job and career opportunities for individuals with disabilities in the competitive labor market through partnerships within public and private industries.

The Division of Vocational Rehabilitation (DVR) is challenged with recruiting and retaining the necessary workforce to maximize the use of federal funds and increase capacity to serve Hawaii's residents. Currently, DHS is examining position descriptions and internal procedures to broaden potential job applicants and to streamline the processing of case-related services or equipment purchases.

Enforcement of Labor Laws

LBR 143 Hawaii Occupational Safety and Health Program

The shortage of qualified applicants and the pay differential with the private sector affects the program's ability to recruit and retain employees for professional positions. The program also expends significant monies to train its professional employees.

Small businesses are concerned about the effect of government regulation on business vitality, the creation of new jobs, and workers' compensation costs.

LBR152 Wage Standards Program

Nationally and locally, the slowing economic conditions cause an increase in the number of unpaid wage claims the program handles as employers struggle against bankruptcy.

Construction of public works in Hawaii is steady. As work in the private sector slows down, contractors will look to participate in more bidding on public works. Enforcing the Wages and Hours of Employees on Public Works Law, Chapter 104, HRS, must focus on prevention to ensure appropriate wages are bid and paid on-site since the number of investigation specialists has never been lower. The use of the internet to provide appropriate information and education for contractors that is available to them at their convenience continues to be a pressing force.

Changes in federal overtime rules, Davis-Bacon policies, the federal Family and Medical Leave Act, Employee Retirement and Security Act preemption issues, and court challenges to the statute are other external trends which affect the program.

Concern about adequate and timely enforcement of laws protecting employees' rights and benefits continues to be a priority of the program. In addition to accommodating requests for information and consultation services, the program has promoted voluntary compliance through education and by instructing employers to conduct self-audits of payrolls before violations are found.

LBR153 Hawaii Civil Rights Commission

Due to rollbacks in the interpretation of protections under federal civil rights laws, strong State civil rights law enforcement is more critical to protect against discrimination.

LBR183 Disability Compensation Program

The contracting economy in 2024 caused by the Maui Wildfires will severely affect funding to the Disability Compensation Division (DCD) for the next two to four years. Restrictive funding will result in downsizing the DCD and, more importantly, decrease the level of services the DCD provides to Hawaii's workforce and their families.

Labor Adjudication

LBR161 Hawaii Labor Relations Board

The Board provides impasse assistance to the parties in the public sector. Presently, the collective bargaining agreements for the majority of public sector bargaining units will expire on June 30, 2025.

Fiscal constraints may be a challenge for the parties involved in public sector collective bargaining negotiations. In addition, occupational safety and health inspections, and therefore, appeals, may be impacted by possible changes to federal rules and regulations.

LBR812 Labor and Industrial Relations Appeals Board

The COVID-19 pandemic that interrupted operations at LIRAB resulted in a significant number of pending matters were postponed and rescheduled. LIRAB staff that were deployed to assist with unemployment insurance can now address a pandemic-related backlog which will likely increase the time it takes to process and resolve cases.

Overall Program Support

LBR902 General Administration

The national, State, and counties economic trends have a direct impact on the program. Trends of high employment and/or unemployment, shortage or abundances of skilled workers on certain trades, employment opportunities to certain classes or groups, high incidence of work injuries, and complaints of unfair labor practices would bring about a shift in emphasis.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Human Services may be found at the following web address: <https://humanservices.hawaii.gov/reports/>.

Vocational Rehabilitation (HMS 802)

As an area of study, per Act 253, Session Laws of Hawaii 2023, the State Legislature established the Neighbor Islands Blind and Visually Impaired Service Pilot Program within DHS to research, plan, and assess additional state-funded services for neighbor island residents who are blind and visually impaired. DVR has procured a consultant who is conducting this work.

Reports and studies by the Department of Labor may be found at the following web address: <https://labor.hawaii.gov/find-a-report/>.

03
Transportation

TRANSPORTATION

I. OVERVIEW

The Transportation program's overall objective is to provide a safe, efficient, accessible, and sustainable inter-modal transportation system that ensures the mobility of people and goods, and enhances and/or preserves economic prosperity and the quality of life.

The program consists of four Level II programs: Air Transportation Facilities and Services, Water Transportation Facilities and Services, Land Transportation Facilities and Services, and General Administration. All programs are contained within the Department of Transportation (TRN).

Air Transportation Facilities and Services

The objective of this program is to develop, manage, and maintain a safe and efficient global air transportation organization with the spirit of aloha for Hawaii's residents and visitors.

Water Transportation Facilities and Services

The objective of this program is to provide and effectively manage a commercial harbor system that facilitates the efficient movement of people and goods to, from, and between the Hawaiian Islands, and enhances and/or preserves economic prosperity and quality of life.

Land Transportation Facilities and Services

The objective of this program is to maximize available resources to provide a safe, efficient, accessible, and sustainable State Highway System that ensures the mobility of people and goods and supports economic vitality and livability.

General Administration

The objective of this program is to enhance the effectiveness and efficiency of the program by providing program leadership, staff support services, and general transportation-related services.

A total of 34 individual, lower-level programs and their associated plans are included in the Multi-Year Program and Financial Plan for the period 2025-2031.

The Department of Transportation is the only organizational entity involved in the Transportation program. Federal agencies involved include the: Federal Aviation Administration (FAA); Treasury Department; Department of Agriculture; Department of Commerce; Department of Health and Human Services; Department of Homeland Security; Federal Emergency Management Agency (FEMA), Customs and Border Protection (CPB); Department of Interior; U.S. Army Corps of Engineers (USACE); U.S. Coast Guard; Federal Highway Administration (FHWA); Maritime Administration (MARAD); U.S. Fish and Wildlife Service; Federal Transit Administration (FTA); Federal Maritime Commission; Transportation Security Administration (TSA); and the Environmental Protection Agency (EPA). In terms of financial assistance, the U.S. Department of Transportation is the most important of the federal agencies involved. Since county transportation systems must complement the State system, the County Planning Commissions and departments of planning and public works assist in

determining the needs and priorities of transportation facilities. In addition, the City and County of Honolulu performs maintenance activities on all traffic lights on Oahu and removes abandoned vehicles from State highways.

The Department of Transportation plans, designs, constructs, operates, and maintains State facilities in all modes of transportation, including air, water, and land. Coordination with other State, County, and Federal programs is maintained in order to achieve the objective. The program currently provides, operates, and maintains five commercial service airports, eight mixed use (commercial service, general aviation and military) airports and two general aviation airports; ten commercial harbors; and 2,423 lane miles of highway.

Daniel K. Inouye International Airport (HNL), on the Island of Oahu, is the principal airport in the Hawaii Airports System providing facilities for interisland flights, domestic overseas flights, and international flights to destinations in the Pacific Rim. Kahului Airport (OGG) on the Island of Maui, and Ellison Onizuka Kona International Airport at Keahole (KOA), on the Island of Hawaii, and Lihue Airport (LIH) on the Island of Kauai are the other major airports in the Hawaii Airports System that provide interisland and domestic overseas flights. Kahului Airport and Ellison Onizuka Kona International Airport at Keahole also provide facilities for flights to and from Canada. Ellison Onizuka Kona International Airport at Keahole also provided facilities for international flights to and from Japan. Hilo International Airport (ITO) on the Island of Hawaii, currently provides facilities for interisland flights.

The Transportation program and its sub-programs are significantly affected by environmental concerns. Pollution controls, for example, increase operating and maintenance costs and can cause significant modifications, delays, or even cancellations of plans or projects. Changes in technology significantly affect the requirements needed in facilities, as do increases in volume requirements. The program strives to reduce its dependence on various energy resources. We are continuously reviewing conservation measures to reduce funding requirements and become more energy efficient.

The Transportation program is also affected by economic conditions. Recession and expansionary cycles affect air travel and in turn, tourist arrivals and cargo shipments. Fluctuations in the currency exchange rate also affect the number of overseas passenger arrivals and the volume of imported and exported goods.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Transportation program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 03

PROGRAM LEVEL: I. 03 TRANSPORTATION FACILITIES

OBJECTIVE: TO FACILITATE THE RAPID, SAFE, AND ECONOMICAL MOVEMENT OF PEOPLE AND GOODS INTO, WITHIN, AND OUT OF THE STATE BY PROVIDING AND OPERATING TRANSPORTATION FACILITIES AND SUPPORTING SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
03	1. AVE TIME FROM PLANE TOUCHDOWN TO PASSNGR DEPRT(AIR)		19	19	19	19	19	19	19	19
	2. NO. ACCIDENTS PER 100,000 PASSENGER MOVEMENTS(AIR)		0	0	0	0	0	0	0	0
	3. THROUGH-PUT COST PER PASSENGER (AIR)		2116	2116	2116	2116	2116	2116	2116	2116
	4. NUMBER OF CONTAINERS EXPRESSED IN TEU'S		1839840	1876433	1913962	1952241	1991286	2031112	2031112	2031112
	5. TOTAL BAR. OF LIQ. CARGO PCESD PER YR (THOUSANDS)		31421	31421	31421	31421	31421	31421	31421	31421
	6. NO. OF INCIDENTS/ACCIDENTS REPORTED		0	0	0	0	0	0	0	0

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
0301	AIR TRANSPORTATION FACILITIES AND SERVICES	-	23,856	25,557	25,504	26,536	20,667	20,667	20,667	20,667
0302	WATER TRANSPORTATION FACILITIES AND SERVICES	-	-	2,956	846	738	739	739	739	739
0303	LAND TRANSPORTATION FACILITIES AND SERVICES	-	4,257	4,510	5,352	5,662	5,663	5,663	5,663	5,663
	TOTAL		28,113	33,023	31,702	32,936	27,069	27,069	27,069	27,069
OPERATING EXPENDITURES										
0301	AIR TRANSPORTATION FACILITIES AND SERVICES	-	639,396	839,278	903,916	902,882	950,577	990,748	1,028,278	1,056,545
0302	WATER TRANSPORTATION FACILITIES AND SERVICES	-	15,235	148,377	201,645	181,593	181,294	180,356	180,356	180,356
0303	LAND TRANSPORTATION FACILITIES AND SERVICES	-	312,519	394,749	443,506	404,620	414,814	416,128	413,658	414,737
0304	GENERAL ADMINISTRATION	TRN-995	23,291	49,220	47,089	47,378	47,379	47,379	47,379	47,379
0305	ALOHA TOWER DEVELOPMENT CORPORATION	TRN-695	788	1,842	1,842	1,842	1,843	1,843	1,843	1,843
	TOTAL		991,229	1,433,466	1,597,998	1,538,315	1,595,907	1,636,454	1,671,514	1,700,860
TOTAL OPERATING EXPENDITURES										
0301	AIR TRANSPORTATION FACILITIES AND SERVICES	-	663,252	864,835	929,420	929,418	971,244	1,011,415	1,048,945	1,077,212
0302	WATER TRANSPORTATION FACILITIES AND SERVICES	-	15,235	151,333	202,491	182,331	182,033	181,095	181,095	181,095
0303	LAND TRANSPORTATION FACILITIES AND SERVICES	-	316,776	399,259	448,858	410,282	420,477	421,791	419,321	420,400
0304	GENERAL ADMINISTRATION	TRN995	23,291	49,220	47,089	47,378	47,379	47,379	47,379	47,379
0305	ALOHA TOWER DEVELOPMENT CORPORATION	TRN695	788	1,842	1,842	1,842	1,843	1,843	1,843	1,843
	TOTAL		1,019,342	1,466,489	1,629,700	1,571,251	1,622,976	1,663,523	1,698,583	1,727,929
CAPITAL INVESTMENT EXPENDITURES										
0301	AIR TRANSPORTATION FACILITIES AND SERVICES	-	848,016	1,322,896	868,320	911,991				
0302	WATER TRANSPORTATION FACILITIES AND SERVICES	-	137,500	222,006	52,560	154,512				
0303	LAND TRANSPORTATION FACILITIES AND SERVICES	-	456,417	1,052,821	823,392	610,142				
	TOTAL		1,441,933	2,597,723	1,744,272	1,676,645				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Air Transportation Facilities and Services

The objective of the Level II program, Air Transportation Facilities and Services, is to develop, manage, and maintain a safe and efficient global air transportation organization with the spirit of aloha for Hawaii's residents and visitors.

The Hawaii Airports System is a group of 15 airports operated by the Airports of the Department as an enterprise fund of the State. Air travel is the primary means of transportation for State residents to travel between islands in the State of Hawaii and out of Hawaii. The Hawaii Airports System handles all non-military passenger traffic activity in Hawaii. According to the definition used by the FAA in calendar year 2023, the Hawaii Airports System include one large hub – HNL, one medium hub -OGG, three small-hub airports – ITO, KOA, and LIH, and ten other non-primary airports. Four primary airports provide domestic overseas and international air services, with ITO only providing interisland services as of September 2024.

Several non-State government agencies are involved in monitoring and controlling activities within the airport system. The FAA must certify that each airport serving scheduled air carriers properly conforms to applicable safety and security standards. The FAA provides air traffic control services for the five primary airports and Molokai. Since the primary airports (other than ITO) serve both domestic and international flights, the U.S. Immigration and Naturalization Service, Public Health Service, Department of Agriculture, the U.S. Customs and Border Patrol Service, and the U.S. Fish and Wildlife Service are involved in border clearance activities for travelers and cargo.

For passenger convenience, the primary airports have a federally funded U.S. Department of Agriculture pre-departure program to inspect the baggage of passengers bound for the mainland who depart from these airports and interline or pass through Honolulu.

The enplaned passenger count has fluctuated over the last two decades, due to economic cycles and changes in airline services, among other influencing factors. The enplaned passenger count reached 17.5 million in FY 2008, then declined to 14.8 million in FY 2009 due to the Global Financial Crisis and Aloha Air ceasing operations. Enplaned passenger traffic gradually recovered over the subsequent decade and reached 18.7 million in FY 2019, exceeding the prior peak of 18.3 million in FY 2000. Due to the COVID-19 pandemic and related traffic restrictions, enplaned passenger count declined to 14.4 million in FY 2020 and 6.1 million in FY 2021, but recovered to 15.8 million in FY 2022, 19.5 million in FY 2023, and 19.2 million in FY 2024.

The Airports operates the Hawaii Airports System as one of the four branches of the Department. The Airports receives operating expense appropriations for day-to-day airport operations and receives capital appropriations to maintain and develop airport facilities. The capital appropriations also serve as the approval to issue Airports System Revenue Bonds for the planned capital projects. As a self-sufficient enterprise fund, the Airports relies on revenues collected from both airline and non-airline sources, and grants distributed by the FAA and other federal agencies to a lesser extent.

In the fiscal year ending June 30, 2023, the most recent fiscal year with audited financial information, the Airports collected \$584 million of revenue and aviation taxes according to the bond covenant, spent \$358 million on operating expenses and \$83 million on debt services. The results exceeded the covenant requirements of 125 percent.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0301

PROGRAM LEVEL: I. 03 TRANSPORTATION FACILITIES
 II. 01 AIR TRANSPORTATION FACILITIES AND SERVICES

OBJECTIVE: TO FACILITATE THE SAFE, RAPID, AND ECONOMICAL MOVEMENT OF PEOPLE AND GOODS INTO, WITHIN, AND OUT OF THE STATE BY AIR.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0301	1. AVG TIME FROM PLANE TOUCHDOWN-PASSENGER DEPARTURE		19	19	19	19	19	19	19	19
	2. PERCENTAGE OF TSA WAIT TIMES LESS THAN 30 MINUTES		61	61	61	61	61	61	61	61
	3. TOTAL THROUGH-PUT COST PER PASSENGER (CENTS)		2116	2116	2116	2116	2116	2116	2116	2116
	4. ACCIDENTS PER 100,000 PASSENGER MOVEMENTS		0.32	0.32	0.32	0.32	.32	.32	.32	.32

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
030101	DANIEL K. INOUE INTERNATIONAL AIRPORT	TRN-102	16,010	17,151	17,116	17,808	13,869	13,869	13,869	13,869
030102	GENERAL AVIATION	TRN-104	263	281	281	292	228	228	228	228
030103	HILO INTERNATIONAL AIRPORT	TRN-111	802	859	857	892	696	696	696	696
030104	ELLISON ONIZUKA KONA INTL AIRPT AT KE'AHOLE	TRN-114	1,875	2,009	2,005	2,086	1,624	1,624	1,624	1,624
030105	WAIMEA-KOHALA AIRPORT	TRN-116	24	26	26	27	21	21	21	21
030107	KAHULUI AIRPORT	TRN-131	3,157	3,382	3,375	3,511	2,735	2,735	2,735	2,735
030108	HANA AIRPORT	TRN-133	9	10	10	10	9	9	9	9
030109	KAPALUA AIRPORT	TRN-135	59	63	63	66	51	51	51	51
030110	MOLOKAI AIRPORT	TRN-141	122	131	131	136	107	107	107	107
030112	LANAI AIRPORT	TRN-151	210	225	225	234	182	182	182	182
030113	LIHUE AIRPORT	TRN-161	1,321	1,415	1,412	1,469	1,145	1,145	1,145	1,145
	TOTAL		23,852	25,552	25,501	26,531	20,667	20,667	20,667	20,667
OPERATING EXPENDITURES										
030101	DANIEL K. INOUE INTERNATIONAL AIRPORT	TRN-102	215,944	238,733	267,051	268,016	268,016	268,016	268,016	268,016
030102	GENERAL AVIATION	TRN-104	8,600	15,514	19,697	19,162	19,163	19,163	19,163	19,163
030103	HILO INTERNATIONAL AIRPORT	TRN-111	19,918	22,461	25,563	28,063	28,063	28,063	28,063	28,063
030104	ELLISON ONIZUKA KONA INTL AIRPT AT KE'AHOLE	TRN-114	23,670	27,600	32,216	32,402	32,402	32,402	32,402	32,402
030105	WAIMEA-KOHALA AIRPORT	TRN-116	1,034	1,164	1,311	1,311	1,312	1,312	1,312	1,312
030106	UPOLU AIRPORT	TRN-118	10	51	51	51	51	51	51	51
030107	KAHULUI AIRPORT	TRN-131	35,588	44,694	48,837	48,837	48,838	48,838	48,838	48,838
030108	HANA AIRPORT	TRN-133	504	596	751	751	752	752	752	752
030109	KAPALUA AIRPORT	TRN-135	2,097	2,926	3,069	3,069	3,069	3,069	3,069	3,069
030110	MOLOKAI AIRPORT	TRN-141	3,080	3,690	3,924	3,924	3,924	3,924	3,924	3,924
030111	KALAUPAPA AIRPORT	TRN-143	370	518	520	520	521	521	521	521
030112	LANAI AIRPORT	TRN-151	3,060	4,034	4,350	4,350	4,351	4,351	4,351	4,351
030113	LIHUE AIRPORT	TRN-161	24,808	28,888	31,503	31,527	31,528	31,528	31,528	31,528
030114	PORT ALLEN AIRPORT	TRN-163		1	1	1	2	2	2	2
030115	AIRPORTS ADMINISTRATION	TRN-195	300,709	448,402	465,064	460,890	508,585	548,756	586,286	614,553
	TOTAL		639,392	839,272	903,908	902,874	950,577	990,748	1,028,278	1,056,545

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
TOTAL OPERATING EXPENDITURES										
030101	DANIEL K. INOUYE INTERNATIONAL AIRPORT	TRN102	231,954	255,884	284,167	285,824	281,885	281,885	281,885	281,885
030102	GENERAL AVIATION	TRN104	8,863	15,795	19,978	19,454	19,391	19,391	19,391	19,391
030103	HILO INTERNATIONAL AIRPORT	TRN111	20,720	23,320	26,420	28,955	28,759	28,759	28,759	28,759
030104	ELLISON ONIZUKA KONA INTL AIRPT AT KE'AHOLE	TRN114	25,545	29,609	34,221	34,488	34,026	34,026	34,026	34,026
030105	WAIMEA-KOHALA AIRPORT	TRN116	1,058	1,190	1,337	1,338	1,333	1,333	1,333	1,333
030106	UPOLU AIRPORT	TRN118	10	51	51	51	51	51	51	51
030107	KAHULUI AIRPORT	TRN131	38,745	48,076	52,212	52,348	51,573	51,573	51,573	51,573
030108	HANA AIRPORT	TRN133	513	606	761	761	761	761	761	761
030109	KAPALUA AIRPORT	TRN135	2,156	2,989	3,132	3,135	3,120	3,120	3,120	3,120
030110	MOLOKAI AIRPORT	TRN141	3,202	3,821	4,055	4,060	4,031	4,031	4,031	4,031
030111	KALAUPAPA AIRPORT	TRN143	370	518	520	520	521	521	521	521
030112	LANAI AIRPORT	TRN151	3,270	4,259	4,575	4,584	4,533	4,533	4,533	4,533
030113	LIHUE AIRPORT	TRN161	26,129	30,303	32,915	32,996	32,673	32,673	32,673	32,673
030114	PORT ALLEN AIRPORT	TRN163		1	1	1	2	2	2	2
030115	AIRPORTS ADMINISTRATION	TRN195	300,709	448,402	465,064	460,890	508,585	548,756	586,286	614,553
	TOTAL		663,244	864,824	929,409	929,405	971,244	1,011,415	1,048,945	1,077,212
CAPITAL INVESTMENT EXPENDITURES										
030101	DANIEL K. INOUYE INTERNATIONAL AIRPORT	TRN-102	175,251	663,185	17,062	26,760				
030102	GENERAL AVIATION	TRN-104	6,001	7,501						
030103	HILO INTERNATIONAL AIRPORT	TRN-111	2,401	10,828	26,001					
030104	ELLISON ONIZUKA KONA INTL AIRPT AT KE'AHOLE	TRN-114	4,805	6,802	147,045					
030105	WAIMEA-KOHALA AIRPORT	TRN-116	2,801							
030107	KAHULUI AIRPORT	TRN-131	40,272	32,060	57,250	57,500				
030110	MOLOKAI AIRPORT	TRN-141			8,230					
030113	LIHUE AIRPORT	TRN-161	13,451	96,829	9,226	9,740				
030115	AIRPORTS ADMINISTRATION	TRN-195	603,034	505,691	603,506	817,991				
	TOTAL		848,016	1,322,896	868,320	911,991				

Water Transportation Facilities and Services

The objective of the Level II program, Water Transportation Facilities and Services, is to provide and effectively manage a commercial harbor system that facilitates the efficient movement of people and goods to, from, and between the Hawaiian Islands, and enhances and/or preserves economic prosperity and quality of life. About 85% of all goods we use in Hawaii is imported and 91% of that is shipped through Hawaii's commercial harbors system. A total of eleven individual, lowest-level programs and their associated plans are included in the Multi-Year Programs and Financial Plan for the period fiscal years 2024-2031.

The program consists of: (1) the improvement, operation, and maintenance of the statewide harbors system which consists of ten commercial harbors (Honolulu, Kalaheo, Barbers Point, Nawiliwili, Port Allen, Kahului, Hana, Kaunakakai, Kaunapali, Hilo, and Kawaihae) and (2) program leadership and staff support services, including engineering and administration for the statewide harbors system.

The primary activity within the statewide harbors system is the handling of containers, automobiles, equipment, bulk, liquid, and general cargo. The cargo handling facilities are improved and maintained to meet the cargo volume. The continued growth of cargo has increased facility requirement demands.

Federal programs related to the Water Transportation Facilities and Services program include the programs of MARAD which administers federal grant programs in planning, design construction of Port Infrastructure Development Grant Programs; and the USACE on the planning, development, and maintenance of harbor navigational improvements. The Federal Maritime Commission regulates ports and marine terminal operators engaged in United States ocean borne commerce and receives and reviews tariff filings. The U.S. Coast Guard oversees maritime security at the commercial harbors and is also involved in the enforcement of safety and oil pollution regulations within harbor complexes of the State. Under the Department of Homeland Security, the U.S. Customs and Border Protection's (CBP) Office of Field Operations facilitates inspection, enforcement of U.S. Department of Agriculture regulations, targeting, training, and outreach efforts to prevent the introduction of invasive species at Hawaii's ports of entry. The CBP also monitors the flow of foreign people through state ports. The EPA is involved with water quality standards.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0302

PROGRAM LEVEL: I. 03 TRANSPORTATION FACILITIES
 II. 02 WATER TRANSPORTATION FACILITIES AND SERVICES

OBJECTIVE: TO FACILITATE THE RAPID, SAFE, AND ECONOMICAL MOVEMENT OF PEOPLE AND GOODS INTO, WITHIN, AND OUT OF THE STATE BY PROVIDING AND OPERATING WATER TRANSPORTATION FACILITIES AND SUPPORTING SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0302	1. NUMBER OF ACCIDENTS/INCIDENTS		0	0	0	0	0	0	0	0
	2. NUMBERS OF CONTAINERS PROCESSED EXPRESSED IN TEU'S		1839840	1876433	1913962	1952241	1991286	2031112	2031112	2031112

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
030201	HONOLULU HARBOR	TRN-301		2,143	559	477	477	477	477	477
030202	KALAELOA BARBERS POINT HARBOR	TRN-303		148	38	33	33	33	33	33
030204	HILO HARBOR	TRN-311		116	30	26	26	26	26	26
030205	KAWAIHAE HARBOR	TRN-313		17	4	3	4	4	4	4
030206	KAHULUI HARBOR	TRN-331		213	55	47	48	48	48	48
030207	KAUNAKAKAI HARBOR	TRN-341		62	56	55	56	56	56	56
030208	NAWILIWILI HARBOR	TRN-361		233	60	51	52	52	52	52
030209	PORT ALLEN HARBOR	TRN-363		12	3	2	3	3	3	3
030210	KAUMALAPAU HARBOR	TRN-351		8	-3	-39	996	996	996	996
	TOTAL			2,952	602	655	1,695	1,695	1,695	1,695
OPERATING EXPENDITURES										
030201	HONOLULU HARBOR	TRN-301	6,528	32,082	32,457	32,457	32,457	32,457	32,457	32,457
030202	KALAELOA BARBERS POINT HARBOR	TRN-303	333	2,218	2,219	2,219	2,219	2,219	2,219	2,219
030204	HILO HARBOR	TRN-311	883	4,414	4,702	4,702	4,703	4,703	4,703	4,703
030205	KAWAIHAE HARBOR	TRN-313	93	2,346	2,581	2,581	2,581	2,581	2,581	2,581
030206	KAHULUI HARBOR	TRN-331	1,077	6,625	6,615	6,615	6,615	6,615	6,615	6,615
030207	KAUNAKAKAI HARBOR	TRN-341	44	578	778	778	778	778	778	778
030208	NAWILIWILI HARBOR	TRN-361	974	4,279	4,518	4,518	4,519	4,519	4,519	4,519
030209	PORT ALLEN HARBOR	TRN-363	46	252	252	252	253	253	253	253
030210	KAUMALAPAU HARBOR	TRN-351	44	475	551	551	551	551	551	551
030211	HARBORS ADMINISTRATION	TRN-395	5,208	95,092	146,954	126,902	126,604	125,666	125,666	125,666
030212	HANA HARBOR	TRN-333		13	13	13	14	14	14	14
	TOTAL		15,230	148,374	201,640	181,588	181,294	180,356	180,356	180,356

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
TOTAL OPERATING EXPENDITURES										
030201	HONOLULU HARBOR	TRN301	6,528	34,225	33,016	32,934	32,934	32,934	32,934	32,934
030202	KALAELOA BARBERS POINT HARBOR	TRN303	333	2,366	2,257	2,252	2,252	2,252	2,252	2,252
030204	HILO HARBOR	TRN311	883	4,530	4,732	4,728	4,729	4,729	4,729	4,729
030205	KAWAIHAE HARBOR	TRN313	93	2,363	2,585	2,584	2,585	2,585	2,585	2,585
030206	KAHULUI HARBOR	TRN331	1,077	6,838	6,670	6,662	6,663	6,663	6,663	6,663
030207	KAUNAKAKAI HARBOR	TRN341	44	640	834	833	834	834	834	834
030208	NAWILIWILI HARBOR	TRN361	974	4,512	4,578	4,569	4,571	4,571	4,571	4,571
030209	PORT ALLEN HARBOR	TRN363	46	264	255	254	256	256	256	256
030210	KAUMALAPAU HARBOR	TRN351	44	483	548	512	1,547	1,547	1,547	1,547
030211	HARBORS ADMINISTRATION	TRN395	5,208	95,092	146,954	126,902	126,604	125,666	125,666	125,666
030212	HANA HARBOR	TRN333		13	13	13	14	14	14	14
	TOTAL		15,230	151,326	202,442	182,243	182,989	182,051	182,051	182,051
CAPITAL INVESTMENT EXPENDITURES										
030201	HONOLULU HARBOR	TRN-301	50,000	79,000	25,000	40,000				
030202	KALAELOA BARBERS POINT HARBOR	TRN-303		14,506	12	35,000				
030204	HILO HARBOR	TRN-311	15,000	31,000	12	45,000				
030205	KAWAIHAE HARBOR	TRN-313	15,000	15,000						
030206	KAHULUI HARBOR	TRN-331	10,000	31,000	12	10,000				
030207	KAUNAKAKAI HARBOR	TRN-341			12	12				
030208	NAWILIWILI HARBOR	TRN-361		24,000	10,000	5,000				
030210	KAUMALAPAU HARBOR	TRN-351			12	2,000				
030211	HARBORS ADMINISTRATION	TRN-395	47,500	27,500	17,500	17,500				
	TOTAL		137,500	222,006	52,560	154,512				

Land Transportation Facilities and Services

The objective of the Level II program, Land Transportation Facilities and Services, is to maximize available resources to provide a safe, efficient, accessible, and sustainable State Highway System that ensures the mobility of people and goods and supports economic vitality and livability. This mission is implemented through the Highways Division's long-range plans, programs, and project development/delivery process.

The program, supported by 1,038 positions consists of the development, operation, maintenance, improvement, and administration of the statewide highway system consisting of approximately 2,423 lane miles of highway, this is more than 952.5 centerline miles of highways and roads that provide regional movement and link major sites, such as airports, harbors, industrial areas, military installations, major communities, and primary urban centers. By providing this critical network, the Highways system serves Hawaii's communities, land uses and the economy. It is critical to supporting commuter and freight travel, and provides mobility for a variety of user needs, abilities, and mode choices such as persons with disabilities, pedestrians, bicyclists, transit, motorists, and commercial vehicles.

The State Highway System provides mobility for over 1.4 million Hawaii residents—including a civilian labor force of approximately 680,000 people—over 8 million visitors, and over 32 million tons of freight each year. Although it accounts for only 21% of the total centerline miles of highways and roads, the State Highway System carries approximately 56% of the total 28.19 million daily vehicle miles (8.2 billion annually) traveled in Hawaii. The segments of the State Highway System that experience the highest freight volumes can transport over 20,000 trucks per day. By connecting regions with key locations and carrying high volumes of vehicles and freight, the State Highway System enables the efficient movement of commuters and goods statewide.

The Land Transportation Facilities and Services program is financed by the State motor fuel tax, rental motor vehicle and tour vehicle surcharge, State vehicle weight tax, State vehicle registration fee, and Federal-aid funding for highway projects. The Capital Improvement Program is financed from highway revenue bonds, the highway special fund (cash), Federal-aid funds, general obligation bond funds, and private contributions. Fiscal Year 2023 Financial Statements can be found at

<https://hidot.hawaii.gov/highways/files/2024/02/DOT-Highways-6-30-2023-SAR.pdf>

The Fiscal Biennium 2025-2027 budget request reflects both the operating and capital improvement needs to sustain, maintain, and improve our State highway system based on priorities that improve safety; foster system preservation; improve system efficiency; implement multi-modal integration; encourage economic vitality; and improve resiliency. View the 2024 Highways Act 100 Report here <https://highways.hidot.hawaii.gov/stories/s/2024-Act-100-Report-Homepage/tduz-quvf>

The Federal Government, through U.S. Department of Transportation's Federal Highway Administration (FHWA), provides guidance and support to the state highway agencies in developing and operating highway facilities. The Highways Division initiates and administers state highway system program and projects. FHWA is responsible for reviewing and approving the amount and timing of Federal-aid funding for state highway projects. National Highway Traffic Safety Administration establishes and monitors highway safety standards while county planning and public works departments are involved in planning and programming various

phases of highway construction for county highway projects. County police departments assist in enforcing traffic regulations.

The Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (IIJA), Pub. L. 117-58 (November 15, 2021) authorizes the federal surface transportation programs for highways, highway safety, and transit for the 5-year period from 2022 to 2026. The new highway act provides federal funds to the Highways Division of \$1.2 billion, approximately \$240 million in formula apportioned funds to the Highways Division annually. Another \$339 million, approximately \$67.8 million annually during this same period is authorized for the Bridge Replacement, Rehabilitation, Protection, and Construction Program. Further, \$17.68 million, approximately \$3.5 million annually during this same period is authorized under the National Vehicle Electric Formula Program.

Some of the federal highway funds that Hawaii receives are passed through to the counties and other agencies. Federal highway funds used by the counties and other agencies vary and depend on the number of projects they have programmed in the Statewide Transportation Improvement Program (STIP). The law requires that projects using Federal highway funds as well as those that are considered regionally significant be included in the STIP. However, the amount of funds that Congress allows the states to obligate each year (obligation limitation) is generally less than the funds apportioned. The obligation limitation has been approximately 90% of the apportionment.

The Highways Division is committed to improving the resiliency of the Highway System. The Department generally estimates 10-15% of the State's Highway System would be affected by sea level rise. The Highways Division commissioned the University of Hawaii at Manoa, Department of Civil and Environmental Engineering to develop a methodical and rigorous approach to achieve a reliable ranking of critical road sections that takes into account environmental variables such as sea level rise and climate change affecting the State. In August 2019, the Highways Division published a Statewide Coastal Highway Program Report. The report identified and prioritized by tier rankings all State coastal roads in need of immediate and short-term erosion control/shoreline remediation measures, as well as sites that should be monitored. The rankings are based on a new index system identified as Coastal Road Erosion Susceptibility Index or CRESI. The report prioritizes the State Highways in immediate need of relocation and/or hardening. See https://hidot.hawaii.gov/highways/files/2019/09/State-of-Hawaii-Statewide-Coastal-Highway-Program-Report_Final_2019.pdf.

In addition to the Statewide Coastal Highway Program Report, the Highways Division developed the Climate Adaptation Action Plan which identifies and assesses hazards to the State's Highway System. The hazard types being assessed are rockfall and landslides, passive flooding, annual high wave flooding, coastal erosion, storm surge, tsunami, wildfire, and lava flows. The Action Plan includes immediate, near-term, and long-term recommendations with the goal of integrating considerations of climate risk and long-term climate change resiliency into agency practices. <https://hidot.hawaii.gov/wp-content/uploads/2021/07/HDOT-Climate-Resilience-Action-Plan-and-Appendices-May-2021.pdf>.

MEASURES OF EFFECTIVENESS

STATE OF HAWAII

PROGRAM STRUCTURE: 0303

PROGRAM LEVEL: I. 03 TRANSPORTATION FACILITIES

II. 03 LAND TRANSPORTATION FACILITIES AND SERVICES

REPORT P65

OBJECTIVE: TO FACILITATE THE RAPID, SAFE, AND ECONOMICAL MOVEMENT OF PEOPLE AND GOODS WITHIN THE STATE BY PROVIDING, MAINTAINING, AND OPERATING LAND TRANSPORTATION FACILITIES AND SUPPORTING SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0303	1. NO. HIGHWAY LOCATIONS WHERE CONGESTION EXISTS-PEAK		29	29	29	29	29	29	29	29
	2. ACCIDENTS PER 100 MILLION VEHICLE MILES		226	218	210	203	195	188	188	188
	3. FATAL ACCIDENTS PER 100 MILLION VEHICLE MILES		4	4	4	4	3	3	3	3
	4. MAINTENANCE COST PER 10 LANE-MILES		509576	492522	509576	509576	509576	509576	509576	509576
	5. VEHICLE MILES PER TRAVEL (MILLIONS OF MILES)		5764	5838	5911	5986	6060	6132	6132	6132

EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS (IN THOUSANDS OF DOLLARS)

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
030301	OAHU HIGHWAYS	TRN-501	3,661	3,879	4,108	4,349	4,350	4,350	4,350	4,350
030302	HAWAII HIGHWAYS	TRN-511	127	135	143	151	152	152	152	152
030303	MAUI HIGHWAYS	TRN-531	298	315	334	354	354	354	354	354
030306	KAUAI HIGHWAYS	TRN-561	170	180	191	202	202	202	202	202
	TOTAL		4,256	4,509	4,776	5,056	5,058	5,058	5,058	5,058
OPERATING EXPENDITURES										
030301	OAHU HIGHWAYS	TRN-501	73,547	82,267	86,610	87,469	87,469	87,469	87,469	87,469
030302	HAWAII HIGHWAYS	TRN-511	14,807	19,466	20,612	21,147	21,148	21,148	21,148	21,148
030303	MAUI HIGHWAYS	TRN-531	17,928	24,310	25,141	25,563	25,564	25,564	25,564	25,564
030306	KAUAI HIGHWAYS	TRN-561	8,218	11,677	12,429	12,697	12,697	12,697	12,697	12,697
030307	HIGHWAYS ADMINISTRATION	TRN-595	123,040	249,801	215,110	207,959	217,154	217,842	228,391	228,929
030308	HIGHWAYS SAFETY	TRN-597	11,923	18,534	18,852	19,009	19,009	19,009	19,009	19,009
	TOTAL		249,463	406,055	378,754	373,844	383,041	383,729	394,278	394,816
TOTAL OPERATING EXPENDITURES										
030301	OAHU HIGHWAYS	TRN501	77,208	86,146	90,718	91,818	91,819	91,819	91,819	91,819
030302	HAWAII HIGHWAYS	TRN511	14,934	19,601	20,755	21,298	21,300	21,300	21,300	21,300
030303	MAUI HIGHWAYS	TRN531	18,226	24,625	25,475	25,917	25,918	25,918	25,918	25,918
030306	KAUAI HIGHWAYS	TRN561	8,388	11,857	12,620	12,899	12,899	12,899	12,899	12,899
030307	HIGHWAYS ADMINISTRATION	TRN595	123,040	249,801	215,110	207,959	217,154	217,842	228,391	228,929
030308	HIGHWAYS SAFETY	TRN597	11,923	18,534	18,852	19,009	19,009	19,009	19,009	19,009
	TOTAL		253,719	410,564	383,530	378,900	388,099	388,787	399,336	399,874
CAPITAL INVESTMENT EXPENDITURES										
030301	OAHU HIGHWAYS	TRN-501	99,100	344,401	1,500					
030302	HAWAII HIGHWAYS	TRN-511	1,300	155,410	9,600					
030303	MAUI HIGHWAYS	TRN-531	54,500	48,000	5,000					
030306	KAUAI HIGHWAYS	TRN-561	17,200	19,102	16,000					
030307	HIGHWAYS ADMINISTRATION	TRN-595	110,604	436,704	306,100	208,650				
	TOTAL		282,704	1,003,617	338,200	208,650				

General Administration

The objective of the Level II program, General Administration, is to enhance the effectiveness and efficiency of the Transportation Program by providing program leadership, staff support services, and general transportation related services.

The overall support program interacts with the Federal Transit Administration, U.S. Departments of Commerce, Defense, Interior, Transportation, Treasury, and U.S. Post Office. Close coordination of transportation facility planning with the counties is also maintained.

The FTA, under various programs, provides funding to states for the purpose of supporting public transportation. The assistance ranges from funding transit operations and facilities to assisting private nonprofit groups in meeting the needs of the elderly and persons with disabilities.

These programs interface with the Oahu and Maui Metropolitan Planning Organizations as part of an overall comprehensive and coordinated planning process for all Oahu and Maui transportation projects.

The overall support program provides comprehensive transportation planning based on consideration of land use, socio-economic conditions, and environmental factors. Other ancillary services such as management, administrative support, internal control, and computer coordination are provided to the major transportation programs.

Financing for this program is provided on a pro-rata basis from the three special funds representing the three major activities of the Department of Transportation. These include the three other Level II programs of the Transportation major programs. The current pro-rata shares are as follow: Airport Revenue Fund – 50 percent; Highway Revenue Fund –37 percent; and Harbor Revenue Fund –13 percent.

III. PROGRAM CHANGE RECOMMENDATIONS

Air Transportation Facilities and Services

Revenues for the Air Transportation Facilities and Services program are derived from concession fees, aviation fuel taxes, building space and land rentals, investment income, landing fees, airport use charges, federal grants, passenger facility charges and other sources. Committees comprised of representatives from the airlines and concessionaires act in an advisory capacity in reviewing airport operational plans and capital improvement program projects.

The Airports Division requires large capital expenditures to achieve its vision and mission. This includes construction of new facilities for air traffic growth, increasing investment to improve customer satisfaction, and addressing environmental and sustainability needs. The Airports Division continues to seek federal funding to minimize bond/capital funding needs, develop/increase nonairline revenues, and optimize airline rates and charges to meet financial obligations.

The FB 2025-27 operating budget request includes funding adds:

- \$23,812,501 in special funds in FY 26 and FY 27 for additional security equipment for Daniel K. Inouye International Airport at Honolulu, Kahului Airport, Hilo International Airport, Ellison Onizuka Kona International Airport at Keahole, and Lihue Airport.
- \$70,950,000 in special funds in FY 26 and \$65,375,000 in FY 27 for consultant services to support special maintenance projects.

The FB 2025-27 CIP budget request adds:

- \$156,677,000 (\$154,877,000 revenue bond funds and \$1,800,000 in federal funds) in FY 26 and \$716,162,000 (\$656,162,000 in revenue bond funds and \$60,000,000 in federal funds) in FY 27 for Airfield Improvements, Statewide.
- \$147,045,000 (\$137,045,000 in revenue bond funds and \$10,000,000 in federal funds) in FY 26 for Ellison Onizuka Kona International Airport, Airport Improvements, Hawai'i.
- \$89,501,000 (\$89,500,000 in revenue bond funds and \$1,000 in federal funds) in FY 26 and \$56,501,000 (\$56,500,000 in revenue bond funds and \$1,000 in federal funds) in FY 27 for Facility Improvements, Statewide.
- \$301,000,000 in Other funds in FY 26 for Rental Car Facility Improvements, Statewide.

Water Transportation Facilities and Services

The Water Transportation Facilities and Services program is financed through revenues derived from wharfage, rentals, dockage, port entry, mooring, demurrage, cleaning, and other fees and charges. Wharfage and rentals are the largest sources of revenue.

Following lengthy discussions with the Hawaii Harbors Users Group members and seven public hearings statewide, in December 2016, Governor David Ige approved a series of amendments to the Hawaii Administrative Rules Chapter 19-44, to decrease overseas transshipment rates, and to increase the wharfage tariff rates, pipeline use and bunkering fees. In addition, starting in July 2019, incremental rate increases of 3 percent or the annual difference in consumer price index, whichever was greater, would be implemented annually for these identified tariffs and fees to ensure that sufficient revenue was generated to meet the bond compliance tests and maintain the financial health of the statewide harbors system.

Capital improvement costs to maintain existing facilities and develop infrastructure and facilities to keep up with maritime demand as well as operating costs have grown. The continued development of the harbors system is dependent upon the financial ability to underwrite the capital improvement and operating costs. In December 2020, The Harbors Division sold \$266,550,000 of revenue bonds. The sale of bonds served a dual purpose of financing a portion of new CIP projects while refinancing debt service with more favorable interest rates and reducing future debt service payments.

During May 2022, the State of Hawaii supported the Hawaii Stevedores, Inc.'s ("HSI") application for a U.S. Department of Transportation Maritime Administration's Port Infrastructure Development Grant Federal Grant. HSI's grant application proposed several activities: (1) upgrades to electrified ship-to-shore cranes, acquisition of new equipment, and

installation of solar panels on terminal buildings that will improve the reliability of port operations; (2) smart gate and security technology to improve safety and operational efficiency; (3) an electrical micro-grid to improve resilience; and, (4) in collaboration with local communities and stakeholders, development of a Facility Resiliency Plan and a Terminal Electrification Plan to support additional environmental and resilience improvements in the future. On October 28, 2022, the United States Department of Transportation awarded an approximate \$47.3 million reimbursable grant to the State as the Grantee and HSI as a sub grantee to the State providing approximately \$92.0 million commitment for a total of \$139.4 million. The Harbors Division's role is to manage the grant compliance, the federal reimbursement process, and oversee HSI's progress in meeting its grant obligations. The execution of the grant agreements is in progress.

During November 2023, the U.S. Department of Transportation Maritime Administration awarded an approximate \$23.5 million Port Infrastructure Development Program grant to Harbors Division for improvements to the Port of Kawaihae that will enhance operational efficiency and help reduce highway traffic congestion. The execution of the grant agreements is in progress.

The Harbors Division continues to work on improvements to its business practices to gain improved sources of revenue and financial benefits. Effort is also underway to obtain federal funding assistance to address port security and major development initiatives needed to meet maritime infrastructure development needs.

The FB 2025-27 operating budget request includes funding adds:

\$30,000,000 in special funds in FY 26 and \$35,000,000 in special funds in FY 27 for consultant services and special maintenance projects.

\$19,017,069 in special funds in FY 26 to buyout the energy savings lease for the state harbors.

The FB 2025-27 CIP budget request adds:

\$25,000,000 (\$24,992,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 26 and \$40,000,000 (\$39,992,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 27 for Honolulu Harbor Improvements, Oahu.

\$12,000 (\$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 26 and \$35,000,000 (\$34,992,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 27 for Kalaeloa Barbers Point Harbor Improvements, Oahu.

\$12,000,000 (\$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 26 and \$50,000,000 (\$44,992,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 27 for Hilo Harbor Improvements, Maui.

Land Transportation Facilities and Services

The Highways Division will assume the enforcement of the Motor Carrier Law from the Public Utilities Commission on January 1, 2025, for the purpose of improving administrative efficiency for duties and functions of the Motor Carrier Law as passed by Act 117, 2024 Session Laws of Hawaii.

The FB 2025-27 operating budget request includes funding adds:

- \$50,000,000 in special funds in FY 26 and \$45,000,000 in special funds in FY 27 for special maintenance projects.
- \$5,000,000 in general funds in FY 26 for stored property and debris removal services.
- \$15,000,000 in general funds in FY 26 for statewide fire mitigation.

The FB 2025-27 CIP budget request adds:

\$477,149,000 (\$14,063,000 in special funds, \$66,686,000 in revenue bond funds and \$396,400,000 federal funds) in FY 26 and \$422,617,000 (\$11,920,000 in special funds, \$72,603,000 in revenue bond funds and \$338,094,000 federal funds) in FY 27 for Highway Structural Facilities Program, Statewide.

\$132,005,000 (\$2,540,000 in special funds, \$23,361,000 in revenue bond funds and \$106,104,000 federal funds) in FY 26 and \$4,514,000 (\$4,513,000 in special funds and \$1,000 federal funds) in FY 27 for Highway System Preservation Improvements, Statewide.

\$60,933,000 (\$1,775,000 in special funds, \$26,064,000 in revenue bond funds, \$32,394,000 federal funds and \$700,000 in County Funds) in FY 26 and \$50,500,000 (\$10,100,000 in revenue bond funds and \$40,400,000 federal funds) in FY 27 for Highway Traffic Operational Improvements, Statewide.

General Administration

None.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Air Transportation Facilities and Services

A. Air Traffic Risks

Passenger traffic at Hawaii's Airport System is inherently volatile due to the nature of leisure travel, which is highly sensitive to economic fluctuations. Preliminary data for fiscal year 2024 shows 19.2 million enplaned passengers, a slight decrease from 19.5 million in fiscal year 2023. This decline is attributed to factors such as the Maui wildfire in August 2023, destination management strategies, ongoing challenges with the Japanese yen exchange rate, and other contributing elements. For the period from July 2024 to December 2024, scheduled airline departure seats are 2.8% lower than during the same period in 2023, suggesting potential decline in air traffic.

On the broader economic front, the Federal Reserve announced a 50-basis point interest rate cut on September 18, 2024. This cut appears to have triggered two immediate effects concerning Hawaii's air traffic: concerns about a potential hard landing have eased, as the market expects the Federal Reserve to continue balancing inflation and employment, and the Japanese yen began to appreciate, reaching nearly 140 yen per U.S. dollar, compared to its value of below 160 in recent months. Both factors are positive contributors to maintaining traffic stability.

On the other hand, the airline industry is still grappling with disruptions in aircraft deliveries and IT infrastructure challenges. The approval of Alaska Airlines' acquisition of Hawaiian Airlines is viewed as a positive development for Hawaii's Airport System. Southwest Airlines, another major carrier serving Hawaii, has expressed continued commitment to its Hawaii routes, despite being hindered by shareholder disputes, capacity constraints, and internal challenges.

In its September 2024 forecast, the Department of Business, Economic Development, and Tourism remained optimistic about Hawaii's tourism market, projecting annual growth rates exceeding 2.0% for the next three calendar years.

B. Capital Investment Needs and Environmental, Social and Governance (ESG) Costs

The Hawaii Airports System continues to require additional capital investments to preserving existing assets, accommodating recovering air traffic, and meet ESG requirements, among other drivers. Improving customer service has becoming one of the priorities. The Airports has a rolling capital improvement program (CIP), with more than \$2 billion to spend in the next 5 years. The Airports has also identified two groups of potential projects: airfield projects to further enhance safety and security of air travel, and a group of terminal projects to increase capacity and improve customer service, including a planned Diamond Head Concourse program. In addition, to support the State's Clean Energy Initiatives and the Hawaii 2050 Sustainability Plan, the Airports needs to coordinate with other State agencies to identify the required costs and to establish a timetable to achieve those goals. Other potential environmental costs, such as rising sea levels, may trigger billions of additional capital needs. In recent years, the Airports has been actively pursuing external funds for the CIP including the FAA grants and grants under the Bipartisan Infrastructure Law.

C. Airport Costs, Nonairline Revenues, and Airline Payments

In addition to capital needs, the Airports will incur higher operation and maintenance expenses to maintain the airport facilities and to improve customer satisfaction. As a self-sufficient enterprise fund, the Airports must generate adequate revenues from airline and nonairline tenants to meet capital needs and operating expenses. The Airports has established a multi-year schedule of increasing parking rates, conducted appraisals to adjust non-terminal rental rates, issued a new request for proposal for terminal retail operations, and reinstated the minimum annual guarantee for the duty-free operations. In the coming years, the Airports needs to continue balancing its strategic objectives, maintaining a reasonable airline rates and charges structure while still providing a high level of service to the travelling public.

D. Operational Challenges

With the potential further increase of Japan traffic, gate congestion and TSA security checkpoint congestion are two key concerns for the Airports Division. Prior to the COVID-19 pandemic, the Airports did not have adequate gates during the peak hours to accommodate all inbound flights and had to hold flights on taxiways from time to time. The additional of Mauka Concourse provided additional gate to address the terminal capacity but has not increased the passenger processing capacity. The Airports is evaluating terminal needs in light of the recent Hawaiian

Airlines acquisition by Alaska Airlines, and may streamline the terminal operations to improve airport and airline efficiencies.

On the capital investment aspect, the Airports continues to follow the duplicative appropriation and allotment processes, which, when combined with the airline capital review and bond funding process, results in project delays from time to time. The Airports continues to implement the multibillion-dollar capital program amid challenges such as staff compensation and hiring difficulties and spiking inflation. A new bond issue is ongoing as of September 2024, which anticipates to the bond funding needs for the next two years.

Water Transportation Facilities and Services

A. Cruise Line Trends

Norwegian Cruise Lines (NCL) currently homeports one U.S. flagged cruise ship, the Pride of America. Prior to the COVID-19 pandemic, NCL provided the State with year-round inter-island service. At the peak of the cruise line business in Hawaii, fiscal year 2019 (pre-pandemic), revenue reached \$9,000,000 with passenger volumes (inbound and outbound) being approximately 1.2 million passengers.

Fiscal year 2023 cruise line business as compared to fiscal year 2022, surged by approximately 350% from \$1,800,000 to \$8,100,000. With the growth of cruise line business in the post-pandemic period, Harbors anticipates continued strong results, positively impacting the Harbors Division's revenue and the State's economy.

The Harbors is currently in design phase on the renovations and improvements of Cruise Passenger Terminals at Pier 2 Honolulu Harbor and Pier 1 Kahului Harbor; These projects will make way for improvements to the passenger terminal, create a more pleasant and comfortable environment for cruise passengers. The Harbors Division has commenced the Kahului Harbor Redevelopment Plan and Environmental Assessments for Land Acquisitions, a key aspect to improve the operational efficiency needed to make way for and will result in improved cruise services and safe passenger flow at Kahului Harbor.

B. Cargo Facilities/Growth Issues

The continued growth in cargo has resulted in continuing increases in cargo operations. Matson Navigation Company continues to be the largest container operator servicing Hawaii with ships arriving at Honolulu Harbor a minimum of three times a week and with barge movements to the neighbor island harbors five times a week.

An efficient and financially healthy harbors system is vital to the State's economy. About 85% of all goods we use in Hawaii is imported and 91% of that is shipped through Hawaii's commercial harbors system.

The current capacity of Hawaii's commercial harbor system and the underlying aging infrastructure were not expanded or maintained to keep up with future economic growth, increased cargo volumes, greater demand for berthing space by more harbor users, and the new needs of the shipping companies' re-built business models centered around containerized cargo shipments, which became the industry norm.

The Harbors Modernization Plan was developed through a partnership of the Department of Transportation, and the Hawaii Harbors Users Group (HHUG). Today the partnership is committed to implementing the Harbors Modernization Plan.

The Kapalama Container Terminal (KCT) is the centerpiece of the Harbor Modernization Plan and the top priority for the commercial harbor system. The KCT project is currently in construction and features an 84-acre cargo yard and 1,800 linear feet of new berthing space at piers 41, 42, and 43 in Honolulu Harbor.

There were number of complex enabling support projects that were completed before the KCT project broke ground, as well as a series of projects located at other island harbors throughout the harbor system -- infrastructure upgrades, development of new infrastructure, expansion of facilities, and land acquisitions -- that are all part of the overarching Harbors Modernization Plan. The KCT Container Yard Project Phase 1 is substantially complete except for areas that were deferred and to be coordinated for completion during the tie-in to Terminal Wharf and Dredging Phase 2. As the largest project that the Harbors Division has undertaken, the aggregate project total for Phases 1 and 2 is approximately \$550 million.

The Kapalama Container Terminal (KCT) is anticipated to be completed mid-2025. The Harbors is embarking on a port development plan on the rebuilding the Sand Island Container Terminal and the Inter-Island Barge Terminal in a multi-phased approach on planning and design of its operations while maintaining the essential flow of cargo and managing the impact to the State's gross domestic product.

Future projects for the Harbors Modernization Plan and Development for the commercial harbor system will focus on building harbor resiliency, adapting to climate change, including Sea Level Rise, leveraging near-term project sequencing opportunities to improve essential harbor facilities approaching life-cycle expiration while expanding alternate funding sources such as federal grant opportunities, and public private partnerships.

The Harbors is entering the final stage of Hilo Harbor Environmental Assessment Land Acquisition and design phase of the Port Redevelopment and New Entrance Improvements that will incorporate site grading and container yard site utility improvements.

C. Environmental Issues

The Harbors Division continues working with the State's Department of Health (DOH) and Principal Responsible Parties (PRPs) to address ground contamination within the Iwilei District at Honolulu Harbor. The U.S. Environmental Protection Agency (EPA) has monitored this effort. Long-term mitigation measures may be required from the PRPs to address the DOH concerns on Sea Level Rise and Methane Monitoring. Determining the appropriate level of remediation is on-going by the response activities of the PRPs and the commitment from DOH. Through this effort, the PRPs are also undertaking and implementing long-term remediation measures that will assure the most effective and beneficial remediation of the contaminated areas.

The Harbors Division Stormwater Management Program (SWMP) has kept the Division in compliance with federal and state clean water requirements. The Consent Decree entered with

U.S. EPA and DOH back in November 2014, has been officially terminated as of 2022. This Consent Decree has helped further enhance Harbors SWMP and advanced it to a more mature normalcy, as a majority of its requirements has grown into our program.

However, as Hawai'i face increased risks due to exposure to potential climate change stresses and higher frequency of storm impacts from torrential storms impacting the intermodal access of our Harbors, the Harbors SWMP is refocusing water quality management, flood mitigation, and stormwater enhancements to improve the resiliency of our Harbor facilities. Harbors is conducting LIDAR and Photogrammetry surveys of its facilities to gain better data and insights of potential infrastructure impacts due to climate change.

D. Seaport Security Trends and Issues

The Harbors Division continues to upgrade security measures at all ports and seeks federal funding support for its security related infrastructure and equipment needs to meet the substantial federal requirements imposed by the Federal Maritime Transportation Security Act of 2002. Focus on the continuing effort is the development of improvements in staffing and facilities upgrades for access control. The Harbors Division anticipates having to implement new processing requirements associated with the issuance of the Transportation Worker Identification Cards (TWIC) and biometric access control systems that are required under federal legislation.

Land Transportation Facilities and Services

A. Autonomous Vehicles

Recognizing that autonomous vehicles (AVs) are a transformative technology that will be deployed globally, the Highways Division is taking steps to implement a testing program to bring the technology to the State. The Highways Division is in the process of creating administrative rules that will formally allow testing of autonomous vehicles through the issuance of a permit.

Highways Division has partnered with the University of Hawaii in piloting a Connected Automated Vehicle System Investigations for Enhanced Safety. The objective of this project is to deploy two 6-12 passenger Connected Autonomous Shuttle Buses (CASBs) at the test locations (University of Hawaii and East Kapolei) to investigate AV safety and operation efficiency improvements and infrastructure configurations. The project will collect and analyze data on how AVs interact with infrastructure, such as traffic signals, human-driven cars and trucks, and most importantly, bicyclists and pedestrians to help identify infrastructure deficiencies and improvement needs to accommodate the changes AVs will bring to road sharing among all users. An important component of this project is to promote public acceptance and to share information with the public that may foster consumer confidence in AVs.

B. Data Collection

Emerging technologies and systems stimulate smart behavior to monitor roadway assets adequately and efficiently with little to no human interference. Using these systems to assess road conditions that identify areas in need of immediate maintenance attention.

The benefits of using emerging technologies and systems are that it generates a single source of accessible data with increased speed and reliability. It saves time and resources to manage the Highways Division large areas of coverage. Addressing these areas will increase the safety of the roads. Roadway management and maintenance will become proactive rather than reactive.

Another system being piloted is the i-Probe project which is Car mounted sensors and dashcams that collect data to detect road cracks and potholes by providing a roughness measurement of the deficiency and its location.

C. Electric Vehicle Fleet Conversion

The Highways Division executed a service contract to replace light duty vehicles in its fleet with electric vehicles (EVs). The contract allows the Highways Division and other state and county agencies to obtain EVs and charging infrastructure as a service on a per mile cost basis, reducing the upfront costs of electrifying fleet vehicles and reducing fuel and maintenance costs.

The state-wide Hawaii fleet electrification contract (RFP-20-001-HWYS) is now active. This contract allows all participating agencies and departments to obtain electric vehicles and all related charging infrastructure based on a usage fee.

This contract is a cost-effective way to begin conversions of an internal combustion engine vehicle fleet to zero emissions without upfront capital costs. The contract is available for all types of vehicles, light duty, and buses to heavy equipment, if the technology is available on the market. The contract is also open to all makes and models available on the market.

The Highways Division obtained 43 SUV EVs and Level II charging stations between April 2021 and September 2021. Through this fleet conversion, Highways Division disposed of 44 internal combustion engine vehicles. With light duty trucks being available on the market, the Highways Division has received 30 light duty truck EVs this year and will receive 45 total by the end of the year. Additional internal combustion engine vehicles will be disposed of.

D. The Hawaii Road Usage Charge Demonstration Project (HiRUC)

With climate objectives that include a zero-emission transportation sector by 2045, Hawaii ranks second nationally for the ownership of electric and alternative-fuel vehicles.

Reducing and eventually eliminating fossil fuel consumption have numerous benefits for Hawaii residents, but one unintended consequence is the loss of revenue from taxation of motor vehicle fuels. Although the state relies on a mixture of revenue sources including vehicle registration fees, weight taxes, and rental car surcharges, fuel taxation stands as Hawaii's second largest source of transportation funding, and the only revenue source that relates to road usage.

To address this challenge, in 2018, the Highways Division embarked on a 4-year research, public outreach, and demonstration effort to examine per-mile road usage charging (RUC) as a future replacement for fuel taxes. This research concluded with a series of recommendations for how the state can begin a gradual transition toward RUC to preserve usage-based funding for upkeep and repair of the state's roads and bridges. Final Report: <https://hiruc.org>

In 2023, Hawaii Legislation passed Act 222 to enact a small-scale RUC program for electric vehicles (EVs) effective July 1, 2025. Beginning July 1, 2025, EV drivers have a choice between paying a per-mile RUC, which is capped at \$50, or a \$50 flat annual RUC. The state mileage-based RUC will be calculated at the rate of 0.8 cents per mile traveled, multiplied by the number of miles traveled. Beginning July 1, 2028, the per-mile RUC will become mandatory for all EVs and the flat annual RUC choice will be removed. In December 2025, the Highways Division is required to develop a transition plan to include all light-duty vehicles in a RUC by 2033.

E. Financial Management System Upgrade

The Highways Division is replacing the current accounting legacy system with a new accounting system solution that would modernize certain Highways Division IT systems, associated systems, and business processes, including fully replacing the Highways Financial Accounting System. The new Highways Financial Management System, called H4 will utilize the SAP S/4HANA Cloud ERP and will cover the Highways Division Business Processes of Budget, General Ledger, Accounts Payable, Accounts Receivable, Lease Management, Fixed Assets, Procurement, Project & Grant, Federal Billing, Human Resources, Time and Labor, Payroll, Inventory Management, Plant Maintenance, Reporting, and Analytics.

F. Safety

Google Safety Analytics. The Highways Division goal is to reduce traffic fatalities by 20 percent per year with the goal of zero (0) deaths through a combination of engineering, enforcement, education, and emergency response strategies that focus on equity. The Hawaii Strategic Highway Safety Plan provides core strategies for the following Emphasis Areas: Speeding; Impaired Driving; Vehicle Occupant Protection; Pedestrian & Bicycle Safety; Motorcycle, Motor Scooter & Moped Safety; Roadway Design; First Responder Capabilities; and Improving Data & Safety Management Systems. In the Improving Data & Safety Management Systems Emphasis Area, core strategies that will be implemented with this service are: improve linkage and integration of data; improve existing processes to turn data into useful information for law enforcement and other traffic partners, to be used for problem identification and evaluation, to direct resources in enforcement, education and engineering, and to make positive behavior changes; and improve data/information and the process to track, monitor and assess the progress of each of the other emphasis areas.

Negative driving behaviors such as aggressive driving, inattention, impairment, and speeding are contributing factors in the vast majority of fatal crashes from 2019-2022. Making positive behavior changes in areas, such as speeding, is a difficult challenge for HDOT and other safety partners with limited available resources in staffing, funding, and equipment/construction material supplies. Effective use of limited resources requires informed decision-making using quality data from various sources that can be collected and analyzed in a timely manner.

The Highways is moving to a systemic safety approach to complement the traditional crash-based approach. This comprehensive safety management process will provide opportunities and benefits through both crash-based and systemic safety analysis. This will result in better and faster decision-making for prioritizing safety countermeasure/investments.

The traditional crash-based analysis is a reactive approach focusing on high crash locations. The systemic safety analysis is a proactive approach focusing on crash types and risk factors. The systemic safety approach uses risk factors to treat potential future crash locations now with low-cost safety improvements.

Selection of low-cost safety improvements can be deployed widely across the system, yielding a greater overall safety benefit/investment. Since systemic improvements are low-cost, they can be implemented quicker and, in some situations, providing an interim solution while the longer-term solution can be developed.

Fatality data is low-density, making crash issues, trends, or locations of concern challenging to identify. Adding real-time type data such as speed, hard-braking, traffic video, and travel times will enhance fatality data to determine countermeasures/safety investments. Real-time type data also provides faster evaluations of implemented safety countermeasure/investments that can be used to adjust future decision-making to prioritize safety countermeasures/investments.

This effort will improve the current-state solution through analytics and visualizations related to traveler safety that allow decision makers and practitioners to make informed decisions and implement countermeasures to reduce safety issues and save lives.

Quick-build Safety Improvements. Selection of quick-build low-cost safety improvements can be deployed widely across the system, yielding a greater overall safety benefit or investment. These low-cost, safety improvements can be implemented quicker and, in some situations, providing an interim solution while the longer-term solution can be developed.

Piloting “Headlight” data capturing software for field assessments of high crash locations. The staff has worked with Headlight to adapt fields to capture information related to motor vehicle crash locations. The app is being modified to capture behavioral/environmental/infrastructures elements. The data will be used to validate law enforcement, outreach, and engineering solutions to improve roadway safety.

G. Google Resiliency Tool

Web-based GIS tool that identifies vulnerable State roads and bridges to climate change hazards that include further data sets and GIS layers, such as land uses, transportation data, socio-economic demographics, environmental conditions, and critical facilities. This decision-making tool provides the Highways Division comprehensive information in determining the criticality of the state road and inherently its projects. Furthermore, this tool supports the Highways Division goal of Resiliency.

H. HIBRIDGE

The HIBRIDGE pilot program is a prospective alternative to the current methods of inspecting bridges on Hawaii’s highway system. Bridge inspections are costly as they require lane closures, snooper trucks and specialized equipment to access all areas of the bridges, manual data entry, and a series of field data reporting and reviews of the reporting.

HIBRIDGE focuses on the use of modern technologies that combine unmanned aerial vehicle (UAV) collected bridge inspection data with historical construction data and runs industry related machine learning models on that data to determine existing conditions and to aid in quicker responses by the Highways Division to make sure bridges are safe and functional. Use of UAVs and tablets in the field are safer for HDOT personnel, minimize the disruptions to the traveling public, facilitate the collection of greater volumes of data and images of the bridge conditions, and reduce the costs of bridge inspections.

The automated processing of the collected images and data result in quicker identification of problem areas, and thereby quicker solutions that address any structural deficiencies.

The purpose of the pilot program is to validate the results to be produced by the Headlight hardware and software against the data and collected using current inspection methods. The Highways Division expects inspections using HIBRIDGE can be done at one-tenth (1/10) the cost of current methods. If the pilot program is successful, the Highways Division will adopt the HIBRIDGE method for future inspections.

The benefits of using the UAV data collection method include:

- Automated report generation
- Identification of defect changes over time with historical condition assessment
- Improved collection and presentation
- Improved data quality control (QC) over time
- Closer observations and examinations of local and national inspection/deterioration standards
- Streamlined workflow with integration into the current bridge maintenance system

I. Econstruction

Econstruction (Econ) is the collection, review, approval, and distribution of highway construction contract documents in a paperless environment. This includes the electronic capture and submission of construction data and documentation, increased use of mobile devices, and automated document review and approval procedures. ECon will use electronic signatures by all parties, as well as secure document and workflow management by stakeholders. The data from these systems will be used and published as easily digestible dashboard stories, which has been the Highways Division's outward facing dashboard environment.

This initiative will modernize the Highway Division's construction document management through elimination of the past cumbersome paper-based approaches. In addition to saving money by decreasing paper use, printing, and document storage costs, this initiative also saves time by decreasing communication delays, eliminating transmittal time, and creating a central standardized process for all projects. This ECon management process allows faster approvals, increased accuracy, and enhanced document tracking, all while increasing transparency.

These improvements to communication and the transparency of the process can virtually eliminate all questions, claims, and disputes as on when (or if) a document was submitted.

Additionally, all stakeholders can eventually gain access to dashboards with necessary information such as the name of the document approver along with the exact timing of each step in the process recorded, schedules, budgets and future programs and projects. The process provides a better foundation to help improve communications and partnering with the legislature as well as other state and county entities. As our state transportation system touches every business, resident and tourist in the state, access to real time information is invaluable. Increasing the benefit to the consumers and saving valuable staff time and resources.

Establishment of new processes and workflows to allow detailed reporting of installed assets and related expenditures, capturing of up-to-date project progress through routine inspections. Improve analytics results through accurate historical view of installation of safety related improvements. Possible asset management integration through roadway information management system via the Autodesk Construction Cloud implementation and the infrastructure modeling capabilities.

J. Carbon Reduction Program

The IIJA established the Carbon Reduction Program (CRP) which is implemented by the FHWA. The CRP provides the State with additional federal funding to implement strategies to reduce transportation carbon emissions, examples are traffic monitoring and management, bicycle and pedestrian facilities, infrastructure based ITS improvements, projects that support the deployment of alternative fuel vehicles, and projects that improve traffic flow and do not involve new capacity construction. The CRP supports the Highways Division Resiliency goals.

K. CO₂ Entrained Concrete

As part of our efforts toward clean energy, the Highways Division utilizes carbon reduction technology. Specifically, the use of CO₂ Entrained Concrete which is a concreted mix that is injected with waste carbon dioxide as a sustainable transportation initiative. The purpose is to reduce the levels of carbon dioxide emitted during the construction process. <http://hidot.hawaii.gov/blog/2019/05/16/hdot-tests-sustainable-concrete-mix-designed-to-reduce-carbon-footprint-of-road-construction/>

L. Sandsaver Beach Erosion Solution

The Highways Division is piloting the sandsaver technology on Kauai and Oahu. Sandsaver is a natural solution that can renourish the beach while protecting our critical infrastructure without hardening the shoreline. First, the sandsaver unit is an actual barrier, it breaks down the wave energy that reaches the shore, therefore reducing the erosion on the beach. Second, the sandsaver unit has bigger holes in the front and smaller holes in the back. When waves carrying sand passes through the sandsaver unit from big holes to small holes, a fair amount of sand will have sufficient time to settle into the coastline and not back into the surf, therefore building beach. Eventually, the sandsaver unit will become completely immersed in sand and beach sediment, accumulating large amounts of sand on both sides of the sandsaver unit.

M. Automated Traffic Enforcement

The Highways Division began the use of automated traffic enforcement on the public roads. The automated traffic enforcement program will help reduce costs of enforcement, lessen the danger of enforcement for police officers, and increase the perception of drivers that there are consequences to violating traffic laws. Beginning in November 2022, the introduction of the red-light running cameras at ten selected intersections in Honolulu based on crash and traffic data were implemented with the last intersection going live in May 2023. For information on the program and the list of the ten red-light running intersections with the monthly citations for each intersection, please click the link: <https://hidot.hawaii.gov/highways/red-light-safety-program/>

The red-light running cameras at the ten selected intersections will begin to integrate speed limit enforcement in conjunction with the red-light running in January 2025.

Finally, the sound detector program that will help detect vehicles causing loud noises while on various roads will be implemented in 2025.

N. Navahine Climate Litigation Settlement

On June 20, 2024, the Department of Transportation settled the Navahine Climate Litigation and committed to bold action to achieve 2045 Zero Emission Goals. This settlement will commit the Department of Transportation to plan and implement transformative changes to Hawaii's transportation system to achieve the state's goal of net-negative emissions by 2045 and acknowledges the constitutional rights of Hawaii's youth to a life-sustaining climate. The agreement includes numerous provisions for immediate and ongoing action steps by HDOT. These include:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawaii's transportation system within the next 20 years.
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities.
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come.
- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program.
- Making immediate, ambitious investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the public electric vehicle charging network by 2030.

General Administration

None.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Air Transportation Facilities and Services

To meet the State's sustainability goals, the Airports Division may need to analyze the costs and timeline to implement sustainability projects and conduct an ESG analysis to evaluate processes for improving ESG practices, such as sea level changes. As a self-sufficient enterprise fund, the Airports Division must generate adequate revenues to meet higher capital needs and operational needs, which implies that the Airports Division must generate higher nonairline revenues or require higher airline payments to compensate. Balancing the multiple strategic objectives continues to be a key challenge to the Airports Division, and to all U.S. airports alike.

Water Transportation Facilities and Services

Limited available land areas, financial constraints, and the ability to implement major improvement projects continue to pose the greatest challenges to the Harbors Division. Focus is being placed on improvements in all three areas. As part of the effort, the Harbors Division has collaborated with the HHUG to coordinate the effort in identifying and focusing on the development of priority projects needed to improve the harbor program state-wide. A companion effort is being aimed at improving revenue to support and sustain improvement efforts through the revision of rentals and more frequent updating of appraisal rates for revocable permits.

Future projects for harbors modernization and redevelopment of the commercial harbor system will need to refocus on building harbor resiliency, adapting to climate change, including Sea Level Rise, leveraging near-term project sequencing opportunities to improve essential harbor facilities approaching life-cycle expiration while expanding alternate funding sources such as federal grant opportunities, and public private partnerships. Major infrastructure projects face many hurdles and challenging with federal resource and regulatory agencies commitments on mitigative measures for adverse impacts to fish and marine habitats from the authorized improvements of future work and projects. Possible studies should include striking a balance on climate adaptation for new improvements to deteriorating infrastructure and coral mitigation of non-native potentially invasive coral species that pose a risk to biosecurity of fragile neighbor island ports and surrounding marine ecosystems.

Sea transportation provides the State with the bulk of its imported goods and its primary means for exporting local products. The statewide harbors system must have the ability and continuity to support shipping and maritime commerce. This is a critical economic lifeline to the State. Harbor facilities are limited and as maritime needs increase, the challenge will be to accommodate this growth is a critical area that must be addressed to assure the economic and social vitality of the State.

Land Transportation Facilities and Services

Process Improvement for Approvals

Since 2018, the Highways Division has moved from a largely manual paper process to an electronic and automated workflow process. While the Highways Division has implemented this change, the electronic flow ends at the Division once further approval processing with other State Departments is needed. A selected issue for further study would be for improved electronic workflow, for example seamless eSign that would flow from a requesting Division (Highways) to a reviewing Department (Department of Budget and Finance) to the authorized signer (Governor's Office).

Process Improvement for Recruitment

Since 2019, the Highways Division has incorporated the WikiWiki Hire Program (the Program) for the Engineer class. In 2020, the Land Boundary Surveyor class was added to the Program. The Program is an expeditious method of filling positions by placing all qualified applicants on a register (previously referred to as the eligible list). The Program encourages applicants to exercise initiative in seeking employment by allowing them to reach out to hiring managers directly to schedule interviews and provides state managers and supervisors wider discretion in determining the best qualified individuals for their positions.

To be eligible for the Program, applicants must meet the minimum qualification requirements and public employment standards. Applicants must qualify on the appropriate examination for the class of work or position and be an active qualified applicant on the register to be considered for appointment.

Adding more classes and delegated classes to the Program would be something for further study as the Highways Division has benefitted greatly from the Program. Since 2019, the Program has reduced the internal screening time spent on included classes while expediting the interview and selection process for vacant positions. Many selectees have been internal movements through promotions, many were recent college graduates, and some have been from private industry.

General Administration

None.

04
Environmental Protection

ENVIRONMENTAL PROTECTION

I. OVERVIEW

The Environmental Protection program's overall objective is to restore, protect, and enhance, where appropriate, the natural and person-made physical environment.

The program consists of two Level II programs: Pollution Control, and Preservation and Enhancement. These programs are contained within the Departments of Health (HTH), Agriculture (AGR), and Land and Natural Resources (LNR).

Both the federal and State governments are continuously placing added emphasis on the prevention of environmental degradation, pollution abatement and conservation of biological diversity. Consequently, greater attention must be given to environmental considerations in planning processes by both the public and private sectors. This calls for closer coordination among federal, State, and county agencies in general planning, project planning, systems planning, and capital improvements.

The activities performed under this program can be separated into three distinct categories. They are:

1. Pollution abatement and regulation
 - a. Source inspections and investigations
 - b. Issuance of permits and variances
 - c. Registration of pesticides
 - d. Compliance monitoring

2. Environmental preservation, conservation, and management
 - a. Designation of wildlife refuges, natural area reserves and marine management areas (MMAs)
 - b. Management of use and other impacts on resource values with regulations, public information and education, and other means
 - c. Forest protection and management (control of fire, noxious plants and forest pests and disease)
 - d. Erosion control
 - e. Protection of mineral reserves
 - f. Watershed protection
 - g. Beach improvement, protection, and restoration
 - h. Restoration of threatened and endangered plants, animals, including aquatic flora and fauna.
 - i. Protection and management of natural area reserves, wildlife sanctuaries and marine management areas
 - j. Groundwater and surface water protection
 - k. Aquatic habitat restoration

3. Administration and policymaking

A further discussion of the programs comprising the overall Environmental Protection program will be found in the following sections.

Pollution Control

The objective of this program is to reduce the various forms of environmental pollution to acceptable levels.

HTH840 Environmental Management

The objective of this program is to preserve and enhance environmental quality as it relates to human and ecological health in Hawaii.

This program performs the following activities:

1. **Technical Review:** Evaluate the actual or potential for environmental pollution from natural and man-made sources and administer the State's wastewater and drinking water facilities construction and improvement programs.
2. **Permitting:** Issue permits for the control of air, water, and underground discharges and for solid waste management and disposal.
3. **Monitoring and Inspection:** Monitor and evaluate the effects of pollutants on ambient conditions throughout the State.
4. **Investigation and Enforcement:** Investigate complaints, inspect sources, and initiate appropriate action to correct violations.
5. **Other:** Provide technical assistance to various private and public agencies.
6. **Emergency preparedness:** Prepare for and guard against pollution.

The program has the following intradepartmental relationships: The State Laboratories Division of the Department of Health (DOH) provides laboratory support for pollution control programs, including analyses of samples and the preparation of laboratory reports. The Children with Special Health Needs Branch of the Family Health Services Division of DOH collaborates with the Safe Drinking Water Branch and Hazard Evaluation and Emergency Response Office on lead prevention in drinking water. In addition, the Hazard Evaluation and Emergency Response Office works with the Solid and Hazardous Waste Branch, Safe Drinking Water Branch, and Clean Water Branch to oversee the closure of the Red Hill Bulk Fuel Storage Facility.

The program has interagency relationships with the U.S. Environmental Protection Agency (EPA), which provides guidelines and funding for 23 cooperative agreement programs. At the State level, programs are coordinated with the Department of Land and Natural Resources, Department of Transportation, Department of Agriculture, Department of Business, Economic Development and Tourism, Department of the Attorney General, Department of Education, Department of Commerce and Consumer Affairs, and Department of Defense Hawaii Emergency Management Agency. At the County level, programs regulate the water, wastewater, stormwater, and solid waste agencies and facilities.

AGR846 Pesticides

The objective of this program is to ensure the effective, efficient, and safe use of pesticides and to minimize their possible adverse effects on man and the environment while considering the benefits of their use.

Certification Activities: Commercial and private restricted use pesticide (RUP) applicator dealers must obtain certification and permits from the Department of Agriculture. Both must pass a written examination. If certification is needed beyond a five year period, commercial and private applicators must renew their certification through attending classes where the certified applicators may obtain continuing education credits or by retaking a written examination. RUP dealers must renew their licenses every year. Fees are assessed for the administration of examinations and the annual issuance of dealers' licenses.

Educational Activities: Field consultative visits are conducted to provide information and training to applicators and to prevent pesticide misuse. Educational classes are offered to non-RUP applicators, certified applicators for continuing education credits, and the public on pesticide issues. Marketplace consultative visits are initiated at random and at the request of retailers pre and post enforcement action.

Pesticide Licensing: Before pesticides may be offered for sale in Hawaii, they must be licensed. Program activities include issuance of experimental use permits to gather necessary data, issuance of Special Local Needs registrations to support minor crops, issuance of emergency exemptions based on emergency circumstances related to pests, and license products that meet the standards of the Hawaii Administrative Rules (HAR), Chapter 4-66, concerning State and federal pesticide labeling laws and rules. A licensing fee is charged for each product which is licensed. This fee is deposited into the Pesticides Use Revolving Fund (PURF). The fund is used for personnel costs, operating costs and contracts for services.

Investigation Activities: Inspections are conducted to assure compliance with label directions and to detect misuse. Citizen complaints relating to pesticides are responded to as top priority action for the program. Pesticide producers, retailers, and dealers are inspected to determine compliance with the licensing and labeling requirements, to assure sales to appropriately certified applicators, and to sample pesticides for chemical composition.

Enforcement Activities: Non-compliance with State Pesticides Law (Chapter 149, Hawaii Revised Statutes (HRS)) and Administrative Rules (Chapter 4-66, HAR) are addressed with Advisory Notices, Warning Notices, Stop-Sale Orders, Civil Penalty Proceedings, and/or Criminal Penalty Proceedings.

In conducting its work, the Department of Agriculture partners with the University of Hawaii (UH) College of Tropical Agriculture and Human Resource, UH Cooperative Extension, Hawaii Department of Health, and the U.S. Environmental Protection Agency (EPA).

Preservation and Enhancement

The objective of this program is to preserve, enhance and augment, where appropriate, the State's natural resources and unique natural environmental characteristics.

LNR 401 Ecosystem Protection, Restoration, and Fisheries Management

The Ecosystem Protection, Restoration, and Fisheries Management Program develops projects and conducts activities to conserve, restore, and manage aquatic resources for the sustainable benefit of all the State's citizens and visitors. This Program conducts the following activities:

1. Proposes and promulgates rules for the management of aquatic resources and proposes changes to aquatic environmental management that would maintain and improve native biodiversity, sustainable fisheries, and healthy and productive ecosystems.
2. Conserves and enhances native and other indigenous aquatic species and their habitats through active management programs and other measures, including habitat restoration and invasive species control.
3. Supports the State's economic foundation by ensuring sustainable resources use and the viability of Hawaii's seafood production and fishing industries.
4. Enhances opportunities and facilities for people of all ages to develop skill and participate in non-organized outdoor aquatic recreation activities, such as saltwater and freshwater fishing, underwater photography, snorkeling and diving, and nature studies of aquatic organisms and their habitats.
5. Promotes public understanding of the importance of Hawaii's aquatic resources by encouraging sustainable and ethical use of these resources.
6. Negotiates and recommends cooperative work agreements with federal, state, local, and non-governmental agencies.
7. Serves as representative to, and participates in co-management of shared aquatic resources with organizations and agencies such as the Heeia National Estuarine Research Reserve Advisory Board, Kaneohe Bay Regional Council, the Hawaiian Humpback Whale National Marine Sanctuary, the Papahānaumokuākea Marine National Monument, the Western Pacific Regional Fishery Management Council, the U.S. Coral Reef Task Force, the Hawaii Invasive Species Council, U. S. Fish and Wildlife Service, National Marine Fisheries Service Pacific Islands Regional Office and Fisheries Science Center, and others as needed.

LNR 402 Native Resources & Fire Protection Program

LNR 407 Natural Area Reserves & Watershed Management

The mission of the Department of Land and Natural Resource's Division of Forestry and Wildlife (LNR 402 and LNR 407) is to protect and manage watersheds, native ecosystems, cultural resources, and ecosystem services through management, partnerships, community involvement, and education. This Program conducts the following activities:

- Protects and manages forested watersheds, forest reserves, wildlife sanctuaries, and natural area reserves.
- Supports forest and natural resource management across the state including watershed partnerships, forest stewardship partners, and natural area partnerships.
- Prevents and suppresses wildland fire on public and private lands with important resources.
- Addresses and monitors natural resource threats to Hawaii's forests and natural areas including control damaging feral animals, predators, weeds, invasive species, and diseases.

- Implements management and recovery projects for Threatened and Endangered (T&E) native species.
- Processes T&E habitat conservation plans, safe harbor agreements, and research permits.
- Administers State Land Legacy and federal land acquisition programs.
- Supports Hawaii Invasive Species Council and county invasive species committees.

LNR 404 Water Resources

Water is Hawaii's most important natural resource. Its protection and preservation are directly linked to health, welfare, and quality of life. As the State approaches the limits of its water resources, effective and proactive plans and strategies should be in place to optimize and conserve water use, to best allocate existing resources, and to implement measures to best meet future needs and competing interests, while protecting public trust uses and sustaining our water resources.

The Commission on Water Resource Management (Water Commission) was created in 1987 by the Hawaii State Legislature and is administratively attached to the Department of Land and Natural Resources (DLNR). As the trustee of water, the Water Commission has the constitutionally mandated responsibility to protect, manage, and regulate Hawaii's freshwater resources (ground and surface water) and provide for the maximum beneficial use of water by current and future generations. The Water Commission serves as the primary steward of the water resources public trust and exercises exclusive jurisdiction and final authority in all matters relating to the implementation and administration of the State Water Code (Hawai'i Revised Statutes, Chapter 174C). Implementation of the State Water Code is achieved through a comprehensive program consisting of long-range planning, hydrologic data collection and analysis, resource monitoring, and regulatory controls and enforcement within established rules, regulations, and guidelines adopted by the Water Commission.

The Water Commission's staff is comprised of four (4) branches:

- 1) Planning
- 2) Stream Protection and Management
- 3) Ground Water Regulation
- 4) Survey

Priority activities for the Water Commission include:

- Prioritize and protect public trust uses of water.
- Develop comprehensive, long-range plans for the protection, conservation and management of the State's water resources, including the development and updating of the Hawaii Water Plan in accordance with the Hawaii Water Plan Framework.
- Collect and analyze hydrologic data and assess water resource availability and use.
- Designate water management areas and regulate water use where water resources may be threatened.
- Establish instream flow standards on a stream-by-stream basis whenever necessary to protect the public interest in waters of the State.
- Protect stream channels from alteration whenever practicable to provide for fishery, wildlife, recreational, aesthetic, scenic, and other beneficial instream uses.

- Administer a statewide permitting system for well construction, pump installation, stream channel alteration, and stream diversion work.
- Administer water use permitting system in designated water management areas.
- Investigate and arbitrate water-related complaints/disputes.

The Water Commission currently measures effectiveness in the following ways:

- Percentage (%) of complete application permits processed within time limits
- Percentage (%) of complaints satisfactorily resolved
- Amount of State funding leveraged to attract non-State dollars
- Number of hydrologic units with at least one monitoring well
- Timely updates to the Hawai‘i Water Plan components (every 5 years)
- Millions of gallons of water protected through forest protection and watershed fencing
- Number of hydrologic studies completed
- Number of notices of violations for over pumping or other water related infractions

LNR 405 Conservation and Resources Enforcement

The Division of Conservation and Resources Enforcement (DOCARE), has primary responsibility for natural, cultural, recreational, and historical resources enforcement in our State. Hawaii has the fourth largest coastline in the nation. There are 23,000 acres of inland surface water, 3 million acres of state ocean waters and 410,000 acres of coral reef around the main Hawaiian Islands. Hawaii has the largest tropical rainforest in the United States and the eleventh largest state forest with over 1 million acres utilized for hunting. In addition, there are 2 million acres of conservation land and 1.2 million acres of state-owned lands. DOCARE officers throughout the State attempt to contact, inform, educate, and provide law enforcement to the 1.2 million residents and 6 million visitors that use the State’s resources daily.

The overall mission of the DOCARE is to promote the safe and responsible use of Hawaii’s natural resources.

DOCARE closely follows the goal of the DLNR which is to promote a life-sustaining Hawaii through the protection of our fragile environment, its natural, cultural, and historic resource base, and the function and viability of natural systems on which all life depends. The Division strives to protect food sources, native species, critical habitats, ecosystems and assists with the management of our natural, cultural, and historic resources in order that a strong foundation be maintained for the future.

In partnership with others, the Division helps to lead the citizens and visitors of Hawaii in developing and maintaining a tradition of ethical use, stewardship and sustainability of our land and marine resources. This enforcement effort focuses on the right of all persons to safely use, share, and enjoy Hawaii’s natural, cultural, and historic resources through firm, fair and effective law enforcement.

DOCARE Officers attempt to educate and inform citizens and visitors alike in the responsible use of Hawaii’s unique precious resources through the application of county, state, and federal laws.

DOCARE also works to promote public safety, the highest priority in any law enforcement entity is to ensure the protection of life, health, and property. To this end, DOCARE utilizes appropriate enforcement measures to promote responsible conduct by resource users to ensure the safety of all persons. Experience has demonstrated that effective resource protection cannot be accomplished without a viable law enforcement response and presence is critical to any effort designed to ensure compliance of our land and marine resource protection measures. In meeting these requirements, the Division gives priority to the enforcement of ordinances, statutes and rules designed to protect and enhance Hawaii's unique and fragile environment.

Preventative enforcement measures in the form of public education and community outreach efforts are ongoing and designed to increase the public's awareness and foster their help and cooperation in sustaining our natural, cultural, and historic resources.

General Support for Natural Physical Environment

LNR 906 LNR – Natural and Physical Environment

Administration Division

The Administration Division of the Department of Land and Natural Resources (Department) is responsible for the general administration of the Department under the Board of Land and Natural Resources. The Department's basic function is to manage, administer, and exercise control over public lands, water resources, mineral, and other related interests. The activities performed under this program include land use and resource planning, resource inventories, conservation district land use control, personnel and budget management, fiscal control, service to boards and commissions and liaison with other agencies. Through these activities, the Department assists in providing directions relating to its area of responsibility in formulating policies that are designed to achieve statewide objectives.

Administrative Services Office (ASO)

The Administrative Services Office (ASO) provides business management advice, assistance and support services to the Chairperson, the Board of Land and Natural Resources, and the various divisions and staff offices of the Department and to the administratively attached agencies. The ASO serves as the Chairperson's key advisory staff and resource in the internal management of departmental programs relative to assigned functional areas, which include program planning and budgeting, financial management and analysis, auditing, federal grants management, records management, and risk management, to ensure the viability of projects and programs, as well as stewardship, accountability, transparency, and compliance. The ASO serves as the Department's resource in the interpretation and application of laws, rules and regulations, policies, procedures, and guidelines governing budgeting, accounting and fiscal, procurement, and management analysis.

Human Resources Office (HR)

The Human Resources Office provides comprehensive human resources services to the Chairperson, the Board of Land and Natural Resources, heads of divisions and staff offices of the department, and departmental employees. Major services include guidance and technical assistance in such specialized fields as employee and labor relations; position classification; organization and management; employee training and development; employee safety; recruitment; selection and placement; affirmative action; employee benefits; and personnel transactions and records maintenance.

Information Technology Services Office (ITSO)

The Information Technology (IT) Services Office reports to the Office of the Chairperson, Board of Land and Natural Resources, and is committed to serving the public. Its objectives are to enhance DLNR's business productivity, manage an efficient technology staff, and deploy technology resources to support business goals. The IT Office is responsible for developing and coordinating the information technologies of departmental business functions and management, including web-based applications and geographic information-based systems, local and wide area fiber networks, and voice and radio telecommunication functions. These efforts aim to enhance the effectiveness and efficiency of program objectives, ultimately benefiting the public.

Measures of effectiveness:

1. Percent of completed projects and initiatives that map to IT Strategies.
2. Number of key IT positions empty.

Coordinator on Homelessness

DLNR's Coordinator on Homelessness is a special program within the Chairperson's Office and works with all DLNR divisions to address homelessness on DLNR properties. In 2024, it consisted of two people, one Chair's Office staff at .4 FTE and one DOCARE Officer at 1 FTE. On a statewide level, the Coordinator works with HDOT whose contractor provides storage and debris removal statewide through legislative funding. Staff also work with other state and county agencies to coordinate clean-ups and security. The coordinator also works with various outreach agencies to ensure that there is follow-up with all homeless populations regarding documents, medical care, mental health care (if necessary) and working toward permanent housing.

The objectives of this program are to:

1. Decrease or eliminate homeless on DLNR properties.
2. Manage trash and debris generated by homeless on its properties.
3. Ensure adequate outreach and review of housing options for all homeless on DLNR properties.

This program services all land-owning divisions, who would generally manage their own lands. However, since management of homeless populations is not within their mission, this program handles the coordination with outreach services, the Office of the Governor's Coordinator on Homelessness, County law enforcement and coordination with adjacent landowners. If the clean-up is relatively small, division staff will do the actual clean-up, with the 1 FTE DOCARE officer on hand to assist with safety. Both staff will do the required posting of notice, usually one week in advance of any clean-up action. Divisions will assist with posting if program staff are unfamiliar with the location of the homeless. Additional DOCARE officers are called in if an encampment is particularly large, or possibly dangerous.

Homeless on DLNR lands are fairly independent and have generally gravitated to beach areas, boat harbors or forested areas with water, and with access to restrooms and other facilities.

Most homeless on DLNR lands suffer from mental health problems or drug addiction. Therefore, homelessness on DLNR lands will not be addressed until the state develops a comprehensive program to address mental health and substance abuse issues. However,

addressing the high cost of living, and the extremely difficult circumstances many of Hawaii’s underprivileged live in, could lessen the desire for some to start taking drugs in the first place.

At its peak, there were 7,921 homeless people throughout the state in 2017. That number decreased to 5973 in 2022 and has been slowly climbing. It is at 6389 in 2024. DLNR plays a very small role in addressing homelessness in the state. We have about 450 people on DLNR lands across the state. This is a difficult problem and needs coordination across many specialty fields, including mental health, substance abuse and education, including financial education. Affordable housing, affordable childcare and crisis management all have roles to play in addressing homelessness.

This program does not have a significant investment in either operating or capital costs, and none are envisioned for the foreseeable future, unless the HDOT funding goes away. Storage and debris removal is the biggest cost for this program. If legislative funding for HDOT goes away, DLNR will have to request funds from the legislature to make up for the loss. If storage and debris removal must be handled in-house, the coordinator position would need to be full time, and possibly one additional staff would be needed. Operational costs in the range of \$5 million would be needed to cover clean-up operations for all DNLR properties (54 as of June 2024) that have homeless.

Measures of Effectiveness:

Description	2021	2022	2023	2024
100% of homeless on DLNR lands have received outreach services	65%	85%	85%	85%
Zero people in sanctuaries	14	11	18	21
Targeted clean-ups have decreased the number of homeless in specific areas				
a) Sand Island (in 2024 15 people were moved to a Kauhale at Middle Street	40	36	28	15
b) Kapena Falls	10	14	14	5
c) Kapaa Quarry Road	11	12	9	9
c) Diamond Head (Starting in FY25)				
Notes: Sand Island Numbers going back up, people from Kalihi Stream have moved there				

HTH849 Environmental Health Administration

The objective of this program is to formulate environmental policy; direct operations and personnel; and provide other administrative, planning, hazard evaluation, and emergency response services.

Administration: Establishes and implements policies for environmental programs to prevent and/or reduce to acceptable levels environmental pollution and to protect the community from unsanitary or hazardous conditions.

Planning: Provides short- and long-term planning, information management, and program evaluation services for all programs in EHA.

Hazard Evaluation and Emergency Response: Provides the evaluation and surveillance of environmental hazards and emergency and other responses to and remediation of environmental agents.

Resource Control: Plans, directs, and reviews fiscal and personnel planning, programming, and budgeting activities for the Environmental Health Administration (EHA).

This program's primary interagency relationship is with the U.S. Environmental Protection Agency, which provides guidelines and funding for twenty-four cooperative programs throughout EHA. The U.S. Department of Transportation and the U.S. Department of Defense also provide grant funding. The U.S. Food and Drug Administration provides guidelines for the more traditional public health programs. The State Laboratories Division (SLD) works with the U.S. Centers for Disease Control and Prevention and other federal agencies. Close interagency relationships are maintained with the State Department of Transportation, Department of Land and Natural Resources, Department of Agriculture, Department of Business, Economic Development and Tourism, and Department of the Attorney General.

LNR 907 Aha Moku Advisory Committee

The Aha Moku was created by the Legislature through Act 288, SLH 2012 and is a program place within the Chairperson's Office for administrative purposes. Aha Moku works with all DLNR divisions to bring the voices of Native Hawaiians, the indigenous people of the State of Hawaii, forward to the attention of state agencies. The focus is to address native Hawaiian natural and cultural resources throughout the state through the generational and lineal descendants of families of ahupua'a (land districts within each island).

The Aha Moku Advisory Committee (AMAC), placed within the Chairperson's Office may advise the Chairperson of the Board of Land and Natural Resources (BLNR) in matters related to natural and cultural resources. AMAC consists of eight members appointed by the governor and confirmed by the senate from a list of nominations submitted by the aha moku of each island. The AMAC selects the Executive Director to manage the administration and operations of the Aha Moku. The Chairperson has oversight.

Program Objectives:

1. Integrating indigenous resource management practices with western management practices in each moku.

2. Identifying a comprehensive set of indigenous practices for natural resource management.
3. Fostering the understanding and practical use native Hawaiian resource knowledge, methodology, and expertise.
4. Sustaining the State's marine, land, cultural, agricultural, and natural resources.
5. Providing community education and fostering cultural awareness on the benefits of the aha moku system.
6. Fostering protection and conservation of the States natural resources.
7. Developing an administrative structure that oversees the aha moku system.

This program services the eight main Hawaiian Islands currently through the moku district (larger land districts) and the ahupua'a (small land districts within a moku). The traditional names of the islands are:

1. Moku O Keawe (Island of Hawaii) which has six moku and 197 ahupua'a
2. Moku O Piilani (Island of Maui) with 12 moku and 142 ahupua'a
3. Moku O Kanaloa (Island of Kahoolawe) with 4 moku and 28 ahupua'a
4. Nana'i Kaula (Island of Lana'i) with 2 moku and 11 ahupua'a
5. Moloka'i Pule O'o (Island of Moloka'i) with 4 moku and 51 ahupua'a
6. Moku O Kakuhihewa (Island of O'ahu) with 6 moku and 88 ahupua'a
7. Manokalanipo (Island of Kauai) with 8 moku and 69 ahupua'a
8. Kawelonakala (Island of Ni'ihau) with 3 moku and 20 ahupua'a

LNR 908 Kaho'olawe Island Reserve Commission

The Kaho'olawe Island Reserve Commission (KIRC) is administratively attached to the Department of Land and Natural Resources (DLNR) in accordance with Hawaii Revised Statutes Chapter 6K. The KIRC utilizes the Personnel and Administrative Services Division of DLNR.

The KIRC works closely with other governmental agencies including federal, state and county entities to accomplish its mission. The KIRC additionally works with non-governmental organizations, community and grassroots associations and charitable agencies to fulfil its mandate.

The island of Kaho'olawe was used for over fifty-years by the United States military as a weapons test range and live-fire training area. In 2004, the United States Navy completed a ten-year unexploded ordnance (UXO) clearance project that cleared approximately 65% of Kaho'olawe's surface of UXO and an additional 10% cleared to the depth of four feet. A quarter of the island remains uncleared and extremely hazardous.

Prior to the military occupation, goats were introduced in 1793 and the island was periodically used as a cattle and sheep ranch. Kaho'olawe's over 200-year history of uncontrolled grazing has left about a third of the island's 28,000 acres completely denuded of vegetation, while the

remaining flora is predominately invasive weeds and kiawe scrublands. This has resulted in substantial surface soil erosion and heavy siltation on the surrounding coral reefs. Some areas of Kaho`olawe have lost up to 13 feet of topsoil.

The Kaho`olawe Island Reserve (Reserve) includes the island of Kaho`olawe and the surrounding waters out to two miles from shore. By statute, the Reserve must be used solely and exclusively for:

- Preservation and practice of all rights customarily and traditionally exercised by Native Hawaiians for cultural, spiritual, and subsistence purposes.
- Preservation and protection of its archaeological, historical, and environmental resources.
- Rehabilitation, revegetation, habitat restoration, and preservation.
- Education
- Commercial uses are strictly prohibited.

The objectives of the KIRC are to: protect and manage the use and resources of the Kaho`olawe Island Reserve; provide safe and meaningful public access to the Kaho`olawe Island Reserve; restore the devastated landscape of Kaho`olawe; and care for the island's unique cultural and historic resources.

By statute, the KIRC has the following powers and duties:

- All powers and duties of the BLNR and Land Use Commission concerning dispositions and approvals regarding the Reserve.
- All power and duties of the County of Maui and its agencies concerning coastal zone dispositions and approvals regarding the Reserve.
- All power and duties concerning the Reserve otherwise conferred upon the island burial councils and the DLNR regarding proper treatment of burials sites and human skeletal remains found in the Reserve.
- DLNR and other state departments and agencies shall be subject to the oversight of the KIRC regarding control and management of the Reserve.

The KIRC, in service to protecting and restoring the Reserve conducts the following significant activities:

Provide for safe and meaningful use of the Reserve

- Approve all access to the Reserve and ensure safe access through a comprehensive Access and Risk Management Program (ARMP).
- Provide safety training for staff and stewardship organizations to include Unexploded Ordnance (UXO) identification and safety procedures.
- Maintain an in-house UXO response and management capacity.
- Provide on-island infrastructure and services to safely support on-island projects.

Restoration of native land-based habitats and watersheds

- Control the devastating erosion of valuable topsoil and siltation of our pristine reefs through innovative conservation and reforestation efforts.
- Restore native wildlife to Kaho`olawe through eradication of invasive predators.
- Protect and preserve rare and endangered species through novel partnerships with other agencies, non-profits, community groups and other organizations throughout the state.

Protect and manage Kaho`olawe's surrounding waters and marine resources

- Monitor the health of the Reserve's waters through an array of surveys that cover 60 miles of coastline and extend seaward for two miles from the coast.
- Manage the Reserve's fisheries through public education, boater registration, and required catch reporting.
- Restore the aquatic environment through marine debris clearance and removal.

Care and protect the Reserve's cultural resources including archaeological and historic remnants and expand meaningful cultural use of the island

- Preserve and protect all on-island burials and significant cultural and historic sites.
- Expand cultural use of the island through the support and development of on-island and off-island Native Hawaiian cultural projects.
- Administer the provisions of a Stewardship Agreement with the Protect Kaho`olawe `Ohana (PKO), which allows PKO accesses to the Reserve in support of KIRC sponsored and approved projects.
- Integrate a Native Hawaiian cultural perspective into the daily operations of the Reserve.
- Expand the public knowledge regarding Kaho`olawe's historical, cultural, and scientific importance.

The KIRC's challenges are:

Depletion of Trust Fund

The KIRC was initially financially supported by the Kaho`olawe Rehabilitation Trust Fund, established in 1994 during the federal cleanup of Kaho`olawe and received federal appropriations until 2004. These federal appropriations, though considerable, were not substantial enough to establish a sustainable endowment for the long-term restoration of Kaho`olawe.

KIRC has since been seeking funding support from many outside sources to assist with KIRC's mission. In addition to the initial federal endowment, the KIRC vigorously pursued Federal, State, and County grants, charitable contributions and, since FY 2009, developed a fee-based permit system that allows us to recover some of the costs of protecting and restoring Kaho`olawe.

In 2017 biennium budget request, the KIRC initially submitted a request for general funding for 19 permanent staff positions. Act 49 SLH 2017 authorized 15 temporary KIRC positions, which were the currently filled positions. Those positions that were vacant were not funded.

Additionally, the appropriation was able support some of our Maui-based office operations, but funding is still necessary to continue on-island restoration projects and to provide safe public access to Kaho`olawe.

Limited Infrastructure and Logistics

The KIRC operates a 28-building base camp at Honokanai`a bay on the western end of Kaho`olawe as its base of operations for the island restoration and management. The KIRC houses and feeds its volunteers and staff to conduct various on-island projects including restoring the traditional native landscape, preserving the pristine marine ecosystem, protecting significant archaeological remains and conducting ecological and cultural research.

The infrastructure and roads systems were built by the Navy over 30-years ago and the KIRC has been slowly retrofitting the antiquated buildings to meet our current needs as funding allows.

Additionally, the KIRC also operates and maintains its own interisland cargo and passenger service to bring people and supplies to Kaho`olawe from our baseyard on Maui via a 40-foot landing craft.

Residual unexploded ordnance (UXO) hazards and mitigation

Kaho`olawe was used by the United States and its allies as a bombing range and military training area for over 50-years. The Navy's cleanup of Kaho`olawe did not completely remove all unexploded ordnance or UXO but only 65% of the island's surface and 10% of its subsurface. There remain significant and dangerous uncleared areas on Kaho`olawe.

The KIRC has developed a Risk Management Plan, reviewed and approved by the US Navy's Explosive Safety Agency, that consist of unexploded ordnance trained staff and escorts, risk indoctrination for all visitors, and safety procedures to prevent accidents. The dangers of UXO are mitigated to allow us to work and allow escorted public access but is a factor we must always consider.

LNR 909 Mauna Kea Stewardship and Oversight Authority

The Mauna Kea Stewardship and Oversight Authority (Authority) was established by Act 255, Session Laws of Hawaii 2022 and is administratively attached to the Department of Land and Natural Resources, provided that Section 26-35 of the Hawaii Revised Statutes (HRS) shall not apply to the Authority. The Authority is directed by a twelve (12) member board, of whom eleven (11) have voting rights, with the Chancellor of the University of Hawaii at Hilo serving as an ex officio nonvoting member. All Authority Board Members were confirmed by the Senate in accordance with Section 26-34, HRS.

The summit region of Mauna Kea is a spiritual and special place of significance that is home to cultural landscapes, fragile habitats, and historical and archaeological artifacts. Due to its topographical prominence, Mauna Kea is also a highly valued site for astronomical study, which produces many significant discoveries that contribute to humanity's study and understanding of the universe.

The Authority shall jointly manage the Mauna Kea lands with the University of Hawaii for a five (5) year transition period that began on July 1, 2023. The Center for Maunakea Stewardship

(CMS) shall carry out the day-to-day operations for the transition period. CMS has sixty-three (63) positions that support the operations on Mauna Kea, including an Executive Director, Director of Stewardship Programs, Maunakea Shared Services General Manager, Food & Lodging Manager, Visitor Information Station Manager, Utilities Manager, Administrative Manager, MK Weather Service Manager, Communications Network Manager, Natural and Cultural Resources Managers, Lead Ranger, and their staff.

Once the transition period has expired, the Authority will assume full responsibility for the control and management of the Mauna Kea lands. After this transition period, all powers and duties of the Board of Land and Natural Resources pursuant to Chapter 171, HRS, and the Land Use Commission pursuant to Chapter 205, HRS, with regard to permits, dispositions, land use approvals and any other approvals related to the Mauna Kea lands will transfer to the Authority.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Environmental Protection program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 04

PROGRAM LEVEL: I. 04 ENVIRONMENTAL PROTECTION

OBJECTIVE: TO RESTORE, PROTECT, AND ENHANCE, WHERE APPROPRIATE, THE NATURAL AND PERSON-MADE PHYSICAL ENVIRONMENT.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
04	1. NUMBER OF PROTECTED AREAS, STATEWIDE		12	12	12	12	12	12	12	12

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
0401	POLLUTION CONTROL	-	361,647	380,470	375,270	369,554	369,552	369,552	369,552	369,552
0402	PRESERVATION AND ENHANCEMENT	-	74,972	138,455	105,487	84,470	84,321	84,321	84,121	84,121
0403	GENERAL SUPPORT FOR NATURAL PHYSICAL ENVIRONMENT	-	16,831	35,632	35,976	39,448	37,994	37,994	37,994	37,994
	TOTAL		453,450	554,557	516,733	493,472	491,867	491,867	491,667	491,667
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0401	POLLUTION CONTROL	-	62,146	70,334	65,959	65,959				
0402	PRESERVATION AND ENHANCEMENT	-	23,885	20,516	12,950	7,000				
	TOTAL		86,031	90,850	78,909	72,959				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Pollution Control

HTH840 Environmental Management

Extensive federal legislation in environmental protection, often without funding, and increasing federal efforts to delegate programs to the State have resulted in extensive prioritizing to accomplish desired goals.

AGR846 Pesticides

Cost: Total program costs include funds from the State budget and federal funds. The general fund budget is supplemented by federal support for the enforcement and certification programs. There are also funds budgeted from the PURF, which receives revenue from fees and penalties.

Effectiveness: The methods to measure program effectiveness include severe pesticide injuries reported to the Poison Control Center hotline, the number of drinking water sources with levels of pesticides of concern, program success in meeting contract obligations with EPA Region IX, and trends in pest use inspections indicating users are compliant with product labels to assure the safe and efficient use of pesticides in Hawaii.

Size: The current State and federally-funded positions are: Maui County has 3.00 positions (2.00 Pesticide Inspectors and 1.00 Education Specialist); Hawaii County has 4.00 positions (3.00 Inspectors and 1.00 Education Specialist); Kauai County has 3.00 positions (2.00 Inspectors and 1.00 Education Specialist); and City and County of Honolulu has 18.00 positions (1.00 Program Manager, 1.00 Administrative Assistant, 1.00 Compliance Officer, 3.00 Inspectors, 5.00 Education Specialists, 4.00 Registration/Licensing Staff, 3.00 Chemists, and 2.00 Case Developers).

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0401

PROGRAM LEVEL: I. 04 ENVIRONMENTAL PROTECTION
 II. 01 POLLUTION CONTROL

OBJECTIVE: TO REDUCE THE VARIOUS FORMS OF ENVIRONMENTAL POLLUTION TO ACCEPTABLE LEVELS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0401	1. # HIGHLY TOXIC EXP TO PEST THREAT TO LIFE OR HLTH		0	0	0	0	0	0	0	0

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
040101	ENVIRONMENTAL MANAGEMENT	HTH-840	358,677	374,936	369,478	363,996	363,995	363,995	363,995	363,995
040102	PESTICIDES	AGR-846	2,970	5,533	5,791	5,557	5,557	5,557	5,557	5,557
	TOTAL		361,647	380,469	375,269	369,553	369,552	369,552	369,552	369,552
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
040101	ENVIRONMENTAL MANAGEMENT	HTH-840	62,146	70,334	65,959	65,959				
	TOTAL		62,146	70,334	65,959	65,959				

Preservation and Enhancement

LNR 401 Ecosystem Protection, Restoration, and Fisheries Management

The program's objectives are to support and assist in the wise use of and the long-term sustainability of Hawaii's aquatic ecosystems, fishery resources, and other aquatic life for the benefit of Hawaii's people and its visitors through monitoring, research, outreach, collaboration, and management, to coordinate with other resource management agencies, cultural practitioners, and resource users to restore, enhance, or improve existing habitat and resources; thereby, providing opportunities for enjoyment of aquatic resources, including commercial and non-commercial fishing, through effective resource management, appropriate regulatory frameworks, outreach, and collaboration.

Important program relationships: related to County zoning for shoreline use; other State authorities to manage surface (fresh) water bodies and nearshore water quality and quantity, upland effects, boating and ocean recreation like Ocean Recreation Management Areas (ORMAs), coastal and conservation lands or State Parks that are directly landward of Marine Management areas (MMAs), and enforce regulations; and Federal agencies that have similar objectives of marine and freshwater aquatic resources conservation or provide funding to assist in attaining mutual objectives.

Significant activities include monitoring of aquatic resources and habitat, habitat protection, restoration, and enhancement, invasive and alien species control, licensing and monitoring of Hawaii's commercial fishing industry, providing for recreational public fishing areas, providing for community-based subsistence fishing areas, culture and release of important game, and food, and culturally important fishes, school and public education, including rural, remote, and low-income areas, and ecological research including life history of targeted/important species, stock assessments, and alien species impacts.

Important external developments affecting the program: Protected species concerns have the capability to greatly impact commercial and recreational fishery activity. Greater interests by communities to manage local resources are promoting more community-based management initiatives. A greater federal presence will influence State focus and direction. Alien species concerns will trigger greater regulatory measures. Climate change will result in more frequent and more severe impacts to coral reefs, including storms, flooding, and coral bleaching.

Significant measures of effectiveness: A statewide commercial marine licensing program that processes license applications, processes reported landings information that is used by State and federal resources managers to manage fisheries, without public complaint or lapse in timely data utilization. Amended or new Hawaii Administrative Rules to enhance fishing experience or to protect resources.

Preservation measures consider rules to sustain aquatic resources and their habitats, restoration projects regarding aquatic species and their habitats, technical guidance in permit or statutory-required reviews, and modification, creation, or enlargement of marine managed areas.

Develop a standardized Statewide Monitoring Program to inform and support adaptive management of MMAs in Hawai'i nearshore waters. Develop a framework for public consultation which includes a process for incorporating advice from scientists, cultural experts,

and stakeholders that can be used to create or evaluate MMAs. Utilize socio- cultural indicators to evaluate MMAs from a holistic perspective.

LNR 402 Native Resources & Fire Protection Program

The Native Resources and Fire Protection Program (LNR 402) objectives are to (1) manage habitats to protect, maintain, and enhance the biological integrity of native ecosystems; (2) reduce the impacts of wildfires on native ecosystems and watersheds; (3) reduce the impacts of invasive species on native resources; (4) protect, maintain, and enhance native species populations, and recover threatened and endangered species; (5) promote outreach and foster partnerships to improve public understanding, responsibility, and participation; and (6) conduct monitoring and evaluation to guide the development of recovery and management plans, and ensure cost effective adaptive management of implementation actions and tasks.

This program cooperates with State departments on technical matters and for field implementation of program objectives, including the departments of Agriculture, Education, Hawaiian Homelands, Health, Transportation, the Office of Hawaiian Affairs, and the University of Hawaii. It also coordinates with federal agencies, including the Department of Defense, Environmental Protection Agency, Fish and Wildlife Service, National Park Service, Geological Survey, Forest Service, Natural Resources Conservation Service, and the USDA Animal and Plant Health Inspection Service/Wildlife Services. Cooperation with county agencies includes coordination with the county water departments, fire departments, planning and permitting agencies, urban forestry, and personnel working on invasive species.

Important relationships include (1) cooperation with private landowners to manage and restore endangered species; (2) implementation of federal programs for wildlife and endangered species restoration; (3) coordination with federal, state, and county agencies and private organizations for the acquisition of land or conservation easements for protecting and conserving the natural resources of Hawaii; (4) cooperation with federal and county agencies for firefighting; (5) cooperation with federal and county programs to control invasive species; and (6) support of the Watershed Partnership Program.

Significant activities include protecting and restoring native and endangered species, wildland fire protection, restoring native species habitats, managing wildlife sanctuaries, controlling invasive species, and supporting landowner assistance programs.

LNR 404 Water Resources

The four (4) branches of the Water Commission are 1) Planning 2) Stream Protection and Management 3) Ground Water Regulation and 4) Survey. The general responsibilities of each branch include:

Planning Branch

Develop comprehensive, long-range plans and policies for the protection, conservation and management of the State's water resources, including the development and updating of the Hawai'i Water Plan in accordance with the Hawai'i Water Plan Framework.

Stream Protection and Management Branch

Protect and regulate the use of the State's surface water resources by permitting stream channel alterations and diversion of surface waters, administering the designation of

surface water management areas and surface water use permits, establishing instream flow standards, conducting surface water resource assessments including historical and present flow measurement and stream characteristics.

Ground Water Regulation Branch

Protect and regulate the use of the State's ground water resources by approving well construction and pump installation permits, administering the designation of ground water management areas and ground water use permits, monitoring aquifer health and establishing sustainable yields.

Survey Branch

Collect and analyze hydrologic data and assess water resource availability and use, maintain an inventory of all water use permits.

The management and protection of Hawai'i's water resources is complex and requires not only collaboration among the Water Commission's branches, but also expertise by a diverse group of partners. Several agencies support the Water Commission with its mission to protect the water resources of the State and provide for the maximum beneficial use of water by present and future generations. This includes:

Department of Health (DOH)

DOH has primary jurisdiction and responsibility for the State's water quality control programs. Historically, the Water Commission has deferred to DOH on most water quality related matters. As co-trustees of water there is an increasing need for the Water Commission and DOH to work in partnership rather than operating in silos.

Division of Forestry and Wildlife (DOFAW)

DOFAW is responsible for the management and protection of Hawai'i's forested watersheds and native ecosystems that help capture rainfall, which replenishes aquifers and streams. With help from various partners, including groups like the Watershed Partnerships and Invasive Species Committees, DOFAW seeks to eliminate threats to native forests and ensure future water supplies. The Water Commission recognizes the value of watershed protection and supports the work of DOFAW and its partners.

Division of Aquatic Resources (DAR)

The mission of DAR is to manage, conserve, and protect Hawai'i's aquatic resources and ecosystems. Many of these ecosystems rely on fresh water from springs and nearshore discharge. As more water is pumped from our aquifers and removed from streams, these systems are impacted in ways that we do not fully understand. The Water Commission has begun partnering with DAR to understand the impacts of water withdrawals on ground water *dependent ecosystems and traditional and customary practices*.

U.S. Geological Survey (USGS)

The current cooperative agreement between the Water Commission and the USGS pays for long-term monitoring and data collection throughout the State. The data from this program allows managers to observe trends in Hawai'i's water resources that are associated with land use change, seasonal climate variability, and climate change. Given

the lack of base funding, the Water Commission relies heavily on the USGS to supplement its in-house monitoring activities.

'Aha Moku Advisory Council

Traditional and customary practices of Native Hawaiians is a public trust protected use of water. Water Commission permits are forwarded to the 'Aha Moku Advisory Council who coordinates and facilitates review with cultural practitioners and lineal descendants to determine if the resources and their practices may be impacted by the proposed project.

The Commission operates on an annual budget of approximately \$4 million. Most of this funding supports personnel and the annual USGS contract for statewide hydrologic data collection with very little left over to carry out the extensive authorities and responsibilities outlined in the State Water Code (HRS 174C). For the last five (5) years, the Water Commission has successfully secured recurring Capital Improvement Project (CIP) funding from the State Legislature for the construction of new Deep Monitor Wells (DMWs) which provide important data about long-term trends in ground water availability and aquifer health.

LNR 405 Conservation and Resources Enforcement

With the Department's continuing the Holomua Marine Initiative to protect the State's nearshore waters, DOCARE will be proposing a substantial increase in the budget for DOCARE. This much needed increase in funding for more manpower, equipment, and other expenses will improve efforts across the State. This increase in funding allows for the purchase of necessary equipment to provide immediate access to information that will aid management and enforcement personnel in their duties. This increase will also include the need for Capital Improvement Program funding to invest in needed repairs and maintenance of DOCARE base yard, office as well as equipment and evidence storage facilities statewide. DOCARE will also continue to improve on its statewide Records Management System that will allow the various branches and division to process data and documents on a timely basis while promoting electronic communication between all users.

LNR 407 Natural Area Reserves & Watershed Management

The LNR 407 Program's overall objective is to protect, restore, and enhance Hawaii's natural area reserves, forested watersheds, native ecosystems, unique native plant and animal species, and cultural and geological features for their natural, cultural, scientific, educational, and economic values.

Priority activities include (1) controlling non-native plants in native ecosystems and forested watersheds; (2) protecting native ecosystems from feral ungulates; (3) monitoring the health of native ecosystems; (4) administering the Natural Area Partnership Program (NAPP) contracts; (5) supporting watershed partnerships throughout the state with funding and technical expertise; (6) protecting and enhancing federally and state listed Threatened and Endangered species with active restoration programs; (7) overseeing the Youth Conservation Corps (YCC) students and interns program for the benefit of the environment and the youth of Hawaii; (8) implementing volunteer programs to engage the general public in resource management projects; and (9) supporting research and environmental education by issuing permits and providing access and interpretation.

Dozens of studies have confirmed the economic benefits of supporting watershed protection. The University of Hawai'i Economic Research Organization found that forest protection in the Pearl Harbor aquifer saves the water utility \$26-39 million annually (after 50 years) in replacement costs." Many other study areas in the state have also resulted in positive cost-benefit analyses. These economists conclude that watershed protection and restoration provide a range of benefits, including clean and abundant water supplies, biodiversity, a cultural connection to place, carbon storage, climate regulation, erosion and flood control, and other ecosystem services. Research by UHERO's Environmental Policy and Planning Group demonstrates the economic benefits of native forest protection and restoration for groundwater recharge, pointing to the value of strategic investments in watersheds to protect water for people and ecosystems. The State Water Projects plan of 2020 affirms that by preserving forests, we allow rain and fog drip water to be captured and stored to replenish our aquifers and streams.

Studies show the critical importance of forests in reducing flooding and erosion. Keeping upland areas forested is one of the most important ways to reduce sedimentation into streams. Statewide, where goats and other hoofed animals have created bare ground, annual erosion rates can be 50-100 times that of forested land.

Not only do forests hold the soil better, but they also absorb water into the ground faster. This prevents the water from running off, causing further erosion and downstream flooding. In a statewide study, the average rate at which water infiltrates into the soil was 15 times faster in a forest than in bare ground.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0402

PROGRAM LEVEL: I. 04 ENVIRONMENTAL PROTECTION
 II. 02 PRESERVATION AND ENHANCEMENT

OBJECTIVE: TO PRESERVE, ENHANCE AND AUGMENT, WHERE APPROPRIATE, THE STATE'S NATURAL RESOURCES AND UNIQUE NATURAL ENVIRONMENTAL CHARACTERISTICS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0402	1. # MARINE PROTECTED AREAS STATEWIDE		12	12	12	12	12	12	12	12

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
040201	ECOSYSTEM PROTECTION, RESTORATION, AND FISHERIES MANAGEMENT	LNR-401	23,072	39,207	27,218	14,989	14,990	14,990	14,990	14,990
040202	NATIVE RESOURCES AND FIRE PROTECTION PROGRAM	LNR-402	18,705	32,632	40,772	32,083	32,083	32,083	32,083	32,083
040204	WATER RESOURCES	LNR-404	3,173	5,136	6,110	6,010	5,860	5,860	5,660	5,660
040205	CONSERVATION AND RESOURCES ENFORCEMENT	LNR-405	14,190	19,858	18,432	18,432	18,433	18,433	18,433	18,433
040206	NATURAL AREA RESERVES AND WATERSHED MANAGEMENT	LNR-407	15,829	41,620	12,954	12,954	12,955	12,955	12,955	12,955
	TOTAL		74,969	138,453	105,486	84,468	84,321	84,321	84,121	84,121
CAPITAL INVESTMENT EXPENDITURES										
040201	ECOSYSTEM PROTECTION, RESTORATION, AND FISHERIES MANAGEMENT	LNR-401	4,850		400					
040202	NATIVE RESOURCES AND FIRE PROTECTION PROGRAM	LNR-402	5,335	6,166	1,750					
040204	WATER RESOURCES	LNR-404	2,000	3,000	2,000	2,000				
040205	CONSERVATION AND RESOURCES ENFORCEMENT	LNR-405	1,000	1,000	3,600					
040206	NATURAL AREA RESERVES AND WATERSHED MANAGEMENT	LNR-407	10,700	10,350	5,000	5,000				
	TOTAL		23,885	20,516	12,950	7,000				

General Support for Natural Physical Environment

LNR 906 LNR – Natural and Physical Environment

The program is mainly focused on providing overall leadership, long-range planning, and day-to-day direction for the Department. This is accomplished through the Chairperson's Office and Staff Offices.

Chairperson's Office

Its main objective is to enhance effectiveness and efficiency of the department's programs by providing direction, policy development, program planning and coordination.

Administrative Services Office (ASO)

The objectives of the ASO are to provide guidance and oversight of the department's budget, financial management and operations of the various funds, federal grants, and other awards to ensure that funds necessary to carry out the department's mission are obtained, allocated, and expended in accordance with the department's priorities and relevant laws and policies. These objectives are met by maximizing the use of fiscal resources; budgeting, accounting, auditing, funds management; and ensuring availability of funds when required; proper and prompt payment of the department's financial obligations.

Human Resources Office (HR)

Administrative Support and Training Services Staff

- Provides a wide variety of administrative and clerical services in support of the Human Resources Office staff.
- Coordinates the department's training program.
- Coordinates the department's Pride in Public Service event and State Incentive Program.

Labor Relations and EEO Staff

- Evaluates, develops, and recommends personnel policies and procedures within the department.
- Develops and maintains departmental labor relations and equal opportunity employment programs, and affirmative action plan.
- Participates in collective bargaining negotiations when requested.
- Reviews and works directly with the Department's UIPA coordinator to respond to UIPA requests.

Classification and Recruitment Staff

- Conducts studies of the department's organization, management methods and procedures, and facilitates organizational and functional statement changes.
- Reviews and recommends position classification actions for the department.
- Reviews and takes action on requests for exemptions from civil service.
- Implements the department's recruitment, selection, and placement program.

Employee Services and Records Management Staff

- Maintains a centralized system for processing, recording, reporting, and filing of personnel transactions, employee records, and related personnel files.
- Assists departmental employees in the interpretation and implementation of personnel rules and regulations, and contract articles.
- Coordinates department's safety programs, including workers' compensation and drug and alcohol programs.
- Administers the employee leave and benefits programs, and employee service and recognition programs.

Information Technology Services Office (ITSO)

None.

Coordinator on Homelessness

None.

HTH849 Environmental Health Administration

Extensive federal legislation in environmental protection, often without funding, and increasing federal efforts to delegate programs to the State have resulted in extensive prioritizing to accomplish desired goals.

LNR 907 Aha Moku Advisory Committee

None.

LNR 908 Kaho`olawe Island Reserve Commission

The work conducted by the KIRC has been highly successful for the limited resources available. The KIRC's management and restoration of the island of Kaho`olawe is a microcosm of all DLNR functions within one small agency. Additionally, the KIRC provides all utility services including electrical distribution, water generation and distribution and maintenance of sanitation system. KIRC acts as the on-island public works function in road repairs, building maintenance and on-island housing and food service. Lastly, the KIRC operates and maintains an interisland ferry service between Kaho`olawe and Maui to transport people, supplies and equipment to support the on-island work projects.

The KIRC's annual report to the legislature and separately published year-in-review, provides decision makers and the general public a record and insight to the activities, accomplishments, and effectiveness that the KIRC has achieved in restoring Kaho`olawe.

Since reopening Kaho`olawe after the COVID restrictions, the KIRC has been inundated with multiple public requests to volunteer with the on-island restoration efforts. Due to the success of grant writing, we have been able to expand the number of restoration field projects and have been trying to make accommodations to support the increase in public access to Kaho`olawe as we slowly reduce social distancing requirements and increase our volunteer numbers. Our current limitation is funding and staffing to support this increase in volunteers.

With the return of on-island volunteers our data has shown that the KIRC is making headways in returning to our pre-pandemic numbers of native seedlings planted and areas restored. We area also seeing an increase in invasive species removed and eradicated.

LNR 909 Mauna Kea Stewardship and Oversight Authority

The Authority was established to protect Mauna Kea for future generations and manage the lands for the purpose of fostering a mutual stewardship paradigm in which ecology, the environment, natural resources, cultural practices, education, and science are in balance and synergy.

Given that the Authority is a newly established organization and program, the costs to operate the program will develop over time as it reaches its potential and maximum capacity to comply with the full responsibility of protecting and properly managing the Mauna Kea lands. The State Legislature appropriated \$14 million annually in general funds for the past biennium 2023 – 2025 to assist with the program establishment and development. There remains uncertainty during the 5-year transition period that ends on June 30, 2028, as to the Authority's needs as they are currently developing the newly formed organization and evaluating existing program activities and potential new ones. The current day-to-day operations carried out by the Center for Maunakea Stewardship is estimating operational expenditures to be about \$7.9 million for fiscal year ended June 30, 2024. The Authority is jointly managing the Mauna Kea lands with the University of Hawaii.

Current activities on Mauna Kea include, but is not limited to, the following:

- Education and outreach
- Research
- Astronomy
- Military
- Hiking and biking
- Filming
- Commercial tours
- First Light Bookstore

Other activities to be undertaken by the Authority during the transition period include procuring consultants to develop a management plan (which includes strategic initiatives), communications plan (strategy and messaging), evaluating the setting up of a natural reservation, and assessing the location of the University's School of Astronomy.

Programs' effectiveness will be determined by some of the following measures and year-to-year comparisons and goals.

- Number of Quarterly Education Presentations on Native Hawaiian History, Cultural Practices, Conservation, and Scientific Research
- Number of Educational Programs for Hawaii Students
- Number of Quarterly Community Meetings and Activities
- Number of Research Proposals and Descriptions
- Average Hours Per Day of the University's Viewing or Observing Time

- Number of Military Exercises
- Number of Hikers Per Trail and Injuries
- Number of Film Permits Per Quarter
- Number of Commercial Tour Operator Permits Per Quarter
- Quarterly Sales Dollars from the Bookstore
- Number of Quarterly Organized Clean Up or Restoration Days
- Number of Incidents Causing Property Damage per Quarter
- Quarterly Revenue Collections and Expenditures by Activity
- Procuring consultants by June 30, 2025

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0403

PROGRAM LEVEL: I. 04 ENVIRONMENTAL PROTECTION
 II. 03 GENERAL SUPPORT FOR NATURAL PHYSICAL ENVIRONMENT

OBJECTIVE: TO ENHANCE PROGRAM EFFECTIVENESS AND EFFICIENCY BY PROVIDING PROGRAM DIRECTION AND SUPPORTING SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0403	1. % OIL/CHEM/HAZ SPILL RPTS RESOLV W/ EMERG RESPONSE		73	73	73	73	73	73	73	73

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
040302	LNR-NATURAL PHYSICAL ENVIRONMENT	LNR-906	6,471	9,791	10,720	10,770	9,314	9,314	9,314	9,314
040303	ENVIRONMENTAL HEALTH ADMINISTRATION	HTH-849	8,547	9,714	9,123	12,544	12,547	12,547	12,547	12,547
040304	AHA MOKU ADVISORY COMMITTEE	LNR-907	92	286	286	286	286	286	286	286
040305	KAHOOLAWE ISLAND RESERVE COMMISSION	LNR-908	1,605	1,840	1,845	1,845	1,846	1,846	1,846	1,846
040306	MAUNA KEA STEWARDSHIP AND OVERSIGHT AUTHORITY	LNR-909	114	14,000	14,000	14,000	14,001	14,001	14,001	14,001
	TOTAL		16,829	35,631	35,974	39,445	37,994	37,994	37,994	37,994

III. PROGRAM CHANGE RECOMMENDATIONS

Pollution Control

HTH840 Environmental Management

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Add 1.00 permanent full-time equivalent (FTE) and \$46,722 in FY 26 and 1.00 permanent FTE and \$93,444 in FY 27 for one Program Specialist VI for reorganization of Solid and Hazardous Waste Branch (HTH 840/FJ).
2. Add 2.00 permanent FTE and \$76,788 in general funds in FY 26; add 2.00 permanent FTE and \$153,576 in FY 27 for the 2.00 Environmental Health Specialist IV for Clean Water Branch (HTH 840/FG).
3. Add 2.00 permanent FTE, \$5,093,932 in general funds in FY 26; 2.00 permanent FTE and \$187,864 in FY 27 for one Engineer V and one Accountant IV and add funds in the Wastewater Branch to support and facilitate cesspool conversions (HTH 840/FK).
4. Add 5.00 permanent FTE and \$191,970 in FY 26; add 5.00 permanent FTE and \$383,940 in FY 27 for positions in the Clean Water Branch to enhance monitoring resources in Maui and Kauai, management of water pollution control, and public participation (HTH 840/FG).
5. Increase Federal Fund Appropriation Ceiling (MOF P) due to Federal Funds Methodology by \$6,245,875 in FY 26 and \$5,354,942 in FY 27) (HTH 840/FH).
6. Delete long-term vacancy of #110356 IT Band B (-0.75 permanent FTE and -\$38,484 in federal funds in both fiscal years) (HTH 840/FE).
7. Delete long-term vacancy of #54732 Environmental Health Specialist IV (-0.50 permanent FTE and -\$25,656 in federal funds in both fiscal years; -0.50 permanent FTE and -\$27,300 in other federal funds in both fiscal years) (HTH 840/FG).
8. Delete long-term vacancy of #52319 Environmental Health Specialist III (-1.00 temporary FTE and -\$52,500 in other federal funds in both fiscal years) (HTH840/FJ).

The program also has Capital Improvement Project (CIP) requests as follows:

1. Add \$5,913,000 in G.O. bond funds and \$29,558,000 in federal funds for FY 26 and FY 27 for Safe Drinking Water Revolving Funds, Statewide. (HTH 840/FH).
2. Add \$5,082,000 in G.O. bond funds and \$25,406,000 in federal funds for FY 26 and FY 27 for Wastewater Treatment Revolving Fund for Pollution Control, Statewide.

AGR846 Pesticides

The program has the following operating budget requests:

1. Adds \$804,492 in general funds and 12.00 permanent positions in each year of the biennium to continue Biosecurity programs originally appropriated in Act 231, SLH 2024.
2. Adds \$234,000 in FY 26 in revolving funds for motor vehicle replacement.
3. Deletes \$780,363 in FY 26 and FY 27 in revolving funds for personnel costs.

Preservation and Enhancement

LNR 401 Ecosystem Protection, Restoration, and Fisheries Management

Environmental Protection and Restoration

DAR's proposal for a nonresident recreational marine fishing license was approved by BLNR. DAR is finalizing the web-based infrastructure to implement the license. DAR has also implemented an ocean stewardship user fee to provide a sustainable source of funding for fisheries and ecosystem management. Fishing license revenues will provide a critical source of match to leverage significant available federal funding.

Build partnerships with State authorities (DOH, DOFAW, DOBOR, DOCARE, OCCL, and State Parks) to effectively manage the nearshore marine ecosystem. Secure funds to increase resource monitoring staff to support data collection, entry, analysis, and disseminating results.

LNR 402 Native Resources & Fire Protection Program

LNR 407 Natural Area Reserves & Watershed Management

Management needs arising from invasive species, fire and emergency response, and the decline and extinction of native species continue to pose an increasing obligation and challenge for the department. While progress has been made recently on all fronts, insufficient funds remain the greatest obstacle to continued program development and expansion. Studies have repeatedly shown that the economic benefits of invasive species reduction and watershed protection outweigh the costs, and additional investment in these programs is warranted. As climate change decreases fresh water supplies, increases the rate of severe storms and flooding, and increases the risk of wildfire, the importance of these programs continues to heighten.

A critical staff shortage constrains the implementation of these programs. For example, there is only a single civil service position to oversee the protection of more than a hundred snail species facing extinction in the next 5-10 years.

LNR 404 Water Resources

Some opportunities and recommendations for change are listed below.

Increase base budget: Despite the Water Commission's broad and overarching authority to manage, protect, and regulate water resources statewide, the Water Commission lacks the funding and staff needed to fulfill its responsibilities. The Water Commission operates with a staff of 33 people including a Deputy Director. This pales in comparison to other State agencies with significant public trust responsibilities. Given the range of water challenges currently facing Hawaii, there is an urgent need to increase the Water Commission's capacity through increased and adequate funding and more staff. This will allow the Water Commission to engage with communities ahead of contentious issues and avoid conflict, respond to water-related inquiries, and petitions in a timely manner, conduct enforcement and hold permittees accountable for Water Code violations, and ensure timely updates to the Hawaii Water Plan by engaging early and often with agency preparers and stakeholders. While the Water Commission is committed to seeking funds from a variety of non-State sources and federal grants, the lack of staff inhibits the Commission's ability to apply for and manage grant opportunities. In addition, most grants have matching requirements, which the Water Commission cannot meet given its limited base

budget. More funding will allow the Water Commission to leverage State funding and take advantage of millions of dollars in federal grants.

More hydrologic monitoring: The Water Commission is responsible for protecting the health of 110 aquifer system areas and 376 perennial streams statewide. The Water Commission cannot make informed water-management decisions without reliable, long-term data. Despite current efforts, ground and surface water is not monitored as completely as it should be. This makes it difficult to understand long-term temporal and spatial changes in water resources and availability and the impacts of climate change on water supplies. In 2020 the USGS released a report on the water resource management monitoring needs of the State of Hawai'i and found that rising demand for freshwater, emerging regulatory developments, potential increased volatility in climate patterns and effects, and new data-delivery capabilities have increased the demand for accurate and timely water resource information. The report estimated \$177 million is needed to upgrade and expand existing monitoring networks. In 2025, the Water Commission will seek additional CIP funding to expand its current Deep Monitor Well (DMW) network. In addition, the Commission is interested in establishing an annual monitoring fee for all permittee holders (with certain exceptions). The fee will help pay for hydrologic monitoring and studies essential to ensure the long-term sustainability of the State's water resources and the protection of public trust uses.

Increase penalties for water violations: The Water Commission seeks to amend the State Water Code and increase penalties and fines to a maximum of \$25,000 to deter violators and make sure water is being used judiciously. In 2022, two positions were created specifically to ensure compliance and enforcement of the State Water Code.

LNR 405 Conservation And Resources Enforcement

To meet public expectation of response, especially during after-hours, nighttime hours and during contingencies and emergencies, this requested increase will be used to ensure response during these times and assist the Division with meeting its contractual obligations under the Employer-Union collective bargaining agreement. At the same time, DOCARE is maintaining, enhancing, and optimizing its working relationships with other local, State, and federal agencies to address shared enforcement concerns and responsibilities.

The department has implemented the Civil Resources Violation System (CRVS) civil/administrative penalties procedures and uses a CRVS hearing officer and coordinator to increase the use of civil penalties. DOCARE has benefited from this effort since this administrative process reduces the need to process minor offenses through the criminal justice system.

DOCARE continues to work with community groups, resource users and interested individuals to ensure voluntary compliance with departmental conditions and restrictions through formal and informal education and information opportunities.

General Support for Natural Physical Environment

LNR 906 LNR – Natural And Physical Environment

Administration

The Administration of the DLNR is comprised of the Office of the Chairperson and all of the Staff Offices that supports the Department. The Administration's FY25 budget is broken down into 81% Personal Services and 19% Other Current Expenditures. At this level, it's quite a struggle to fund expenditures that are necessary to enhance effectiveness, efficiency, and compliance (e.g. office of the Chairperson's various initiatives, financial audit, IT initiatives, etc.).

The Office of the Chairperson received five (5.00) FTE staff following the 2024 Legislative Session; however, physical workspace readily available is at or near capacity.

Administrative Services Office (ASO)

Act 88, SLH 2021, authorized the transfer of two (2) unfunded UPW Forestry and Wildlife Worker II (BU03) positions to the Administrative Services Office and to be redescribed to HGEA Accountant IV (BU13) positions. In consultation with both unions during the process of redescribing the positions, UPW flatly denied the redescription. Thus, we support a tradeoff to eliminate the two (2) existing UPW positions and the creation of two (2) HGEA positions. All cost associated with this request will be cost-neutral at the program ID level.

Human Resources Office (HR)

We are proposing to expand the Labor Relations and EEO Staff program by one (1.00) FTE staff to increase capacity and the Office's ability to provide timely guidance to supervisors and employees, and address time-sensitive issues in a timely manner.

Information Technology Services Office (ITSO)

None.

Coordinator on Homelessness

None.

HTH849 Environmental Health Administration

This program has the following budget requests:

1. Adjust Federal Fund Appropriation Ceiling Due to Federal Funds Methodology (-\$489,420 in other federal funds in FY 26; \$2,931,743 in other federal funds in FY 27) (HTH 849/FD).
2. Deletion of Long-Term Vacant Position, #43352 Administrative Specialist IV (-0.40 permanent/- \$10,360 in federal funds, -0.60 permanent/- \$36,014 in other federal funds in FY 26; -0.40 permanent/- \$10,360 in federal funds, -0.60 permanent/- \$36,014 in other federal funds in FY 27) (HTH 849/FB).
3. Deletion of Long-Term Vacant Position, #120213 Accountant IV (-1.00 permanent/- \$55,092 in revolving funds in FY 26; -1.00 permanent/- \$55,092 in revolving funds in FY 27) (HTH 849/FB).

LNR 907 Aha Moku Advisory Committee

None.

LNR 908 Kaho'olawe Island Reserve Commission

- Consolidate all Maui-based KIRC Operations by building the KIRC Education and Operations at Kihei:

The KIRC currently operates its office in Wailuku, Maui and boathouse operations in Kihei. Consolidating the KIRC operations to lands that it already holds at Kihei and building its proposed Education and Operation Center will streamline its operations, provide a greater public outreach and create revenue generating opportunities to offset the cost of KIRC's operations.

- Additional personnel to support field operations:

The increase in weather severity has resulted in an increased need for additional manpower to operate the KIRC ocean vessel safely and effectively and to assist with handling cargo, operating lines and equipment and safety lookouts as staff have been encountering rougher weather conditions and more boat traffic between Kaho`olawe and Maui.

The increasing impact of coastal erosion and severe weather along the shorelines of Kaho`olawe has increased our focus to coastline stabilization and coastal wetland restoration efforts. This additional effort also needs additional field support including additional staffing and funding.

- Replace the aging KIRC ocean vessel:

The KIRC currently operates a 38' Almar landing craft as its primary means of transporting staff, volunteers, materials, supplies and equipment to and from Kaho`olawe. When the vessel is not working, the KIRC is unable to accomplish its mission to manage and protect the island of Kaho`olawe and its surrounding waters or carryout on-island restoration efforts. The current vessel was originally built in 2007 and is approximately 17 years old. During Fiscal Year 2024, the vessel was inoperable for approximately 6 months as various mechanics and specialist were troubleshooting and making various repairs to the vessel. Due to Maui's limited availability of technical expertise in marine vessels and propulsion systems, the KIRC is seeking to eventually replace the aging vessel with a newer craft designed upon the past two-decades of operating experience gained by KIRC staff and better meet the maintenance availability of Maui and the operating conditions in the interisland waters between Maui and Kaho`olawe.

LNR 909 Mauna Kea Stewardship And Oversight Authority

Once fully operational with complete positions and staffing to operate efficiently and effectively beyond the transition period, the Authority will recommend any program changes. Until the close of the transition period ending June 30, 2028, or earlier, when fully evaluated, the Authority will continue to maintain the current program activities.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Pollution Control

HTH840 Environmental Management

The federal government, through various laws enacted by Congress, has a major effect on the State's environmental management programs by mandating minimum requirements without adequate funding. U.S. Supreme Court decisions also impact the State environmental management programs, such as the requirement to determine the Functional Equivalent discharge from groundwater discharges to surface waters, thereby requiring the discharger to obtain a National Pollutant Discharge Elimination System permit.

AGR846 Pesticides

Amendments to federal law, including the Federal Food, Drug, and Cosmetic Act, have changed risk assessment procedures for pesticides. Known as the Food Quality Protection Act, these amendments set new standards for pesticide residues in food. The most important change is that the EPA must now consider all pesticides with a common mechanism of toxicity and all routes of exposure in assessing risks. This process will likely exacerbate pesticide availability issues for minor crop pesticide uses, which include most of Hawaii's crops.

Court proceedings related to the inaction of the EPA related to the Endangered Species Act (ESA) have required the EPA to reassess all of its actions related to pesticide authorizations, use, application, enforcement, and outreach. The Department of Agriculture has been in close discussions in both local and national trends to determine full implementation of the actions related to ESA implementation by the EPA.

Worker Protection Standard updates and revisions will continue to require adjustments in both the regulatory enforcement and education/outreach activities to ensure compliance with updated legislation.

Preservation and Enhancement

LNR 401 Ecosystem Protection, Restoration, and Fisheries Management

Increasing population, inflation, and associated burdens will increase demands placed on natural resources. Overuse will continue to degrade the quality of those resources. Non-consumptive activities increasingly challenge the norm of harvesting fishes for commercial, recreational, and subsistence purposes. Continued degradation will leave a poor legacy for future communities. Specifically, sustainable fish populations, healthy coral reefs, quality beaches, scenic open coastal areas, good coastal water quality are being degraded and are not being sufficiently protected. Degraded resources and areas inhibit the ability to engage in cultural practices based on/or involving nearshore marine resources. Aquatic invasive species also contribute to the pressures on the resources. Balancing the overall ecosystem health with take that is used to feed Hawaii's people and sustain cultural and tradition practices, while considering other environmental degradations that impact aquatic resources and their habitats, is seen as a necessary but difficult task moving forward. Balance need for water flow and quality to provide for estuary habitat and water resources for human-use.

LNR 402 Native Resources & Fire Protection Program

Invasive Species: The silent invasion of Hawaii by insects, disease organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and the health and lifestyle of Hawaii's people. Invasive pests already cause millions of dollars of crop losses, the extinction of native species, the destruction of native forests, and the spread of disease. And many more harmful pests threaten to invade Hawaii and wreak further damage. Even one new pest like the brown tree snake or the red imported fire ant could change the character of our islands forever. New diseases such as Rapid Ohia Death, avian influenza, and West Nile virus threaten endangered species, human health, and the state's economy. Stopping the influx of new pests and containing their spread is essential to Hawaii's well-being. One of the most cost-effective solutions to this problem is to find and eradicate these species before they proliferate beyond control. This avoids the pests' damage and the costs of perpetual pest control and mitigation. New data has shown fencing and hoofed animal removal to be highly effective at reducing Rapid 'Ōhi`a Death (ROD). Hoofed animals, like pigs, goats, sheep, and cattle, are wounding trees, which allows the fungal disease to enter and infect `ōhi`a. Newly released studies have shown that `ōhi`a seedlings were three times more likely to survive if fenced.

Chapter 194, Hawaii Revised Statutes, established the Hawaii Invasive Species Council (HISC) to foster and organize coordinated approaches among various executive departments, federal agencies, and international and local initiatives for the prevention and control of invasive species and to affirm the state's objective of ridding Hawaii of invasive species. In FY 23, the \$5.75M funding for HISC was cut by 20%, reducing the amount available to projects such as the island-based invasive species committees, which are limited by available state resources.

Fire and Emergency Response: Under HRS, Chapter 185, Land Fire Protection Law, the Department of Land and Natural Resources is mandated and given the authority to "take measures for the prevention, control, and extinguishment of forest fires on state-owned lands to cooperate with established fire control agencies of the counties and the federal government in developing plans and programs and mutual aid agreements for assistance for the prevention, control, and extinguishment of fires on forest, grass, brush, and watershed lands..." The department has minimal resources to carry out this mandate of fire protection on the vast landscape it manages despite existing and increasing risks to public health, safety, and the environment from the effects of wildfires. There is also a continued need for public investment in wildfire prevention (information and education), pre-suppression activities (fuels reduction and fire breaks), and post-fire restoration. The current trend of increasing areas at risk for wildfire directly results from climate change.

Rural communities at risk from wildfires (i.e., Kohala by the Sea, Waikoloa Village, Puu Lani Ranch) have become keenly aware of the possibility of a wildfire sweeping through their communities and rely on the department to provide them with technical assistance in protecting their homes and property. The federal Firewise Program has been successfully developed to help these communities work on fuel reduction and prevention programs, develop community wildfire protection plans at minimal cost, and assist them in attaining federal grant funding. The continuation of the program is dependent on federal funds.

The fire program is called upon to provide training, support, and technical expertise for emergency response management to bolster the State's capabilities for homeland security. Providing for public health and safety is a priority when extreme burning conditions and other emergencies (hurricanes, tsunamis, lava flows) occur. As the only State firefighting agency with wildfire and incident management expertise, the department is regularly called upon to assist the State Civil Defense Agency with emergency response, even when it impacts other operational programs. An adequate investment in firefighting and emergency response capability is needed to effectively protect public health and safety.

Recent threats from emergent avian-borne diseases such as West Nile virus and avian influenza have added additional monitoring and emergency response obligations to department programs. These diseases threaten wildlife and human health if transported to the islands. Over the past year, the department has participated in coordinated interagency efforts to conduct a complex statewide surveillance program for the early detection of emergent diseases, using staff diverted from other duties. The magnitude and complexity of this broad program require a statewide surveillance and response program to protect Hawaii's wildlife and citizens from threats posed by these diseases.

Endangered Species Recovery: Hawaii has more endangered species than any other state and has more than 44% of all the listed threatened and endangered species in the U.S. There are currently 27 species of threatened or endangered birds in Hawai'i. In the last 40 years, 11 species of forest birds found nowhere else in the world have become extinct – a rate of once every four years. Another four critically endangered honeycreepers are predicted to become extinct within 1-10 years if we do not address the avian malaria crisis that is wiping out these unique birds. Over a hundred species of snails likely will go extinct in the wild within five to ten years without immediate management. Losses of plant species could be even higher. Hawai'i is experiencing an extinction crisis where over 250 native plant species have fewer than 50 wild individuals remaining. There are 423 Threatened and Endangered plant species in Hawai'i.

Despite this alarming record, coordinated recovery programs, when implemented before endangered species populations reach critically low levels, can achieve success. Notable examples include:

1. The Kauai Forest Bird Recovery Project and Maui Forest Bird Recovery Project are part of the Birds, Not Mosquitoes landscape-level mosquito control program to address the devastating effect of avian malaria on endangered Hawaiian honeycreepers transmitted by non-native southern house mosquitoes. This will be the first use of the incompatible insect technique for species conservation.
2. The successful eradication of rodents from Lehua Island has greatly benefited the 17 species of seabirds that nest there. DOFAW continues to perform predator control and social attraction at other key seabird nesting sites across the State, protecting three endangered seabirds and other common species.
3. DOFAW manages core wetlands for six endangered waterbirds, including predator control and increasing suitable habitat at critical wetlands across the State. DOFAW also works with partners to secure and manage wetlands that are important to waterbirds and to increase wetland function to reduce sediment runoff in the nearshore environment. DOFAW has released 115 endangered Puaiohi into the wild. This species once numbered

only a few dozen individuals and was on the brink of extinction, and it now numbers more than 400.

4. The Kauai Endangered Seabird Recovery Program – hundreds of birds downed by structures and lighting hazards are rescued each year.
5. The Maui Forest Bird Recovery Team is developing a koa forest habitat restoration project and captive propagation and release program for the Maui Parrotbill, which now numbers only 500 individuals.
6. The Plant Extinction Program - propagating hundreds of species of rare and endangered plants and has out-planted more than 15,000 plants into native habitats in recent years.

Cooperative conservation programs are in place on all the main islands to manage 23 of the 501 listed animals and more than 100 of the 366 listed plants. Staff have developed groundbreaking new techniques to propagate critically endangered snails, moths, damselflies, and other invertebrates only found in Hawai'i. Dozens of these species have gone extinct in the wild, so this work is essential for recovery. When predator-free fenced areas are established, these programs are releasing thousands of animals back into their natural habitat so they can once again thrive in the wild.

The cooperative endangered species conservation recovery programs have benefited from extensive contributions from federal and other non-state grants and private and in-kind contributions by leveraging state funds as a match. However, state matching funds for federal grants have not kept pace with new funding sources or inflation, making it increasingly challenging to build programs. A reliable source of state funding is needed to support and expand these critical programs, provide the required match to secure federal and other funding sources, and fund long-term civil staff positions to implement the recovery programs and oversee regulatory functions such as the Habitat Conservation Planning Program.

LNR 404 Water Resources

Climate change and freshwater availability: The ongoing climate crisis is exacerbating statewide drought conditions and the threat of future water shortages. Hawaii is experiencing hotter and drier conditions. This affects both ground and surface water availability. As water availability decreases, the Water Commission may be forced to designate new water management areas. In addition, the Water Commission will have to make hard decisions about how to allocate limited water resources in accordance with the Water Code and public trust, which says water for Hawaiian Home Lands, the exercise of traditional and customary rights, domestic use and drinking water, and water left in its natural state, should be prioritized above other uses. This balancing act of protection and maximizing reasonable and beneficial use will become more challenging in the face of climate change and declining water supply. More funding for hydrologic research and data collection to better understand resource availability, along with more staff to address water-related disputes before they arise is a major part of the solution.

Updating the Hawai'i Water Plan: Planning for the future protection of water resources requires a more integrated approach to water management that is holistic, rejects siloed planning, and looks at water in all its forms. In 2021, the Commission began the process of updating the Hawaii Water Plan (HWP) Framework. The Framework helps guide the content and process for updating the five (5) components of the HWP. It has been 25 years since the

Framework was last updated. During that time, various components of the HWP have been drafted and amended. However, questions remain about the utility of these plans and if they provide sufficient guidance for the proper protection, conservation and management of Hawaii's fresh water. The updated Framework will provide a new lens by which other agencies and organizations can understand and execute water resource management and planning. Specifically, it aims to build on the unique cultural foundations and values of Native Hawaiians and ensure a more coordinated approach between the various water management agencies. Once completed, the updated Framework will be used for future updates of the HWP and possible funding requests by preparing agencies.

Watershed and forest protection: The Water Commission's Water Resource Protection Plan (WRPP) prioritizes protection of forested watersheds necessary to protect and sustain ground and surface water resources statewide. The State's ongoing Watershed Initiative has attracted millions in State and non-State funding to ensure the protection and management of Hawai'i's priority watersheds. Currently over 21% of Hawai'i's priority watershed forests are protected, but thousands of more acres are still threatened by invasive plants and non-native hooved animals. The Water Commission relies on other partners including the Division of Forestry and Wildlife (DOFAW), Watershed Partnerships, and Invasive Species Committees to implement actions needed to protect Hawai'i's remaining native forests. There is no dedicated source of funding for watershed protection and many organizations that assist the State rely exclusively on grants provided by the State and other private, county and federal agencies. Watershed and forest protection remains a priority for the Water Commission and is vital to sustain water resources used for drinking, traditional and customary practices, and the enforcement of instream flow standards.

LNR 405 Conservation and Resources Enforcement

There is an ongoing perception of some of Hawaii's resource users that Hawaii's unique natural resources are unlimited and can withstand unregulated pressure. This demonstrates the need for more enforcement to ensure sustainability.

Significant population increases and the creation and/or expansion of resource areas such as the Holomua Marine Initiative plan, and the establishment of Marine Protected Areas such as the Community Based Subsistence Fishing Areas in Haena, Kauai; Kipahulu, Maui; and Milolii in Hawaii County are also emergent factors. These initiatives come with the need to promulgate additional regulations to protect the State's marine resources in these areas, thus increasing the need for conservation related enforcement and education.

The Department's conservation and resources enforcement program's budget and manpower levels have not kept pace with the increasing population, program expansion and increased areas of responsibility. The 2008-2009 recession caused DOCARE's operational general fund budget to be slashed by nearly fifty percent. While DOCARE's operational general funds has increased since, it has not fully recovered to pre-2008/2009 level of funding. This coupled with the recent filling of 42 Conservation and Resources Enforcement Officer positions that were previously vacant has caused additional stress on DOCARE's budget by increasing costs of equipment, infrastructure, vehicle costs related to the purchasing of vehicles, and vehicle fuel and maintenance.

The past several years found DOCARE working greatly in their capacity as State law enforcement officers used in non-traditional law and order roles versus natural resources protectors. This includes law enforcement operations in support of the Thirty Meter Telescope construction project in 2015 and 2019, traffic and roadblock operations in support of the 2018 catastrophic flooding on Kauai, the 2018 eruption of Kilauea volcano in Hawaii County and the 2020-2021 enforcement of the Governor and County Mayor's COVID-19 emergency rules and orders, the 2022 Mauna Loa eruption in Hawaii county, the 2023 Maui Wildfires, and the recent operations in Waianae. DOCARE's support of these operations adversely affected DOCARE's budget significantly due to the need to pay contractually obligated overtime and other cost differentials. It also displaced operational focus from natural resources and environmental protection to public safety.

On a more routine basis, DOCARE is realizing a greater reliance and a philosophical shift by the County Police Departments for DOCARE to deal with crime and calls for service within DLNR lands and facilities where traditionally and in the past, the County Police Departments have previously responded. This includes lands and facilities owned or managed by the State including State highways, and lands managed by other State agencies. This shift has required DOCARE to engage in more traditional police responses to issues such as crimes against people and property, instead of natural resource protection. Due to this, DOCARE has experienced increased overtime to address crime within DLNR facilities such as small boat harbors.

The on-going homelessness crisis is an additional emergent factor which is a continual operational priority. Due to the constant need for operations to clear homeless individuals from DLNR lands and facilities, and the requirement to ensure compliance with legal guidance such as the storage of unclaimed personal property, DOCARE is obligated to divert attention, resources, and funding to address this on-going and repetitive problem. Recurring funding will be required to sustain DOCARE's law enforcement role dealing with homelessness until an effective long-term social based solution can be created and implemented.

Due to DOCARE's focus on responsiveness and service, the Division has been forced to defer maintenance on its facilities throughout the State. DOCARE's Branch Offices, base yards and evidence holding facilities are in dire need for capital improvements to ensure safe use of these facilities. This includes repaving of parking areas, roof, and window repair due to leaks, building repainting, termite damage repair and mitigation, and other maintenance problems.

Environmental consciousness of our State's unique natural resources continues to rise, resulting in an increasing demand on DOCARE to protect and preserve natural areas, historic sites, culturally sensitive sites, refuges and unencumbered State lands and sanctuaries.

User conflicts caused by competing interests have resulted in increased demand for more law enforcement intervention.

Native Hawaiian rights and related issues play an increased role in DLNR's effort to manage resource use. More attention must be given to community input and recommendations to foster voluntary compliance.

Current DOCARE staffing levels make it impossible to provide adequate coverage on a 24-hour basis. Occasionally, some complaints wait 24 hours or longer before an officer can respond to investigate the case. Limited funding for regular and holiday overtime further diminishes DOCARE's ability to respond to resource violations at a time when DOCARE is needed most.

The issues and problems affecting the program require pro-active measures. Currently, with decreased funding, DOCARE is primarily responding in a reactive manner. This makes it difficult to be everywhere that DOCARE is needed and meet community expectations.

LNR 407 Natural Area Reserves & Watershed Management

Climate change is an increasingly urgent issue. Watershed protection will help mitigate the drier conditions expected from climate change and directly sequester carbon. The Hawaii Greenhouse Gas Sequestration Task Force ranked forest protection as the top action needed in natural and working lands to reach sequestration goals. Hawaii is a strategic place to conduct tree-planting projects due to its year-round growing season and fertile volcanic soils. Thus, protecting Hawaii's existing mature forests and restoring forests to previously forested lands is critical to providing climate resiliency.

Successful restoration projects in Hawaii require fencing as the first step because non-native hooved animals (goats, pigs, deer, cattle, and sheep) will otherwise preferentially devour and trample native seedlings. Without these fences, existing mature forests continue to be eaten away. Unfortunately, 79% of the remaining native forests are unprotected by fences and continue to disappear as populations of these hooved animals expand. Watershed Initiative CIP funds are used to build fences that halt the continued loss of these ancient rainforests.

Forest protection also mitigates climate change by increasing Hawaii's resilience to increased wildfires. When native forests are converted to invasive grasslands by hooved animals or other causes, the wildfire threat dramatically increases as these grasslands are highly flammable. Approximately 17% of Hawaii's land area is covered in grasslands. Hawaii is also a strategic place to reduce carbon emissions through wildfire prevention because the state loses large proportions of land cover to wildfires each year, emitting an estimated 0.03 TgC/yr. As a proportion of land area burnt, Hawaii is on par with other Western states.

This program is the lead entity coordinating the goal to protect 30% of priority watershed forests by 2030, a central part of the Sustainable Hawai'i Initiative. This state-level goal was announced to the global conservation community and closely mirrors the Federal "America the Beautiful" initiative to protect 30% of America's lands and waters over the next decade. Watershed fencing is a vital part of improving Hawaii's water infrastructure. Currently, 21% of priority watershed areas are protected. The CIP fence projects are the main ways to protect the green infrastructure of forests, which significantly increase freshwater capture by absorbing cloud moisture and recharging aquifers. Forests are also proven to dramatically improve water quality by reducing erosion. The fence projects provide local "green" jobs that help displaced workers. CIP funding for the "Watershed Initiative, Statewide" project has been ranked a top priority for DLNR and must be funded annually to stay on track to reach the goal.

Past legislative sessions have heard bills that would be damaging to watersheds and native ecosystems by proposing to transfer DLNR lands in the agricultural district to the Department of Agriculture. While DLNR supports the transfer of many of these areas, a transfer of all the lands would damage watershed protection, endangered species, public access, and hunting resources. DLNR cooperates with ranchers on co-managing many of these areas for native tree planting sites and invasive species removal and oversees tens of thousands of acres of public hunting lands on these leases. Since many of these areas are not productive ranch lands because they are landlocked, dry, remote, forested, or steep, ranchers have voluntarily offered certain lands to DLNR as reserves for watershed and rare species protection. Legislation to transfer all these lands to DOA would sever DLNR's ability to directly oversee these areas' management and result in high-quality native forests and areas with other natural and cultural resources being managed by an agency whose mandate does not include the protection of such values.

Currently, the law requires each parcel to be reviewed by subject matter experts of the Board of Agriculture and the Board of Land and Natural Resources to determine the appropriate agency to oversee the lands. The DLNR supports this existing process of reviewing lands individually. The Legislature established a working group that recommended that some of these lands be multi-use and should remain in DLNR. The working group also recommended giving DLNR the same authority that DOA must negotiate and set favorable lease rents directly. This would facilitate long-term leases and provide ranchers security. DLNR will continue to seek legislative authorization in upcoming sessions.

This website provides more details on this issue: [Revocable Permit & General Lease Land Transfers \(arcgis.com\)](http://arcgis.com)

This website details how the Division of Forestry and Wildlife is critical for agriculture and food security: [Forests and Farming \(arcgis.com\)](http://arcgis.com)

In the past few legislative sessions, we have also heard bills that would create a "green fee" to support natural resource protection. The visitor industry relies on healthy natural resources to attract tourists, and many other ecotourism destinations worldwide have benefitted from a green fee.

The past few sessions have also greatly expanded youth job corps programs. These programs have provided displaced workers jobs and valuable career skills, and many of these temporary positions have been able to find more permanent jobs in natural resources due to the opportunities provided by these programs. These expanded programs have proven to be a relatively low-cost way to provide labor for natural resource protection.

General Support for Natural Physical Environment

LNR 906 LNR – Natural And Physical Environment

Administration Division

The Administration of the DLNR is comprised of the following:

- Office of the Chairperson
- Administrative Services Office

- Human Resources Office
- Information Technology Services Office

The Administration's FY25 budget is broken down into 81% Personal Services and 19% Other Current Expenditures. At this level, it's quite a struggle to fund expenditures that are necessary to enhance effectiveness, efficiency, and compliance (e.g. office of the Chairperson's various initiatives, financial audit, IT initiatives, etc.).

The Office of the Chairperson received five (5.00) FTE staff following the 2024 Legislative Session; however, physical workspace readily available is at or near capacity.

Administrative Services Office (ASO)

None.

Human Resources Office (HR)

While the Department has continued to grow in position count and programs every year, the Labor Relations and EEO Staff maintained its count of 1.00 FTE (original position count at the time the Human Resources Office was established) to address all issues related to labor relations, equal opportunity employment programs, and complaints of workplace policy violations. With the increase of activity in those areas associated with having a larger workforce, and to minimize the Department's liability for not responding timely, the Department had to make the difficult decision to allocate one (1.00) FTE from the Classification and Recruitment Staff to support the current Labor Relations and EEO staff, which hinders the Department's recruitment efforts. Even with this allocation, the Human Resources Office requires at least one more 1.00 FTE to function at the speed and capacity that is required to meet the Employer's obligations under the different collective bargaining agreements, policies, statutes, etc.

Information Technology Services Office (ITSO)

None.

Coordinator on Homelessness

Under the Green Administration more housing has been built to address homelessness. The Middle Street Kauhale was built specifically to address homeless at Sand Island. Fifteen (15) people were successfully housed at Middle Street leaving about 7 people remaining. So far, none of the people housed at Middle Street have returned to Sand Island.

However, several people from Kalihi Stream have moved in, once DOCARE had to pivot to address violence in Waianae.

State Parks is working with Pa'i Foundation to look at more active uses of the property. Unfortunately, the BMX facility that was there was vandalized multiple times causing significant loss for the owners. Future lessees of the property will need to have security measures to keep the property safe.

HTH849 Environmental Health Administration

The Federal government, through various laws enacted by Congress, has a major effect on the State's environmental programs due to the enactment of new programs and the revision of requirements for existing programs. These changes include the establishment of minimum requirements without increased funding. Anti-terrorism needs are now a serious element.

LNR 907 Aha Moku Advisory Committee

Over the past 10 years, the generational and lineal descendants of each moku and ahupua'a have surfaced to take kuleana or responsibility for the sustainability and perpetuation of their distinct cultural practices. These practices are handed down generation to generation and were not shared until recently.

Aha Moku is committed to the support of the State's Constitution and to the collaboration of sharing their generational knowledge of natural resources with DLNR as well as with the different counties of Hawaii. There is a strong support for the Divisions within DLNR who focus on the protection of natural and cultural resources.

The emerging trends of each island follow the same mandate which is to work with and share generational knowledge with the different divisions of DLNR. While this has been difficult in the past, it is now flowing into a smoother direction.

LNR 908 Kaho'olawe Island Reserve Commission

The following conditions, trends and issues are expected in the near future regarding the continued safe operations and restoration activities on Kaho'olawe:

Providing for Kaho'olawe infrastructure and on-island services

The KIRC is the single government agency responsible to provide and maintain on-island infrastructure and services. The KIRC's on-island responsibilities include operating and maintaining an OSHA standard workcamp to support staff and volunteers working on restoration projects. This effort includes housing, meals, on-island transportation, repair and maintenance of buildings and infrastructure as well as safety equipment and supplies. Supporting the operations, repair, and maintenance of the KIRC's landing craft, which is the primary means of transporting people, supplies, and equipment to Kaho'olawe.

Additionally, portions of the Kaho'olawe Island Reserve are still extremely dangerous due to the presence of uncleared unexploded ordnance and the areas that have been cleared of unexploded ordnance still retains a residual risk and requires an on-going maintenance and safety program to protect public safety. This effort includes access to unexploded ordnance safety specialist, a KIRC staff and volunteer KIRC access guide training and refresher program, and on-going risk management and explosive safety program and procedures.

The KIRC is currently running its entire field operations from the remnants of the Kaho'olawe Rehabilitation Trust Fund and small limited grants. In the last few years, additional general funds have been appropriated to help support this effort, but a permanent funding is needed to ensure stability and continuity to the program.

Over the years field operations have been cut to reduce cost but still accomplish the KIRC's primary goal of restoring the island of Kaho'olawe. Operations have been cut and repairs

deferred to the point where the KIRC is currently operating on a razor thin margin and would not survive if any issue, problem, or disaster were to strike. The KIRC is still recovering from the impact of the island-wide wildfire in February 2020 that destroyed most of our field equipment.

Impact of climate change and global warming

The KIRC has observed a recent increase in unpredictability and severity of weather and ocean conditions in the waters surrounding Maui and Kaho`olawe most likely due to climate change and global warming, which has resulted in an increased need for additional manpower to safely and effectively operate the KIRC ocean vessel. The KIRC operates a landing craft between Maui and Kaho`olawe to transport staff, volunteers, materials and equipment between the island to support the on-island restoration efforts.

There is a need for additional manpower to assist with handling cargo, operating lines and equipment and safety lookouts as staff have been encountering rougher weather conditions and more boat traffic between Kaho`olawe and Maui.

The increasing impact of coastal erosion and sever weather along the shorelines of Kaho`olawe has increased our focus to coastline stabilization and coastal wetland restoration efforts. This additional effort also needs additional field support including additional staffing and funding as the KIRC has been successful in expanding restoration efforts to create more native dryland forest habitats, expand beach restoration and shoreline protection efforts, cultivate food sustainability and increase on-island water generation, collection, storage and distribution systems.

Development of the KIRC's Kihei facilities

The KIRC is developing its future Education and Operations Center on its 8.261-acre property adjacent to the Kihei Small Boat Harbor in south Maui. The KIRC currently uses the property as its Maui base of operations for the long-term restoration of Kaho`olawe. A boathouse and a small native plant nursery currently occupy a portion of the site.

Once completed, the KIRC Education and Operations Center will become the State's centerpiece for sustainable environmental management as well as a hub for collaborative indigenous resource management efforts of state, county and community organizations. The facility will house and exhibit important Kaho`olawe historical findings and documents, and honor those that fought to return Kaho`olawe to the people. Lastly, the facility will create revenue generating opportunities to achieve financial self-sustainability.

This facility will be in one of Maui's fastest growing residential and resort areas with a visitor destination that will provide worldwide exposure showcasing its innovative cultural and natural resource management expertise for thousands of visitors in the Kihei/Wailea region, in addition to the residents of Hawai'i. The opportunity to create a living educational and research center that integrates scientific research with traditional Native Hawaiian culture and creative arts will result in a new collaborative model for resource management systems throughout the state and the country.

LNR 909 Mauna Kea Stewardship and Oversight Authority

Fully transitioning the operations and activities on Mauna Kea have significant and diverse processes and issues that will require a certain level of expertise to ensure that the Authority operates efficiently and effectively and preserves and protects the Mauna Kea lands.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Land and Natural Resources may be found at the following web address: <https://dlnr.hawaii.gov/reports/>.

Reports and studies by the Department of Agriculture may be found at the following web address: <https://hdoa.hawaii.gov/meetings-reports/>.

Reports and studies by the Department of Health may be found at the following web address: <https://health.hawaii.gov/opppd/>.

LNR 401 Ecosystem Protection, Restoration, And Fisheries Management

The increasing demands on finite natural resources should be focused on with study to elucidate possible avenues to curb degradation, sustain resource abundance, guide effective restoration, and increase scientific knowledge, such as life history, of critical and culturally important nearshore marine resources. Specifically, visioning, strategic planning, sustainable fisheries planning, cost-benefit analysis of government spending on resources management vs. benefits, limited access, etc., can be used, and outcomes can be evaluated in terms of increasing program effectiveness.

LNR 402 Native Resources & Fire Protection Program

LNR 407 Natural Area Reserves & Watershed Management

The division will utilize selective surveys to gauge community perceptions of its enforcement efforts and compliance. Risk assessments of selected areas and activities are being discussed and will be used to monitor compliance and identify corrective measures.

LNR 404 Water Resources

More studies are needed to fully understand the implications of alternative water sources, their necessary technologies, and the infrastructure needed to make them effective here in Hawaii (i.e., de-salinization, re-use, etc.). Especially given climate change and current and future drought, the Water Commission must explore alternatives to potable water supply, which is already in decline in some areas of the State.

Finally, there is an urgent need to build and solidify partnerships with outside agencies and organizations such as 'Aha Moku, traditional and customary rights practitioners, and the communities most affected by water shortages and future conflicts over water. The Water Commission has huge responsibilities, but not enough staff or funding to engage with these groups at the level that is needed and must be sustained over time.

LNR 405 Conservation And Resources Enforcement

In consideration of the current problems experienced by the DOCARE, we believe it could be helpful to study retention of Conservation and Resources Enforcement Officer employees.

From late 2021 to current, DOCARE has experienced the loss of employees who voluntarily left their positions for their own personal reasons. With each of these departures, there is a loss on the return of investment in the hiring, training, and equipping of the employees, and a degradation of overall services such as enforcement and response. A study of retention issues such as causes and reasons for departure, may assist the Division in changing working conditions to create conditions that aid in the retention of employees and provide for longer and greater return on the state's investment in them.

LNR 906 LNR – Natural And Physical Environment

Coordinator on Homelessness

The DLNR homeless populations are fairly stable. Since this program is not directly funded, there are no funds to do studies. However, to the degree that people move on our lands, we can track people's stability or movement. It would be interesting for another agency, for which social behavior is a mission did long term tracking of Kauhale populations to see what assets lead to a successful transition to permanent housing, vs staying at a Kauhale, vs falling out of a shelter.

LNR 909 Mauna Kea Stewardship and Oversight Authority

Balancing between culture and science will require the proper analysis and sensitivity that ensures a successful outcome. The University has included cultural and natural resources as a part of science. Cultural science includes the understanding of ancient cultural sites, ceremony locations, ancient trails, astronomical events, archaeology, and the science of navigation. Natural science includes the study of Wekiu bugs and other arthropods, permafrost, conservation, climatology, hydrology, plants and animals, ecology, etc.

05
Health

HEALTH

I. OVERVIEW

The Health program's overall objective is to monitor, protect, and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy and natural environment, and to assure basic health care for all.

The program consists of five Level II programs: Health Resources, Hospital Care, Behavioral Health, Environmental Health, and Overall Program Support. All programs are contained within the Department of Health (HTH).

Health Resources

The objective of this program is to promote the optimal state of physical and psycho-social well-being of individuals, families, and communities through the assurance of quality and appropriate prevention and intervention services, planned and developed with input from communities.

HTH100 Communicable Disease & Public Health Nursing

The objective of this program is to reduce the incidence, severity, and disabling effects of established, communicable diseases of public health importance (tuberculosis (TB), sexually transmitted infections (STIs), Human Immunodeficiency Virus (HIV), and Hansen's disease (HD)) by adopting preventive measures and by undertaking programs of surveillance, early detection, linkage to care and effective treatment. To provide long-term care to HD patients. To improve and maintain the health of individuals and communities by promoting healthy lifestyle choices and emergency preparedness and assuring access to health care services through public health nursing and school health-related services.

TB Control Branch - Coordinates care and provides screening for active TB disease and TB infection using skin tests, blood tests, cultures, and x-rays. The clinic provides direct patient care for complex TB cases and oversees the treatment of cases in the neighbor islands and the medical community. Facilitates TB clearances for type B immigrants, health care workers, food service handlers, and those who work or attend school.

HD Branch - The HD Community Program prevents the spread of HD through case management, treatment, and epidemiological follow-up of new cases. The branch provides a secure living environment and all medical care for the patients of Kalaupapa. The Hale Mohalu Care Home on Oahu permits a higher level of medical care for the Kalaupapa patients.

Harm Reduction Services Branch (HRSB) - Provides surveillance, prevention, and access to care and treatment in conjunction with community partners to reduce the transmission of STIs, HIV, and adult viral hepatitis and improve health outcomes statewide. The STI/HIV Clinic, located at Diamond Head Health Center, provides direct care via examination and treatment services for priority-risk populations. The branch coordinates and provides HIV testing, partner services, linkage, and retention to medical services throughout the State.

Public Health Nursing Branch (PHNB) - Supports departmental policies, program priorities and community health needs through population-based approaches and capacity-building activities focusing on health equity and culturally competent services to at-risk and vulnerable populations. PHNB provides communicable disease prevention and control activities with a community-focused approach. In addition, they respond to catastrophic community emergencies, natural disasters, and outbreaks and assist the Department of Education with school health-related services.

HTH131 Disease Outbreak Control

The objective of this program is to reduce the incidence, severity, and disabling effects related to infectious diseases and emerging disease threats and potential natural or intentional hazards including acts of terrorism, through early detection by means of electronic and other disease surveillance, public health investigation, public health interventions such as distribution of medical countermeasures as indicated, appropriate public health recommendations, education, and other methods of disease prevention and risk reduction.

DOCD uniformly applies policies, procedures, and practices related to the control and prevention of infectious and emerging or other diseases throughout the State. Chief activities include:

1. Maintaining surveillance for infectious diseases of public health concern.
2. Investigating disease outbreaks and single concerning or unusual cases.
3. Recommending improved disease prevention and control methods.
4. Providing guidance for healthcare providers regarding laboratory diagnosis and clinical management of infectious diseases.
5. Engaging and providing technical guidance to healthcare facilities to prevent healthcare-associated infections and antimicrobial resistance.
6. Promoting vaccination to improve immunization (disease protection) rates.
7. Supporting vaccination access for persons lacking financial resources.
8. Establishing and maintaining electronic information systems to ensure timely disease reporting and alerts, prompt investigation, and mitigation measures, and equitable delivery of vaccines.
9. Analyzing and interpreting data to drive action.

HTH730 Emergency Medical Services and Injury Prevention System

The objective of this program is to minimize death, injury, and disability due to life-threatening situations by assuring the availability of high-quality emergency medical care through the development of a statewide system capable of providing coordinated emergency medical care and injury prevention services.

The Emergency Medical Services and Injury Prevention System Branch (EMSIPSB) engages in a wide range of activities to ensure high-quality pre-hospital medical care. These activities include the maintenance of ambulance services, setting pre-hospital care standards and protocols, managing the medical communication system, licensing all ambulances, collecting and analyzing data, and handling emergency ambulance billing and collections. Additionally, the branch provides various support services to uphold the quality of pre-hospital medical care.

Through established and expanding community partnerships, EMSIPSB offers a comprehensive suite of injury prevention programs. These programs cover areas such as motor vehicle safety, fall prevention, drowning prevention, and suicide prevention, delivering vital prevention services to the Hawaii State Trauma System.

HTH560 Family Health Services

The objective of this program is to improve the well-being of families with a focus on infants, children, and women of childbearing age by increasing public awareness and professional education, and assuring access to a system of family-centered, community-based preventive, early detection, treatment, habilitative, and rehabilitative services.

Family Health Services Division's (FHSD) Maternal and Child Health Branch (MCHB) administers maternal and child health programs for the provision of primary health care, statewide disease prevention and health promotion, promulgating policy, developing standards, and providing guidance to ensure availability, adequacy, and quality of services.

FHSD's Children with Special Health Needs Branch (CSHNB) provides service coordination, social work, nutrition, and access to pediatric specialty services for children and youth with special health care needs; newborn screening tracking, follow-up, and assurance of appropriate and timely treatment; birth defects surveillance and genetic services, education, and other activities. The CSHNB Early Intervention Section provides early intervention (EI) services statewide to support the development of infants and toddlers age birth to three years with developmental delay(s) and/or who have a medical condition that has a high probability of resulting in developmental delay(s). The WIC Services Branch administers the Special Supplemental Nutrition Program for Women, Infants, and Children -better known as the WIC program -serves to safeguard the health of low-income pregnant, postpartum, and breastfeeding women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating including breastfeeding promotion and support, and referrals to health care.

Multiple federal agencies assist in the implementation of program activities including the Centers for Disease Control and Prevention, the U.S. Department of Education, U.S. Department of Health and Human Services Health Resources and Services Administration, and the U.S. Department of Agriculture. SHSD also has important relationships with many other organizations, advocates, and State agencies.

HTH590 Chronic Disease Prevention and Health Promotion

The objective of this program is to promote wellness and improve the quality and lifespan of Hawaii's people through effective prevention, detection, and management of chronic diseases.

The Chronic Disease Prevention and Health Promotion Division (Division) plans, directs, and coordinates chronic disease prevention and health promotion activities through changing policies, systems, and environments to enable healthy behaviors. The Primary Prevention Branch risk areas are tobacco, nutrition, and physical activity, including activities in worksite wellness, Complete Streets and active transportation, early education and school health, exclusive breastfeeding policies, and the Supplemental Nutrition Education Program (SNAP-Ed); and the Chronic Disease Management Branch areas are asthma, cancer, diabetes, and heart disease and stroke with activities for strengthening team-based care, early screening and

diagnosis, asthma, prediabetes, diabetes, high blood pressure, and chronic disease self-management and lifestyle change, medication therapy compliance, and improving stroke outcomes.

The program supported over 76 coalitions for community-driven public health initiatives and engaged over 500 stakeholders to develop the 2030 Healthy Hawaii Strategic Plan (HHSP). The comprehensive HHSP 2030, six aligned State program plans, and the hhsp.hawaii.gov website were released in FY 21.

HTH595 Health Resources Administration

The objective of this program is to improve and maintain the health of individuals and communities by promoting healthy lifestyle choices, advocating for systemic and environmental policy changes, and assuring access to health care services through the provision of health promotion and education, public health nursing, school health, and bilingual health services. To provide and use data to identify areas of need and promote best practices to reduce the incidence and burden of chronic disease and reduce health disparities among populations.

Activities are administrative in nature and involve the setting of goals and policy direction for programs within the Health Resource Administration (HRA), which include the Emergency Medical Services and Injury Prevention System, Communicable Disease and Public Health Nursing, Disease Outbreak Control, Family Health Services, Chronic Disease Prevention and Health Promotion, and Health Care Assurance. HRA programs collaborate on an on-going basis to ensure that departmental resources are maximized and duplication is eliminated. HRA programs are also in communication with other State, county, and federal agencies. Public-private partnerships continue to increase with community agencies and interest groups.

HTH596 Office of Medical Cannabis Control and Regulation

The objective of this program is to improve and maintain the health of individuals in the Hawaii State Medical Cannabis program by ensuring safe access to medical cannabis for qualified patients, to educate providers on the therapeutic uses of medical cannabis so that it can be appropriately provided to Hawaii's diverse populations, and to protect public health and safety through public education on the potential risks of cannabis use.

The program:

1. Processes annual and renewal applications submitted by certifying physicians for qualifying patients; review and verifies application packets or change forms for completeness and accuracy; returns incomplete packets or forms for completion/correction; and prints and mails registration certificates.
2. Enters registrant information into the appropriate tracking system, makes corrections to data entry errors after verification.
3. Provides technical assistance, consultation, and clarification of program requirements to physicians, patients, caregivers, law enforcement, legislators, other agencies, and the public on all aspects of the Medical Cannabis Registry program; and prepares and distributes statistical reports of program data.

4. Establishes and maintains relationships with key stakeholders, including the Hawaii Medical Board, Department of Commerce and Consumer Affairs Regulated Industries Complaints Office, and other State departments like the Department of the Attorney General, and ensures collaborations and coordinates with other internal and external agencies.
5. Resolves complaints from physicians, patients, or the public and ensures compliance with State laws and administrative rules.
6. Reviews and evaluates program and policy issues and develops legislative proposals and/or testimony applicable to the program.
7. Provides for ongoing staff development opportunities.

Hospital Care

The objective of this program is to assure that all persons in the State in need of hospital care are provided such services in those hospitals offering the required services.

This program provides general acute care, long term care, outpatient, and emergency services through nine State-operated facilities on all islands except Moloka'i and Ni'ihau.

This program is comprised of the following lower-level programs within the Department of Health and via subsidy to private hospitals: Hawaii Health Systems Corporation – Corporate Office (HTH210), Kahuku Hospital (HTH211), Private Hospitals & Medical Services (SUB601), Hawaii Health Systems Corporation – Regions (HTH212), Alii Community Care (HTH213), Maui Health System, a KFH LLC (HTH214), and Hawaii Health Systems Corporation – Oahu Region (HTH215).

The Hawaii Health Systems Corporation (HHSC) was created in 1996 by Act 262, Session Laws of Hawaii 1996, to operate the State's nine community hospitals. HHSC is a quasi-governmental organization and is autonomous and independent from the Department of Health for operational, policy, and budget issues.

HHSC's purpose is to sustain and enhance both the levels of service and the quality of care for the communities served in the most cost-effective fashion. It is the primary hospital acute care provider on the neighbor islands, and, in many instances, it provides the only in-patient acute hospital services and only long-term care services in rural Hawaii locations.

The mission of HHSC is to provide accessible, high quality, and cost-effective services which address the healthcare needs of Hawaii's unique island communities.

The vision of HHSC is recognized as a progressive model for accessible, integrated, patient-centered, and fiscally responsible, high quality services that improve the health of our island communities.

Behavioral Health

The objective of this program is to reduce the prevalence of, and severity and disabling effects related to serious emotional disorders of children, serious mental illness, and alcohol and other drug abuse by assuring an integrated public/private community-based system of prevention, intervention and treatment services.

HTH420 Adult Mental Health -Outpatient

The objective of this program is to reduce the severity of disability due to mental illness through the provision of community-based services including goal-oriented outpatient services, case management services, rehabilitation services, crisis intervention services, and community housing opportunities.

Major activities carried out to achieve program effectiveness will continue to be performed by the Adult Mental Health Administration; the Community Mental Health Centers; the Court Evaluation Branch; the Performance, Information, Evaluation, and Research Branch; and the purchase of service providers.

1. Outpatient and Case Management Services- An assessment/evaluation is performed for each person entering the mental health system and a treatment/recovery plan is prepared. Case management services assist people to achieve success in community living by providing linkages to appropriate programs. Interim case management services transition homeless consumers into the formal system of mental health services.
2. Psychosocial Rehabilitation -This program is designed to help a person learn to rehabilitate in the community. Rehabilitation services are one of the cornerstones of effective community placement.
3. Residential Services -A broad spectrum of housing options ranging from highly structured supervised facilities to totally independent residences and supported housing continue to be provided.
4. Treatment Services -Four levels of treatment services are provided including inpatient services, specialized residential, intensive outpatient services, and outpatient services.
5. Crisis Intervention Services -These services ensure that individuals experiencing acute and severe mental health problems receive prompt, intensive, and focused services designed to assess, stabilize, and provide linkage to other services as appropriate.
6. Billing -The Adult Mental Health Division (AMHD) is actively pursuing all sources of revenue including the Medicaid Rehabilitation Option (MRO).

Interagency relationships are maintained with the Hawaii Public Housing Authority, the Department of Corrections and Rehabilitation, and the Department of Human Services to facilitate referrals, placements and services of eligible people under the MRO. The program also works with general hospitals licensed as psychiatric inpatient facilities, in relation to the appropriate kinds of patients to be cared for by each facility, and with the State courts, in relation to the admission and discharge of involuntary patients and transfer to correctional facilities.

HTH430 Adult Mental Health – Inpatient

The purpose of this program is to provide excellent inpatient psychiatric services for court-ordered individuals within a safe and therapeutic environment, and to reduce the severity of disabilities caused by mental illness through inpatient and outpatient care, with the ultimate goal of community reintegration.

1. Inpatient Psychiatric Care and Interdisciplinary Services -Provided inpatient psychiatric services for justice-involved court-ordered individuals within a safe and therapeutic environment. Services include psychiatric, substance abuse, medical, psychological,

nursing, social work, occupational therapy, recreational therapy, psychosocial rehabilitation, laboratory, pharmacy, and pastoral care.

2. Support Services including the business services unit, human resources unit, telecommunications unit, volunteer services unit, dietary services unit, and plant technology unit provided administrative support and non-clinical technical support to the patient care program including the clinical services section and nursing services section.
3. Quality Management Services -Provided quality management services, including occupational health and safety services, performance improvement, elopement assessment and management, risk assessment and management, staff development and education, medical records, patients' rights, safety, standards and compliance, and library resources.
4. Maintenance of Department of Health licensing through the Office of Healthcare Assurance and hospital accreditation with The Joint Commission.

The Circuit, District, and Family Courts statewide are important referral sources of SPMI patients appropriate for placement within the continuum of care provided by the Adult Mental Health Division (AMHD) and specifically for inpatient psychiatric admission.

Community acute care hospitals with inpatient psychiatric units and psychiatric hospitals are also referral sources of patients for appropriate placement within the continuum of care provided by AMHD and for inpatient services at HSH.

The Department of Corrections and Rehabilitation for some SPMI patients while they are being adjudicated. HSH coordinates and collaborates with and accepts patients through court commitment and as transfers.

HTH440 Alcohol and Drug Abuse Division

The purpose of this program is to provide the leadership necessary for the development and delivery of a culturally appropriate, comprehensive system of quality substance use prevention, treatment and recovery services designed to meet the needs of individuals and families.

The Alcohol and Drug Abuse Division (ADAD) plans, coordinates, and implements statewide plans, policies, and services relative to alcohol and drug abuse; certifies substance abuse counselors and program administrators; accredits substance abuse programs; and provides for education, prevention, diagnostic, treatment and consultative services.

ADAD works with the Departments of Human Services (Med-QUEST Division), Education, Law Enforcement, Corrections and Rehabilitation, and the Attorney General; the Governor's Office on Homelessness; the Judiciary, the State Procurement Office; and the University of Hawaii system. It also works with County agencies, private nonprofit health and social service agencies providing substance abuse prevention and treatment services, including the members of the planned Hawaii Overdose Initiative. ADAD also works with federal agencies such as the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention, Center for Substance Abuse Treatment, the Food and Drug Administration and the Centers for Disease Control and Prevention.

HTH460 Child and Adolescent Mental Health

The purpose of this program is to provide timely and effective mental health assessment and treatment services to children and youth with emotional and behavioral challenges, and their families.

The Child and Adolescent Mental Health Division (CAMHD) provides a broad array of intensive mental health services made up of different levels of care (ranging from community-based to residential) through the purchase of service contracts. Each family receives care coordination, to support and assist them with navigating the system, and clinical oversight to ensure that services are appropriate and clinically indicated. CAMHD has implemented a Measurement-Based Care model, which focuses on collecting and utilizing clinical outcome data to drive decision-making across the system. CAMHD also promotes the use of Evidence-Based Services by providing training and support to contracted providers.

CAMHD works closely with other State child-serving agencies, such as the Department of Education, Child Welfare Services, Judiciary, Office of Youth Services, and MQD. In addition, CAMHD works closely with the U.S. Department of Health and Human Services (USDHHS), and the Substance Abuse and Mental Health Services Administration (SAMHSA) on system of care grants and block grant funding to expand services and improve infrastructure. CAMHD also participates in community interagency task forces and work groups developed to improve services for youths.

HTH501 Developmental Disabilities

The purpose of this program is to support individuals with intellectual disabilities/developmental disabilities, and/or neurotrauma to live a healthy, meaningful, productive, and safe life in the community through the development, administration, provision, and monitoring of a comprehensive system of appropriate support services.

The program provides:

1. Planning and delivery of services to individuals with a significant intellectual or developmental disability (I/DD): planning, development, and implementation of community-based services for eligible individuals through the Medicaid 1915(c) HCBS Waiver through person-centered services that support self-determination and full community integration.
2. Monitoring and quality management of services to individuals with I/DD.
 - a. The Case Management Branch ensures person-centered plans are developed that ensure health, safety, and choice including self-direction.
 - b. The Community Resources Management Branch monitors the service providers' leads 1915(c) HCBS Waiver management and manages the Neurotrauma Program.
 - c. The Outcomes and Compliance Branch monitors the health, safety, and quality of case management services and operates the division's formal Quality Assurance and Improvement Program.
3. Dental services:
 - a. Evaluates new methods for the prevention and treatment of dental diseases.

- b. Provides direct dental services to participants residing in Hawaii State institutions (Hawaii State Hospital and Hale Mohalu) and to community-based patients at four Oahu regional health centers who are indigent, have I/DD, severe mental illness, frail elderly, and medically compromised.

The program collaborates with the Developmental Disabilities Council, the Center for Disability Studies at the University of Hawaii, the Adult Mental Health and Child and Adolescent Mental Health Divisions, the Department of Human Services' Med-QUEST Division (MQD) and Vocational Rehabilitation Division and the Department of Education to meet the needs and allow individuals to be fully integrated into the community. The program works closely with MQD to implement services under the Medicaid 1915(c) I/DD HCBS Waiver program.

HTH495 Behavioral Health Administration

The objective of this program is to enhance program effectiveness and efficiency by formulating policies; directing operations and personnel; and providing other administrative services in the areas of the divisions of the Behavioral Health Administration (BHA).

Environmental Health

The objective of this program is to protect the community and assure high levels of health care by establishing and enforcing regulatory standards for unsanitary and hazardous products/conditions and health care facilities/related services, and providing specialized environmental health and laboratory services.

HTH610 Environmental Health Services

The objective of this program is to protect the community from food-borne illnesses, unsanitary or hazardous conditions, adulterated or misbranded products, and vector-borne diseases, and to control noise, radiation, and indoor air quality.

This program engages in the following activities:

1. **Research and Standards:** Conducts research in the areas of biological control methods for vectors, new methods for assuring the safety and sanitation of public health issues, and new and improved methods and equipment for sampling and inspection activities and develop and maintain program standards and rules reflecting the results of the research. Conduct assessments and develop policies and regulations to assure safety in the fields of noise, radiation, mechanical ventilation, indoor air quality, asbestos, and lead.
2. **Inspection:** Perform inspections of food service, food establishments, food manufacturing facilities, radiation sources, vector-borne disease impacted areas, public and private dwellings, mortuaries, cemeteries, radiation sources, sources of noise (construction, stationary, agricultural, and industrial), mechanical ventilation systems, indoor air quality, asbestos, lead, etc., to assure they do not degrade the public health or the environment of the community.
3. **Measurement and Surveillance:** Monitor the population trend of major vectors on a statewide basis; perform surveillance of food, nonprescription drugs, therapeutic devices, and cosmetics to assure that they are safe and/or effective and properly labeled; and collect and test samples of shellfish and other marine life for compliance with

standards of purity and quality. Monitor ambient environmental radiation levels by sampling and testing drinking water, air, and precipitation.

4. Disease Prevention/Containment: Prevent or contain outbreaks of food or vector-borne diseases that pose a threat to public health through investigations and the application of chemicals and public education.
5. Review: Review plans for public buildings to assure conformance with sanitation and ventilation requirements.
6. Public Participation: Provide programs and information to the public and the regulated community to increase their awareness and understanding of the Environmental Health Services rules.
7. Emergency Response after natural and man-made disasters and during and after radiological emergencies.

This program has key relationships with the federal Environmental Protection Agency; the Centers for Disease Control and Prevention; the Food and Drug Administration; the Federal Bureau of Investigation; the U.S. Army and U.S. Navy; the Agency for Toxic Substances and Disease Registry; the Association of Public Health Laboratories; the U.S. Department of Agriculture; the National Animal Health Laboratory Network.

On the State and local level, it works with the State District Health laboratories; Disease Outbreak Control Branch, Clean Water Branch, Safe Drinking Water Branch, Food and Drug Branch, Food Safety Branch, Vector Control Branch, clinical and environmental laboratories located in Hawaii; the Water Resources and Research Committee; all county Police and Fire Departments and Prosecutor's Office; and the State Departments of the Attorney General, Agriculture, Land and Natural Resources, and Transportation.

HTH710 State Laboratory Services

The objective of this program is to enhance the effectiveness of other health programs by providing specialized laboratory services to health care facilities, departmental programs, and various official agencies. It provides:

1. Clinical and public health microbiological, molecular, and serological testing to State and federal programs, as well as community and regional entities, including, but not limited to, conventional and molecular detection and identification of viruses, bacteria, and parasites, and responds to chemical and biological terrorism threats.
2. Environmental analysis for chemical and microbiological contaminants; Provide microbiological and chemical analysis of food and consultative services to the Environmental Health programs.
3. Certification of laboratories that perform compliance work for the analysis of drinking water, shellfish, and milk. Licensing for clinical laboratory personnel. Administration of the statutory statewide program relating to chemical testing of blood alcohol concentrations for driving under the influence cases.

This program has key relationships with the federal Environmental Protection Agency; the Centers for Disease Control and Prevention; the Food and Drug Administration; the Federal Bureau of Investigation; the U.S. Army and U.S. Navy; the Agency for Toxic Substances and Disease Registry; the Association of Public Health Laboratories; the U.S. Department of Agriculture; the National Animal Health Laboratory Network.

On the State and local level, it has relationships with State District Health laboratories; Disease Outbreak Control Branch, Clean Water Branch, Safe Drinking Water Branch, Food and Drug Branch, Food Safety Branch, Vector Control Branch, clinical and environmental laboratories located in Hawaii; the Water Resources and Research Committee; all county Police and Fire Departments and Prosecutor's Office; and the State Departments of the Attorney General, Agriculture, Land and Natural Resources, and Transportation.

HTH720 Health Care Assurance

The objective of this program is to ensure the health, welfare, and safety of people in health care facilities by establishing and enforcing minimum licensing standards.

This program:

1. Conducts on-site surveys (inspections) and complaint investigations to determine compliance with State laws and regulations. It is responsible for the implementation of the Centers for Medicare and Medicaid Services (CMS) contract (1864 Agreement) to conduct federal survey and certification activities based on federal regulations for the purpose of determining compliance for participation in the Medicare (Title XVIII) and/or Medicaid (Title XIX) reimbursement programs. The program issues sanctions for non-compliance activities as appropriate, and responds to and investigates all complaints relative to any of the above; and
2. Promulgates, develops, updates, and implements State licensing administrative rules and conduct on-site surveys to ensure the quality of care for facilities which must be licensed by the State, but which are not eligible for Medicare participation. These facilities include adult residential care homes (ARCH), expanded ARCH, assisted living facilities, developmentally disabled domiciliary homes, therapeutic living programs, and special treatment facilities.

This program is responsible for administering the ongoing annual contract with CMS to implement the federal survey and certification program in Hawaii to enable providers to participate in the Medicare reimbursement program. It has an ongoing agreement with the State Department of Human Services (DHS) to conduct Medicaid survey and certification activities based on federal requirements. The program also has cooperative working relationships with private and public providers, health care facility trade organizations in the community, various State Executive departments and the Legislature, as well as with staff at the CMS Regional Office in San Francisco and the Central Office in Baltimore to satisfy the requirements of the 1864 Agreement and with CMS liaison staff in Honolulu.

Overall Program Support

The objective of this program is to assure that the Department possesses the fundamental capacities for effective and efficient actions to accomplish its mission, goals and objectives by applying the best available technical knowledge; recruiting and maintaining well-trained and competent personnel; generating and maintaining constituencies and political support; and securing adequate fiscal support.

HTH906 State Health Planning and Development Agency

The objective of this program is to provide a statewide process that involves consumers and providers of health care in the development and implementation of Health Services and Facilities Plan (HSFP) for the State of Hawaii which will promote equal access to quality health services at a reasonable cost.

The State Health Planning and Development Agency develops an HSFP (Section 323D-15, HRS), which is the foundation document upon which all of the Agency's activities are based. It is the result of private health providers, health systems, health plans, public health entities, independent health practitioners, consumers, businesses, and the non-profit sectors planning together for healthier communities.

The Agency, in accordance with Section 323D-15, HRS, serves as staff for the preparation and revision of the HSFP (revised as necessary). In addition, these revisions provide a more direct connection with the Certificate of Need (CON) program, which the Agency administers.

The Agency conducts studies and investigations regarding the causes of healthcare costs. It and its sub-area health planning councils perform health care needs assessments as necessary across the State, based on the health status of the population and access, quality, and/or cost issues in the health care delivery system and identify statewide and regional priorities.

The Agency administers the State's CON program for medical facilities and services in accordance with the HSFP, using the criteria set forth in Chapter 323D, HRS.

The annual Health Care Utilization Report, features data such as hospitals' inpatient bed capacities, current number of nursing home facilities and beds, average length of stay, occupancy rates, average daily census, and total number of procedures for computed tomography, magnetic resonance imaging, radiation therapy, and cardiac catheterization which the Agency collects and analyzes.

The Agency maintains a searchable database on its website to assist potential CON applicants and others who use the data, and responds to requests for studies, i.e., requests from the Hawaii State Legislature. It also participates in various task forces, committees, and workgroups.

The HSFP is relevant to several State initiatives; however, the Agency's major customers are the private sector health providers and health plans, many of whom have integrated the HSFP into their own strategic plans.

HTH760 Health Status Monitoring

This program's objective is to collect, process, analyze, and disseminate relevant, population-based data in a timely fashion to assess the health status of Hawaii's multiethnic population and to fulfill health statistical and legal requirements. The Health Status Monitoring (Program) is also the repository of vital records for births, marriages, deaths, divorces, adoptions, delayed births, and many other relevant vital event data which is used to supply government entities and the public with certified copies of their vital records.

The Vital Statistics Program works closely with providers of birth and death information including hospitals and funeral homes and the medical examiner's office. The Research and Analysis Section (R&A) works closely with the DOH's programs including Birth Defects, Women Infants and Children, Children with Special Needs, and Immunization to ensure the reported information is accurate, timely, and meaningful.

HTH905 Development Disabilities Council

The objective of this program is to assure that individuals with intellectual and developmental disabilities (I/DD) and their families participate in the design of, and have access to, culturally competent services, supports and other assistance and opportunities that promote independence, productivity, and integration and inclusion into the community.

The DD Council (Council) is a federally funded program (Public Law 106-402) that is responsible to engage in advocacy, capacity building, and systemic change activities that contribute to a coordinated, consumer and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that enable individuals with DD to exercise self-determination, be independent, be productive, and be integrated and included in all facets of community life. The mission of the Council is to support people with I/DD to control their own destiny and determine the quality of life they desire.

The Council conducts systemic change activities that address its State Plan goals of Community Supports; Public Awareness, Education, and Training; Transition and Employment; Children and Youth and Health; and Self-Advocacy and Self-Determination. Overall activities include policy development, implementation and analysis; educating and informing policymakers and the public about DD; developing and supporting coalitions; fostering interagency collaboration and coordination; eliminating barriers and enhancing the design and redesign of systems; coordinating and supporting activities that support the Council's mission; providing training in leadership development and legislative advocacy; and researching and demonstrating new approaches and best practices to services and supports.

The Council is comprised of individuals with DD, family members, and representatives from public and private agencies who provide services for individuals with DD. Representatives are from the Department of Education (DOE), Department of Human Services (DHS), and DOH that include DOH's Maternal and Child Health Branch and DHS' Med-QUEST Division and Division of Vocational Rehabilitation; the Executive Office on Aging; the Hawaii Disability Rights Center; the University of Hawaii Center on Disability Studies; and non-government and private non-profit service providers. The above agencies are mandated by federal law to be on the Council to promote coordination and collaboration of services. The Council also works with other State (DOH's DD Division and the Department of Transportation (DOT)), county (Aging and Mayor's Office), and private organizations on various activities such as the annual Day at the Capitol event, conferences, legislative forums, and transition events. Systems change is accomplished through consistent collaboration with stakeholders to provide them support in areas that address the mission and mandates of the Council, and to provide education, training, and advocacy in areas that differ from or conflict with the direction set by the Council.

HTH907 General Administration

The objective of this program is to enhance program effectiveness and efficiency of overall departmental functions by planning, formulating policies, directing operations and personnel, and by providing other administrative support.

HTH907 Office of Language Access

The objective of this program is to ensure that persons with limited or no ability to speak, read, write or understand English are able to access services, programs and activities provided by State agencies and State-funded entities.

This program:

1. Provides technical assistance and training to State and State-funded agencies in developing and implementing their language access plans (LAPs).
2. Reviews LAPs and monitor compliance to language access obligations under State and federal laws.
3. Assesses language access needs of limited English proficient (LEP) populations; evaluate adequacy and availability of language services.
4. Coordinates with agencies and stakeholders to leverage resources.
5. Reports to the Governor and the Legislature on the status and progress of language access compliance and services to LEPs.
6. Resolves public complaints through informal methods.
7. Develops rules and guidelines pursuant to Chapter 91, HRS.
8. Administers a statewide language access resource center; and
9. Informs the public about the rights to language access.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Health program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 05

PROGRAM LEVEL: I. 05 HEALTH

OBJECTIVE: TO MONITOR, PROTECT, AND ENHANCE THE HEALTH OF ALL PEOPLE IN HAWAII BY PROVIDING LEADERSHIP IN ASSESSMENT, POLICY DEVELOPMENT, AND ASSURANCE TO PROMOTE HEALTH AND WELL-BEING, TO PRESERVE A CLEAN, HEALTHY AND NATURAL ENVIRONMENT, AND TO ASSURE BASIC HEALTH CARE FOR ALL.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
05	1. MORTALITY RATE (PER THOUSAND)		620	620	620	620	620	620	620	620
	2. AVERAGE LIFE SPAN OF RESIDENTS		81	81	81	81	81	81	81	81

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
0502	HOSPITAL CARE	-	10,896	10,896	10,896	10,896	10,896	10,896	10,896	10,896
	TOTAL		10,896	10,896	10,896	10,896	10,896	10,896	10,896	10,896
<u>OPERATING EXPENDITURES</u>										
0501	HEALTH RESOURCES	-	308,400	358,699	343,440	327,427	320,654	320,654	320,654	320,654
0502	HOSPITAL CARE	-	739,314	737,330	814,420	814,195	808,195	808,195	808,195	808,195
0503	BEHAVIORAL HEALTH	-	395,667	473,948	504,253	505,097	492,092	492,092	492,092	492,092
0504	ENVIRONMENTAL HEALTH	-	34,682	36,627	36,549	36,906	36,902	36,902	36,902	36,902
0505	OVERALL PROGRAM SUPPORT	-	36,090	50,190	48,718	43,605	28,602	28,602	28,602	28,602
	TOTAL		1,514,153	1,656,794	1,747,380	1,727,230	1,686,445	1,686,445	1,686,445	1,686,445
<u>TOTAL OPERATING EXPENDITURES</u>										
0501	HEALTH RESOURCES		308,400	358,699	343,440	327,427	320,654	320,654	320,654	320,654
0502	HOSPITAL CARE		750,210	748,226	825,316	825,091	819,091	819,091	819,091	819,091
0503	BEHAVIORAL HEALTH		395,667	473,948	504,253	505,097	492,092	492,092	492,092	492,092
0504	ENVIRONMENTAL HEALTH		34,682	36,627	36,549	36,906	36,902	36,902	36,902	36,902
0505	OVERALL PROGRAM SUPPORT		36,090	50,190	48,718	43,605	28,602	28,602	28,602	28,602
	TOTAL		1,525,049	1,667,690	1,758,276	1,738,126	1,697,341	1,697,341	1,697,341	1,697,341
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0501	HEALTH RESOURCES	-	100	440	10,300					
0502	HOSPITAL CARE	-	123,947	58,483	56,739	57,319				
0503	BEHAVIORAL HEALTH	-	2,500	5,160	10,750	5,750				
0504	ENVIRONMENTAL HEALTH	-	17,157	11,960						
0505	OVERALL PROGRAM SUPPORT	-	1,000	1,000						
	TOTAL		144,704	77,043	77,789	63,069				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Health Resources

HTH100 Communicable Disease & Public Health Nursing

CDPHND is a very large and diverse program within DOH with responsibilities in direct patient care, community health, and managing a county in one of the most geographically isolated places in the US.

This program is effective in its efforts to prevent, identify, and treat TB, HD, and STIs and to consistently improve the resiliency and health of communities in Hawaii. The program is on target to reach aggressive disease elimination goals including eliminating transmissible HIV and Hepatitis B and C by 2030. Outreach and surveillance efforts add to these successes. However, rising costs, decreasing federal funding, and other challenges require increased investment to meet these goals and continue protecting the public from communicable diseases of public health significantly.

Staff reduction to the Kalaupapa Settlement over the past 12 years has reached the minimum level to operate safely in this geographically isolated settlement. Many services run 24 hours a day, 7 days a week, and cannot be reduced without jeopardizing safety, efficiency, and effectiveness.

HTH131 Disease Outbreak Control

Prior to the Coronavirus Aid, Relief and Economic Security Act and the provision of additional time-limited federal awards specific to COVID-19, almost 90% of DOCD was supported by federal funds. The COVID-19 pandemic resulted in an additional infusion of federal dollars to support rapid expansion of case investigation and contact tracing activities from an average of 5,000 case investigations annually to over 280,000 investigations in FY 22, and statewide mass vaccination efforts to prevent the worst outcomes associated with COVID-19 as reflected by well over two million vaccinations recorded in FY 22 alone.

While the number of investigations and vaccinations have declined somewhat post-pandemic, they have not returned to pre-pandemic levels. DOCD has also stood up additional technical expertise and capacity to address healthcare associated infections and antibiotic stewardship, and to modernize surveillance systems and data visualization tools. While not all pandemic response activities can or should be continued, the pandemic response has strengthened core capacities of DOCD that, if maintained, will increase the resilience and capability of the Department of Health to mount a robust and effective response to future disease threats. The program currently lacks a Veterinary Medical Officer essential in monitor and respond to zoonotic and vector borne threats such as avian influenza.

HTH730 Emergency Medical Services and Injury Prevention System

Ambulance response times are influenced by high call volumes and geographic constraints, such as traffic and rural locations. In recent years, contracted pre-hospital emergency medical service providers have consistently met or exceeded program standards in every county, except for Oahu. On Oahu, service providers achieved 94% of the established standard.

HTH560 Family Health Services

The WIC Program has been 100% federally funded for the past 20 years. Each year Hawaii WIC provides Hawaii residents \$20 million in supplemental food benefits to approximately 26,000 participants per month. WIC is the Department of Health's single largest provider of direct health services statewide.

FHSD's primary data sources include the following programs: The Pregnancy Risk Assessment and Monitoring System (PRAMS); the Behavioral Risk Factor Surveillance System (BRFSS); the Youth Risk Behavior Survey; and Vital Statistics. Each year CSHNB assists over 2,000 Infants/children/youth with special health care needs, including those with newborn or genetic disorders, in receiving appropriate and timely medical services which can help to prevent or decrease the need for later high-cost intervention services. Each year the Early Intervention Section provides developmental services to approximately 3,800 children aged zero to three years. Developmental services support children in being developmentally near or at the same age level as their peers, thereby reducing the need for future higher-cost interventions. The failure to provide mandated EI services may result in costly class action lawsuits by families.

HTH590 Chronic Disease Prevention and Health Promotion

Program size is based on budgeted positions and funding; administrative, planning, policy, communications, epidemiology, and surveillance functions are consolidated at the Division level for cross-functional support, and categorical experts in the branches to achieve cost efficiency. Treating chronic disease cost \$3.6 billion, worker absenteeism \$221 million, totaling \$3.8 billion impact in 2010. By 2020, medical treatment alone is projected to be \$6.7 billion. Hawaii spends \$1.5 billion annually for direct and indirect costs of diabetes. Nutrition, physical activity obesity, and tobacco are among the top seven priorities the Centers for Disease Control and Prevention identified for large-scale impact on health with known effective strategies. Tobacco prevention policies and programs in Hawaii from 2000-2017 resulted in \$1 billion in healthcare savings.

HTH595 Health Resources Administration

The size and complexity of HRA make it very difficult for each Program ID to limit the measures of effectiveness, target groups, and activity measures to ten each. This results in the limitation of the overall measures to ones that have commonality among all the individual programs, but may be somewhat nebulous and do not give a sense of each major program within those very large divisions that may cover diverse programs.

HTH596 Office of Medical Cannabis Control and Regulation

OMCCR was reorganized in 2022 and filled 11 positions including a Program Manager, an Administrative Specialist, a Dispensary Licensing Supervisor, an Epidemiologist, and three Medical Cannabis Dispensary Licensing Surveyors. OMCCR is currently undergoing another reorganization to include an additional section within the program structure.

To accommodate growing staff, OMCCR's Dispensary Licensing Section was relocated from Kapolei to Kaimuki at the Diamond Head Health Center. OMCCR has recently procured modular workstations and is outfitting the office for the Dispensary Licensing Section's use.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0501

PROGRAM LEVEL: I. 05 HEALTH
 II. 01 HEALTH RESOURCES

OBJECTIVE: TO PROMOTE THE OPTIMAL STATE OF PHYSICAL AND PSYCHO-SOCIAL WELL-BEING OF INDIVIDUALS, FAMILIES, AND COMMUNITIES THROUGH THE ASSURANCE OF QUALITY AND APPROPRIATE PREVENTION AND INTERVENTION SERVICES, PLANNED AND DEVELOPED WITH INPUT FROM COMMUNITIES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0501	1. ACTIVE TB CASES - PROPORTN COMPL RECOM THERAPY (%)		84	90	92	92	95	95	93	93
	2. % CHILDREN AGE 5 YEARS MEETING IMMUNIZATION REQ		90	90	90	90	90	90	90	90
	3. % OF PERSONS WITH DD/ID RECEIVING DD SERVICES		13	13	13	13	13	13	13	13
	4. % OF PERSONS IN HSH RECEIVING DENTAL TREATMENTS		95	95	95	95	95	95	95	95

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
050101	COMMUNICABLE DISEASE AND PUBLIC HEALTH NURSING	-	61,077	104,063	79,761	63,604	63,603	63,603	63,603	63,603
050103	EMERGENCY MEDICAL SERVICES AND INJURY PREVENTION SYSTEM	HTH-730	76,510	76,778	80,084	80,315	76,548	76,548	76,548	76,548
050104	FAMILY HEALTH SERVICES	HTH-560	103,182	109,249	113,981	114,048	111,046	111,046	111,046	111,046
050105	CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION	HTH-590	63,572	63,717	63,680	63,680	63,679	63,679	63,679	63,679
050106	HEALTH RESOURCES ADMINISTRATION	HTH-595	281	244	244	244	244	244	244	244
050107	OFFICE OF MEDICAL CANNABIS CONTROL AND REGULATION	HTH-596	3,775	4,646	5,687	5,534	5,534	5,534	5,534	5,534
	TOTAL		308,397	358,697	343,437	327,425	320,654	320,654	320,654	320,654
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
050101	COMMUNICABLE DISEASE AND PUBLIC HEALTH NURSING	-	100	440	10,300					
	TOTAL		100	440	10,300					

Hospital Care

This program provides general acute care, long term care, outpatient, and emergency services through nine State-operated facilities on all islands except Moloka'i and Ni'ihau.

This program is comprised of the following lower-level programs within the Department of Health and via subsidy to private hospitals: Hawaii Health Systems Corporation – Corporate Office (HTH210), Kahuku Hospital (HTH211), Private Hospitals & Medical Services (SUB601), Hawaii Health Systems Corporation – Regions (HTH212), Alii Community Care (HTH213), Maui Health System, a KFH LLC (HTH214), and Hawaii Health Systems Corporation – Oahu Region (HTH215).

The Hawaii Health Systems Corporation (HHSC) was created in 1996 by Act 262, Session Laws of Hawaii 1996, to operate the State's nine community hospitals. HHSC is a quasi-governmental organization and is autonomous and independent from the Department of Health for operational, policy, and budget issues.

HHSC's purpose is to sustain and enhance both the levels of service and the quality of care for the communities served in the most cost-effective fashion. It is the primary hospital acute care provider on the neighbor islands, and, in many instances, it provides the only in-patient acute hospital services and only long-term care services in rural Hawaii locations.

The mission of HHSC is to provide accessible, high quality, and cost-effective services which address the healthcare needs of Hawaii's unique island communities.

The vision of HHSC is recognized as a progressive model for accessible, integrated, patient-centered, and fiscally responsible, high quality services that improve the health of our island communities.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0502

PROGRAM LEVEL: I. 05 HEALTH
 II. 02 HOSPITAL CARE

OBJECTIVE: TO ASSURE THAT ALL PERSONS IN THE STATE IN NEED OF HOSPITAL CARE ARE PROVIDED SUCH SERVICES IN THOSE HOSPITALS OFFERING THE REQUIRED SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0502	1. OCCUPANCY RATE - ACUTE CARE		55	55	55	55	55	55	55	55
	2. OCCUPANCY RATE - LONG-TERM CARE		81	81	81	81	81	81	81	81
	3. AVERAGE LENGTH OF STAY - ACUTE CARE		5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
	4. AVERAGE LENGTH OF STAY - LONG TERM CARE		447.9	447.9	447.9	447.9	447.9	447.9	447.9	447.9

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
050201	HAWAII HEALTH SYSTEMS CORPORATION - CORPORATE OFFICE	HTH-210	61	61	61	61	61	61	61	61
050203	HAWAII HEALTH SYSTEMS CORPORATION - REGIONS	HTH-212	10,835	10,835	10,835	10,835	10,835	10,835	10,835	10,835
	TOTAL		10,896	10,896	10,896	10,896	10,896	10,896	10,896	10,896
<u>OPERATING EXPENDITURES</u>										
050201	HAWAII HEALTH SYSTEMS CORPORATION - CORPORATE OFFICE	HTH-210	17,448	17,448	17,448	17,448	17,448	17,448	17,448	17,448
050202	KAHUKU HOSPITAL	HTH-211	1,800	2,032	2,157	2,032	2,032	2,032	2,032	2,032
050203	HAWAII HEALTH SYSTEMS CORPORATION - REGIONS	HTH-212	694,066	696,949	722,814	722,814	722,815	722,815	722,815	722,815
050204	ALII COMMUNITY CARE	HTH-213	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
050206	MAUI HEALTH SYSTEM, A KFH LLC	HTH-214	22,500	17,400	12,000	6,000				
050207	HHSC - OAHU REGION	HTH-215			56,500	62,400	62,400	62,400	62,400	62,400
	TOTAL		739,314	737,329	814,419	814,194	808,195	808,195	808,195	808,195
<u>TOTAL OPERATING EXPENDITURES</u>										
050201	HAWAII HEALTH SYSTEMS CORPORATION - CORPORATE OFFICE	HTH210	17,509	17,509	17,509	17,509	17,509	17,509	17,509	17,509
050202	KAHUKU HOSPITAL	HTH211	1,800	2,032	2,157	2,032	2,032	2,032	2,032	2,032
050203	HAWAII HEALTH SYSTEMS CORPORATION - REGIONS	HTH212	704,901	707,784	733,649	733,649	733,650	733,650	733,650	733,650
050204	ALII COMMUNITY CARE	HTH213	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
050206	MAUI HEALTH SYSTEM, A KFH LLC	HTH214	22,500	17,400	12,000	6,000				
050207	HHSC - OAHU REGION	HTH215			56,500	62,400	62,400	62,400	62,400	62,400
	TOTAL		750,210	748,225	825,315	825,090	819,091	819,091	819,091	819,091
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
050202	KAHUKU HOSPITAL	HTH-211		1,200	5,800	5,000				
050203	HAWAII HEALTH SYSTEMS CORPORATION - REGIONS	HTH-212	90,247	51,283	39,339	41,209				
050206	MAUI HEALTH SYSTEM, A KFH LLC	HTH-214	33,700	6,000	6,000	6,000				
050207	HHSC - OAHU REGION	HTH-215			5,600	5,110				
	TOTAL		123,947	58,483	56,739	57,319				

Behavioral Health

HTH420 Adult Mental Health -Outpatient

Discrepancies between the previously planned levels and those actually achieved reflected in the cost data are due to the transition of consumers back to their QUEST health plans for continuing mental health services.

HTH430 Adult Mental Health – Inpatient

Costs to operate the hospital will continue to rise with the high patient census levels and economic influences currently being experienced. Successful management of the patient census level is paramount.HTH440 Alcohol and Drug Abuse Division

HTH460 Child and Adolescent Mental Health

Each year, CAMHD serves approximately 2000 youth and families across the state. Outcome data from FY 23 indicates that on average, youth and families entering CAMHD demonstrate significant improvements in measures of clinical functioning and problem severity during services. Furthermore, the number of female youth has increased, indicating an improvement in identifying internalizing disorders. Finally, utilization data suggest decreases in the use of more costly, restrictive out-of-home services and increases in less costly, in-home services. Thus far we have been able to divert some resources to programming, through savings, with a more robust utilization management system.

HTH501 Developmental Disabilities

In order to continue to receive the Medicaid Federal Financial Participation for service costs, the State must be in compliance with federal requirements for the Medicaid 1915(c) HCBS Waiver. The State match for the Medicaid HCBS Waiver for the over 3,000 individuals served within the I/DD Program is needed to pay rates for services that address actual costs and ensure participants are served in the community versus costly institutional settings. The HCBS Waiver is renewed every five years and requires a commitment of the State share of funding at rates which reflect actual costs for providing service, without which the federal match may be jeopardized.

The Hospital and Community Dental Services Branch provides direct services and leadership for promoting oral health statewide for special populations that have difficult accessing dental services in other settings.

HTH495 Behavioral Health Administration

None.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0503

PROGRAM LEVEL: I. 05 HEALTH
 II. 03 BEHAVIORAL HEALTH

OBJECTIVE: TO REDUCE THE PREVALENCE OF, AND SEVERITY AND DISABLING EFFECTS RELATED TO SERIOUS EMOTIONAL DISORDERS OF CHILDREN, SERIOUS MENTAL ILLNESS, AND ALCOHOL AND OTHER DRUG ABUSE BY ASSURING AN INTEGRATED PUBLIC/PRIVATE COMMUNITY-BASED SYSTEM OF PREVENTION, INTERVENTION AND TREATMENT SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0503	1. % OF INDIVIDUALS SUCCESSFULLY COMPLETING TX SVCS		40	40	40	40	40	40	40	40
	2. # OF INDIVIDUALS SERVED BY THE DIVISIONS OF BHA		17490	17450	17409	17369	17378	17387	17387	17387

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
050301	ADULT MENTAL HEALTH - OUTPATIENT	HTH-420	81,736	100,989	104,056	107,934	107,932	107,932	107,932	107,932
050302	ADULT MENTAL HEALTH - INPATIENT	HTH-430	97,979	134,698	148,902	134,376	121,376	121,376	121,376	121,376
050303	ALCOHOL AND DRUG ABUSE DIVISION	HTH-440	36,515	34,159	36,780	36,848	36,848	36,848	36,848	36,848
050304	CHILD AND ADOLESCENT MENTAL HEALTH	HTH-460	64,238	83,628	83,604	83,635	83,635	83,635	83,635	83,635
050305	DEVELOPMENTAL DISABILITIES	HTH-501	114,802	120,262	130,699	142,090	142,090	142,090	142,090	142,090
050306	BEHAVIORAL HEALTH ADMINISTRATION	HTH-495	394	210	210	210	211	211	211	211
	TOTAL		395,664	473,946	504,251	505,093	492,092	492,092	492,092	492,092
CAPITAL INVESTMENT EXPENDITURES										
050302	ADULT MENTAL HEALTH - INPATIENT	HTH-430	2,500	5,160	10,750	5,750				
	TOTAL		2,500	5,160	10,750	5,750				

Environmental Health

HTH610 Environmental Health Services

None.

HTH710 State Laboratory Services

SLD Kamauleule Building is a 30 year old facility comprising 135,000 square feet. As a purposeful built laboratory facilities with a three decade old infrastructure, it is inherently a large consumer of electricity. The increasing need for additional and more complex laboratory equipment further contributes to an electric expense exceeding \$2 million per year and half of the nonpayroll operational budget. This in turn adversely impacts the SLD's ability to direct funds to perform the needed maintenance on the infrastructure.

Recent, current, and future CIP requests will be focused on addressing the buildings energy consumption as well as addressing an aged laboratory design and infrastructure that contributes to inefficiencies on both the building and staff.

The aged infrastructure is also contributing to more expensive service contracts, such as the contract to maintain the air handler system, which has more than doubled in cost to over \$450k per year. It is imperative to keep the air handler operational and the appropriate lab room pressure required to maintain a safe working environment for the microbiologists and chemist.

Finally, directing an already limited non payroll budget to electricity and infrastructure repairs and maintenance, reduces the ability of SLD to invest in the staff.

HTH720 Health Care Assurance

None.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0504

PROGRAM LEVEL: I. 05 HEALTH
 II. 04 ENVIRONMENTAL HEALTH

OBJECTIVE: TO PROTECT THE COMMUNITY AND ASSURE HIGH LEVELS OF HEALTH CARE BY ESTABLISHING AND ENFORCING REGULATORY STANDARDS FOR UNSANITARY AND HAZARDOUS PRODUCTS/CONDITIONS AND HEALTH CARE FACILITIES/RELATED SERVICES, AND PROVIDING SPECIALIZED ENVIRONMENTAL HEALTH AND LABORATORY SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0504	1. % FOOD SERVICE ESTABLISHMENTS RCVG "PASS" PLACARD		85	85	85	85	85	85	85	85
	2. % OF REQUESTS FOR SERVICES MET (STATE LAB SVCS)		100	100	100	100	100	100	100	100

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
050401	ENVIRONMENTAL HEALTH SERVICES	HTH-610	13,624	14,042	14,521	15,055	15,053	15,053	15,053	15,053
050402	STATE LABORATORY SERVICES	HTH-710	11,156	11,791	10,874	10,947	10,945	10,945	10,945	10,945
050403	HEALTH CARE ASSURANCE	HTH-720	9,900	10,792	11,154	10,904	10,904	10,904	10,904	10,904
	TOTAL		34,680	36,625	36,549	36,906	36,902	36,902	36,902	36,902
CAPITAL INVESTMENT EXPENDITURES										
050402	STATE LABORATORY SERVICES	HTH-710	17,157	11,960						
	TOTAL		17,157	11,960						

Overall Program Support

HTH906 State Health Planning and Development Agency

The Agency partners with the private sector in order to facilitate the health care industry's growth and development. The CON program allows the private sector to add what is needed at minimal adverse impact on the health care system. From a cost effectiveness standpoint, the Agency, with a staff of six, has produced meaningful outcomes for Hawaii's health care industry. The Agency is able to manage the review time of CON applications within the statutory required response time 100% of the time. Periodic revisions of the HSFP and the engagement in projects that fulfill statewide and regional priorities are supported by the development of collaborative efforts with the private health industry and other community partnerships, thereby keeping our costs to a minimum.

Pursuant to HRS, 323D-22, the sub-area health planning councils: 1) review data and trends, study service utilization patterns, listen to the community and experts, make recommendations on the highest priorities for health services and resources development, and submit the respective regional priorities to the Agency for inclusion in the HSFP; and 2) partner with respective stakeholders to strategically address the priorities.

HTH760 Health Status Monitoring

The Program is working on fully automating and sustaining the vital records system to achieve the following:

1. Online entry, checking, and correction of current vital statistics certificate data through computer terminals.
2. Vital records will be accessible via indexes, and certified copies will be prepared via computer.
3. Response time for verification of current vital record data, once correctly data entered into the database, is expected to take only 15 seconds, and printing of a certified copy by computer will take an additional 30 seconds.
4. Security and fraud prevention is possible through the use of copy-proof certificate paper. In addition, temporary marriage and civil union certificates can be verified online in real time once the officiant has finalized the marriage license.

HTH905 Development Disabilities Council

The cost of the program is relatively low to the State in providing its 25% share of the federal grant. The impact for the State and for people with DD and their families is much greater than the cost. Through its advocacy, the Council assisted the State in moving the DD system toward a more effective system for supporting people with DD. The Council has consistently pursued funding opportunities to support the State's efforts in the area of family support, donated dental services, supported employment, and self-advocacy.

The ability of the Council to continue to address the multitude of challenges involved with systems change is threatened by the limited amount of fiscal resources available to conduct policy analysis and continue education and training for individuals, families and providers. Although the Council's primary target group is individuals with DD and their families, the secondary target group includes policy makers who develop and implement the system of supports. This includes more than DOH, DHS, DOE, DOT, and the Legislative Branch constitute

the second target group that requires a level of diversity that is difficult to maintain with limited staff resources.

HTH907 General Administration

The cost data for the Program is to maintain the present Program necessary to provide continuous administrative services.

HTH907 Office of Language Access

OLA's task is to provide highly specialized technical assistance and to coordinate resources to reduce the burden of implementing language access obligations. OLA is charged with providing oversight, central coordination, and technical assistance to all State and State-funded agencies in their implementation of language access compliance.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0505

PROGRAM LEVEL: I. 05 HEALTH
 II. 05 OVERALL PROGRAM SUPPORT

OBJECTIVE: TO ASSURE THAT THE DEPARTMENT POSSESSES THE FUNDAMENTAL CAPACITIES FOR EFFECTIVE AND EFFICIENT ACTIONS TO ACCOMPLISH ITS MISSION, GOALS AND OBJECTIVES BY APPLYING THE BEST AVAILABLE TECHNICAL KNOWLEDGE; RECRUITING AND MAINTAINING WELL-TRAINED AND COMPETENT PERSONNEL; GENERATING AND MAINTAINING CONSTITUENCIES AND POLITICAL SUPPORT; AND SECURING ADEQUATE FISCAL SUPPORT.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0505	1. % CERTIF OF NEED APPLIC DOCUMTNG RELATION TO HSFP		95	95	95	95	95	95	95	95
	2. % ACTIV COMPLTD W/IN ESTAB TMEFRM HI STATE DD PLAN		95	95	95	95	95	95	95	95

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
050501	STATE HEALTH PLANNING AND DEVELOPMENT AGENCY	HTH-906	680	769	1,281	840	840	840	840	840
050502	HEALTH STATUS MONITORING	HTH-760	3,184	3,696	4,161	3,340	3,340	3,340	3,340	3,340
050503	DEVELOPMENTAL DISABILITIES COUNCIL	HTH-905	785	790	790	790	791	791	791	791
050504	GENERAL ADMINISTRATION	HTH-907	30,740	44,019	41,771	37,919	22,917	22,917	22,917	22,917
050505	OFFICE OF LANGUAGE ACCESS	HTH-908	699	914	714	714	714	714	714	714
	TOTAL		36,088	50,188	48,717	43,603	28,602	28,602	28,602	28,602
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
050504	GENERAL ADMINISTRATION	HTH-907	1,000	1,000						
	TOTAL		1,000	1,000						

III. PROGRAM CHANGE RECOMMENDATIONS

Health Resources

HTH100 Communicable Disease & Public Health Nursing

This program has the following operating and capital improvement project requests. Unless otherwise stated, operating requests are for general funds:

1. Add funds to continue funding six Kalaupapa positions; \$370,182 for FY 26 and \$439,368 in FY 27 (HTH100/DG).
2. Trade-Off/Transfer of Cook II #988 (HTH100/DG) and variance to Administrative Specialist III for Hansen's Disease Branch General Administration (HTH100/DF); add 1.00 permanent position for \$58,296 for both fiscal years (HTH100/DF) and delete 1.00 permanent position for \$63,432 for both fiscal years (HTH100/DG).
3. Change MOF from other federal funds to general funds for Registered Nurse IV (#35345) and Office Assistant III (#35321); \$193,152 for both fiscal years (HTH100/DE).
4. Change MOF from other federal funds to general funds for Epidemiological Specialist (X-Ray Technician II) for the Tuberculosis Control Branch by reducing 1.00 temporary full-time equivalent (FTE) and 82,007 in other federal funds for both fiscal years and by adding 1.00 permanent FTE position and \$50,004 for both fiscal years (HTH100/DD).
5. Add funding of \$350,000 for the Public Health Nursing Program for both fiscal years (HTH100/KJ).
6. Add Fund to variance 1.00 Office Assistant III to permanent Admin Specialist IV position and \$31,548 for FY 26 and \$63,096 for FY 27 (HTH100/KJ).
7. Delete long-term vacancies of 1.00 permanent FTE position and \$44,112 for both fiscal years (HTH100/DG).
8. CIP Requests: (general obligation bond funds unless noted)
9. Add \$5,500,000 in FY26 for Kalaupapa Settlement, Close Landfills & Install Synthetic Cover Layer at Master of Social Work Molokai (HTH100).
10. Add \$2,500,00 for FY 26 for Kalaupapa Settlement, Care Home Improvements, Molokai.
11. Add \$2,300,000 for FY 26 for Kalaupapa Settlement and Remove Underground Storage Tanks, Molokai.

HTH131 Disease Outbreak Control

This program has the following operating requests. Unless otherwise stated, the requests are for general funds:

1. Change means of financing from federal funds to general funds and add \$90,144 in FY 26 and \$180,288 in FY 27 for 1.00 FTE Public Health Program Manager and 1.00 FTE Secretary II for Immunization Branch.
3. Add 1.00 FTE position and \$109,800 for one Epidemiologist III for Epidemiology Services in FY 27.

4. Add 1.00 FTE position and \$87,500 in FY 26 and \$175,000 in FY 27 for 1.00 Public Health Program Administrator for the Disease Outbreak Control Division (DOCD).
5. Add 1.00 FTE position in FY 26 and FY 27, \$110,108 in FY 26 and \$115,108 in FY 27 for the Veterinary Medical Officer III position.
6. Increase federal fund Immunization ceiling by \$16,550,268 in FY 26.

HTH730 Emergency Medical Services and Injury Prevention System

This program has the following operating requests. Unless otherwise stated, the requests are for general funds:

1. Add \$3,716,836 in FY 26 and \$3,947,578 in FY 27 for collective bargaining increases for 911 emergency ground ambulance services in the counties of Maui, Kauai, and Hawaii, as well as the 911 emergency air ambulance service in the County of Maui (HTH 730/MQ).
2. Add \$1,600,000 in both fiscal years as recurring funds for the second medic station and ground ambulance on the island of Molokai (HTH730/MQ).
3. Add 0.81 FTE positions and \$89,329 to cover 1.00 Maui Emergency Medical Services (EMS) Physician and 1.00 Oahu EMS Physician (HTH 730/MQ).

HTH560 Family Health Services

This program has the following operating requests. Unless otherwise stated, the requests are for general funds:

1. Change MOF from special funds to general funds for the Birth Defects program by reducing 2.00 permanent FTE and \$236,886 in special funds in both fiscal years; reducing 0.50 and \$61,982 in federal funds in both fiscal years; and by adding 2.50 permanent FTE and \$340,444 in both fiscal years (HTH560/CC).
2. Convert 16.00 permanent FTE Women, Infants, and Children (WIC) federal positions to general funds for both fiscal years for \$1,295,892 (HTH560/GI).
3. Add 2.00 permanent FTE positions in both fiscal years, operating funds of \$567,057 in FY 26 and \$634,112 in FY 27 to re-establish the mandated State Oral Health Program (HRS Sections 321-61 through -63) (HTH560/KC).
4. Delete long-term vacancies for #28935, WIC Nutrition Assistant, and #31902, Office Assistant III (-2.00 permanent FTE and -\$71,712 in federal funds in both fiscal years) (HTH560/GI).
5. Add \$3,000,000 in both fiscal years for contract services for reproductive health and family planning (HTH560/GI).

HTH590 Chronic Disease Prevention and Health Promotion

This program has the following operating adjustments in the Executive Budget Request: (general funds unless noted)

1. Convert the Office Assistant III (#121322) from a temporary to a permanent position (HTH590/KK).
2. Change the MOF from federal to general funds (A) using \$136,932 trade-off funds from OCE (HTH590/GR) MOF A to Personal Services (HTH590/GP) MOF A and \$225,938 Personal Services (HTH590/GP) MOF P to OCE (HTH 590/GP) MOF P, and convert

from temporary to permanent for 2.00 Program Specialist IV-V (#121431, #121572) positions.

3. Transfer \$85,209 in OCE (HTH590/GR) to OCE (HTH590/GP).
4. Transfer \$1,000,000 in Interdepartmental Transfer (U) funds from OCE (HTH590/KK) to OCE (HTH590/GR) and remove MOF U from HTH590/KK.
5. Transfer the Program Specialist V (#121466) from Personal Services (HTH590/KK/KX) MOF P to Personal Services (HTH590/GP) MOF P of 1.00 temporary FTE and \$125,932 in federal funds in both fiscal years, and transfer \$908,106 Other Current Expenses (HTH590/KK/KX) MOF P to OCE (HTH590/GP) MOF P.
6. Trade-off funds from Primary Prevention Branch (HTH590/GR) to Chronic Disease Management Branch (HTH590/GP), Change MOF, and Convert Position from Temporary to Permanent for one Program Specialist IV position #121431 and one Program Specialist V position #121572 for Chronic Disease Management Branch (HTH 590/GP) by reducing 2.00 temporary FTE and \$224,568 in both fiscal years.
7. Delete long-term vacancy of 1.00 permanent FTE and \$36,732 in other federal funds in both fiscal years.

HTH595 Health Resources Administration

None.

HTH596 Office of Medical Cannabis Control and Regulation

OMCCR has the following operating adjustments in the Executive Budget Request: (general funds unless noted):

1. Add \$500,000 in both fiscal years for the Office of Medical Cannabis Control and Regulation (OMCCR) to conduct and maintain a statewide public education campaign to prevent adverse public health and safety impacts related to cannabis use and misuse, including hemp-derived cannabis products.
2. Add \$500,000 in OCE for Medical Provider Education and Implementation Research. Funds would be split into two parts:
3. Add funds (\$100,000) for OMCCR to conduct and maintain statewide continuing medical education to improve care and ensure safe access to medical cannabis for qualifying patients.
4. Add funds (\$400,000) for OMCCR to conduct implementation research to bridge the gap in research findings and practical application, ensuring that medical cannabis is effectively integrated into medical practices in Hawaii.
4. Add \$353,150 in FY 26 and \$200,000 in FY 27, both special funds for OMCCR for leased office space, furnishings, and relocation costs.

Hospital Care

HTH210 Hawai'i Health Systems Corporation – Corporate Office

None.

HTH211 Kahuku Hospital

This program's operating budget request includes (general funds): Add \$125,000 in FY 26 for additional general fund subsidy for patient transport motor vehicle.

The program's capital improvement program (CIP) budget request includes (general obligation bond funds): Add \$5,800,000 in FY 26 and \$5,000,000 in FY 27 for Lump Sum – Kahuku Medical Center.

HTH212 Hawai'i Health Systems Corporation – Regions

This program's operating budget request includes (general funds): Add \$67,315,400 in FY 26 and FY 27 for additional general fund subsidy.

The program also has the following CIP adjustments in the Executive Budget Request: (general obligation bond funds unless noted)

1. Add \$12,500,00 in FY 26 and FY 27 for Kau Hospital, Keeau Outpatient Center.
2. Add \$1,339,000 in FY 26 and \$11,909,000 in FY 27 for WHR Kona Community Hospital – Emergency Department, Hawai'i.
3. Add \$20,000,000 in FY 26 and \$12,500,000 in FY 27 for Lump Sum – Kaua'i Region.
4. Add \$5,500,000 in FY 26 and \$4,300,000 in FY 27 for Lump Sum – Hawai'i Region.

HTH213 Alii Community Care

None.

HTH214 Maui Health System, a KFH LLC

This program's operating budget request includes (general funds): Add \$12,000,000 in FY 26 and \$6,000,000 in FY 27 for general fund operating subsidy.

The program's CIP budget request includes (general obligation bond funds): Add \$6,000,000 in FY 26 and FY 27 for Lump Sum Maui Health System, Facilities Repair, Renovations and Upgrades, Maui and Lāna'i.

HTH215 Hawai'i Health Systems Corporation – O'ahu Region

This program has the following operating adjustments in the Executive Budget Request: (general funds unless noted)

1. Add \$8,000,000 in FY 26 and \$14,000,000 in FY 27 for general fund subsidy.
2. Add \$48,500,000 in special funds in FY 26 and \$48,400,000 in special funds in FY 27 to restore special fund ceiling.

The program's CIP budget includes: (general obligation bond funds unless noted) Add \$5,600,000 in FY 26 and \$5,110,000 in FY 27 for Lump Sum – HHSC O'ahu Region.

Behavioral Health

HTH420 Adult Mental Health -Outpatient

This program has the following operating adjustments in the Executive Budget Request: (general funds unless noted)

1. Add \$375,000 for FY 26 and \$750,000 for FY 27 for full-year funding for ten Clinical Psychologist positions for Adult Mental Health - Outpatient, HTH420/HG.
2. Add 6.00 permanent FTE in FY 26 and FY 27, \$382,268 for FY 26 and \$686,552 for

3. FY 27 for Certified Community Behavioral Health Clinic (CCBHC) staff and for OCE and equipment for central office operational staff required to meet statewide CCBHC certification criteria, HTH420/HB.
4. Convert 50.00 temporary positions to permanent positions for Oahu Community Mental Health (CMH) Services, HTH420/HE.
5. Convert 13.00 temporary positions to permanent positions for Hawaii County CMH Services, HTH420/HL.
6. Convert 5.00 temporary positions to permanent positions for Maui CMH Services, HTH420/HM.
7. Add 3.00 permanent FTE in FY 26 and FY 27, \$297,452 in FY 26, and \$542,162 in FY 27 for two Advanced Practice Registered Nurse (APRN) II positions and one Registered Nurse (RN) III positions and add funds for the provision of CCBHC services at Maui CMH Services, HTH420/HM.
8. Add 3.00 permanent FTE in FY 26 and FY 27, \$274,013 in FY 26, and \$498,883 in FY 27 for one APRN II position and two RN III positions and add funds for the provision of CCBHC services at Hawaii County CMH Services, HTH420/HL.
9. Add 1.00 permanent FTE in FY 26 and FY 27, \$87,991 in FY 26 and \$155,868 in FY 27 for the RN III position, and add funds for the provision of CCBHC services at Kauai CMH Services, HTH420/HN.
10. Add 8.00 permanent FTE in FY 26 and FY 27, \$794,486 in FY 26, and \$1,422,461 in FY 27 for four APRN II positions and four RN III positions and add funds for the provision of CCBHC services at Oahu CMH Services, HTH420/HE.
11. Add \$1,696,000 in FY 26 and \$3,730,000 in FY 27 for contracted inpatient service costs for inpatient psychiatric services. HTH420/HO.
12. Delete long-term vacancies in HTH420/HB (#103015, Psychiatrist III) (-1.00 temporary FTE; -\$220,512 in FY 26 and FY 27).
13. Delete long-term vacancies in HTH420/HE(#6050, Clinical Psychologist), (#7233, Human Service Professional IV), (#24966, Administrative Specialist IV), (#121691, Substance Abuse Specialist IV), #121886, Advanced Practice RN II) (-5.00 permanent FTE, -\$399,072 in FY 26 and FY 27)
14. Delete long-term vacancies in HTH420/HN (#102477, Psychiatrist-Inpatient) (-1.00 temporary FTE and -\$220,500 in FY 26 and FY 27).

HTH430 Adult Mental Health – Inpatient

This program has the following operating adjustments in the Executive Budget Request:

(general funds unless noted)

1. Add \$13,000,000 in both fiscal years for various contracts – Locum Tenens approved under by Act 164, SLH 2023, as amended by Act 230, SLH 2024 for FY 25.
2. Add \$8,650,000 in FY 26 to cover overtime and other payroll costs for Adult Mental Health Inpatient.
3. Add \$5,500,000 in FY 26 for contracts for psychiatric beds for adult mental health inpatients on neighbor islands.
4. Add \$800,000 in FY 26 and \$300,000 in FY 27 to implement Timekeeper and Scheduling Management Software for Hawaii State Hospital.
5. Add 3.00 permanent FTE in both fiscal years, \$94,644 in FY 26 and \$189,288 in FY 27 for one 1.00 FTE Building Manager and two Investigator IV to maintain and operate buildings.

6. Delete long-term vacancies (-2.00 permanent FTE and \$90,576 in both fiscal years.
7. The program also has the following CIP adjustments in the Executive Budget Request: (general obligation bond funds unless noted)
8. Add \$3,150,000 for FY 26 and \$5,750,000 for FY 27 for Hawaii State Hospital (HSH), Health and Safety, Oahu.
9. Add \$1,000,000 in FY 26 for HSH, Repair Chilled Water Line and Related Improvements, Oahu.
10. Add \$3,500,000 for HSH, Water System Improvements, and Other Work, Oahu.
11. Add \$3,100,000 in FY 26 for HSH, Guensberg Building, Renovations and Site Improvements, Oahu.

HTH440 Alcohol and Drug Abuse Division

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Trade-off \$67,043 in other current expenses in both fiscal years from Alcohol and Drug Abuse Division Administration (HTH440/HD) to Treatment and Recovery Branch (HTH440/HT) and add 1.00 full-time equivalent (FTE) Program Specialist Substance Abuse IV position in both fiscal years.
2. Add 1.00 FTE in other federal funds in both fiscal years, \$2,679,703 in other federal funds in FY 26 and \$2,748,073 in other federal funds in FY 27 for one Overdose Data to Action in States (OD2A-S) Coordinator and increase federal fund ceiling for the Alcohol and Drug Abuse Division HTH440/HD.
3. Delete long-term vacancies (#119205, Administrative Specialist III) HTH440/HD (-1.00 permanent FTE and -\$58,296 in FY 26 and FY 27).

HTH460 Child and Adolescent Mental Health

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Add 1.00 permanent FTE in both fiscal years, \$31,039 in special funds in FY 26 and \$62,077 in special funds in FY 27 for one Office Assistant III and transfer OUT HSP IV to HTH 460/HF for Oahu Service Branch (HTH460/HE).
2. Reduce 1.00 permanent FTE and \$55,200 in special funds in both fiscal years for one Office Assistant III and transfer OUT HSP IV to HTH460/HF for the Oahu Service Branch.

HTH501 Developmental Disabilities

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Add \$10,100,000 in FY 26 and \$21,400,000 in FY 27 to increase funding for the Medicaid 1915(c) Home and Community-Based Services (HCBS) Waiver for Individuals with Intellectual and Developmental Disabilities (HTH501/CN).
2. Add 2.00 permanent FTE in FY 26 and FY 27, \$391,548 in FY 26, and \$483,096 in FY 27 for one Federal Initiatives Operations Coordinator position and one IT Band B position under the Health Information Systems Office, and for the Postsecondary Support Project (PSP)(HTH501/KB).

3. Delete long-term vacancy of #41490, Human Service Professional IV (-1.00 permanent FTE and -\$55,200 in both fiscal years) (HTH501/CU).

HTH495 Behavioral Health Administration

None.

Environmental Health

HTH610 Environmental Health Services

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Trade-off \$45,216 in both fiscal years from OCE to Personal Services for Vector Control Inspector II in Vector Control Branch (HTH610/FN).
2. Add 1.00 permanent and \$38,394 in FY 26; 1.00 permanent and \$76,788 in FY 27 for one Administrative Specialist IV position for Environmental Health Services Division (HTH610/FL).
3. Add 1.00 permanent FTE and \$46,722 in FY 26 and 1.00 permanent FTE and \$93,444 in FY 27 for one Environmental Health Specialist VI to perform outreach and enforcement duties for improved vector control (HTH610/FN).
4. Add 7.00 permanent FTE and \$448,625 in special funds in FY 26; 7.00 permanent FTE and \$897,251 in FY 27 in special funds for 6.00 Food Safety Specialist IV and 1.00 Food Safety Specialist V for Food Safety Branch (HTH610/FQ).
5. Delete long-term vacancy, #122139 Entomologist IV (-1.00 permanent FTE and -\$55,200 in both fiscal years)(HTH610/FN).

HTH710 State Laboratory Services

This program has the following general fund operating adjustment in the Executive Budget Request: Add 1.00 permanent Clinical Laboratory Director in FY 26 and FY 27, \$83,000 in FY 26, and \$156,000 in FY 27 for the State Laboratories Division (SLD) Administration (HTH710/MB).

HTH720 Health Care Assurance

This program has the following operating adjustments in the Executive Budget Request (general funds unless noted):

1. Add \$111,127 in FY 26 and FY 27 for contracted services to monitor Case Management Agencies (CMA), Community Care Foster Family Homes (CCFFH), and Adult Day Care Centers (ADCC) authorized by HRS 321-481 through HRS 321-483 and HAR 11-800 (HTH720/MP).
2. Increase the ceiling for the Civil Monetary Penalty Reinvestment Program (CMPRP) by \$250,000 (Special Funds MOF- B) from \$500,000 to \$750,000. Statutory requirements: 42 CFR 488.433, 42 CFR 4883(b), and HRS 321-30. (HTH 720/MP).
3. Cost-neutral trade-off/transfer of Occupational Therapist (OT) IV, Position #27458 to Public Health Educator (PHE) authorized by HRS 321-1.4(b)(1.00 permanent FTE and \$68,280 in both fiscal years) (HTH720/MP).

4. Cost-neutral variance one Public Health Nutritionist to Registered Nurse V for licensing section re-organization (1.00 permanent FTE and \$72,660 in both fiscal years).

Overall Program Support

HTH906 State Health Planning and Development Agency

This program has the following operating budget requests:

1. Add 1.00 permanent Administrative Officer V in both fiscal years, and \$35,508 in FY 26 and \$71,016 in FY 27 for much needed administrative support in the areas of fiscal, budget planning, contract, grant, and personnel management.
2. Temporarily Increase the Special fund ceiling in FY 26 to digitalize public files (\$56,000 in Special funds).
3. Add \$250,000 in FY 26 for developing a comprehensive healthcare modernization strategy for Hawaii's Healthcare System.
4. Temporarily Increase the Special Fund Ceiling in FY 26 by \$170,000 in special funds for required office renovations and modernizations.

HTH760 Health Status Monitoring

This program has the following operating budget requests (general funds unless noted):

1. Add \$821,000 in FY 26 for OHSM Moving and Office Lease (HTH760/MS).
2. Add \$63,096 in both fiscal years for the Research Statistician IV for the Office of Health Status Monitoring (HTH760/MS).
3. Delete the long-term vacancy of #6744, Research Statistician IV (-1.00 permanent FTE in both fiscal years) (HTH760/MS).
4. Delete the long-term vacancy of #118413, Planner IV (-1.00 Temp FTE and -\$75,432 in special funds in both fiscal years) (HTH760/MS).

HTH905 Development Disabilities Council

None.

HTH907 General Administration

This program has the following operating budget requests (general funds unless noted):

1. Add \$3,750,000 in FY 26 for moving and lease funds for the department (HTH907/AB).
2. Convert Human Resources Technician VI position from temporary to permanent for Human Resources Office (HTH 907/AD).
3. Add position and funds for two Human Resources Specialist IV positions for Human Resources Office (2.00 Perm/\$76,789 in FY 26; 2.00 Perm/\$76,789 in FY 27) (HTH907/AD).
4. Add \$195,000 in FY 26 for OCE to lease vehicles (HTH907/AN).
5. Variance position from Public Health Supervisor II to Deputy District Health Officer for Hawaii District Health Office by adding \$16,458 in both fiscal years. (HTH907/AL).
6. Add \$41,216 in both fiscal years to variance/redescribe three positions for Kauai District Health Office (HTH907/AN).
7. Deletion of Long-Term Vacant Position: #118020, Office Assistant IV. (-1.00 Perm/- \$40,248; -1.00 Perm/- \$40,248 in General Funds) (HTH 907/AB).

8. Deletion of Long-Term Vacant Positions: #3577, Secretary III and #21183, Office Assistant III. (-2.00 Perm; -2.00 Perm in General Funds) (HTH 907/AL).
9. Deletion of Long-Term Vacant Positions: #121538, Accountant IV (-1.00 Temp/- \$52,956; -1.00 Temp/- \$52,956 in Federal Funds) (HTH 907/AE).
10. Add continued funding of \$15,000,000 in FY 26 and FY 27 for the Healthcare education Loan Repayment Program.

HTH907 Office of Language Access

None.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Health Resources

HTH100 Communicable Disease & Public Health Nursing

The COVID-19 pandemic severely taxed CDPHND, and the resulting effects continue to impact the programs. Act 009 (SLH 2020), which eliminated many positions that were not filled in anticipation of a declining state budget has had ongoing adverse effects on programs, both directly and indirectly. Hawaii continues to report the highest or second-highest annual case rates in the U.S. for TB and HD. Hawaii's TB and HD case rates are primarily affected by immigration and migration from countries in Asia and the Pacific Basin where TB and HD are endemic. Many of the individuals being diagnosed with HIV have numerous comorbidities and often are without stable housing. Hawaii continues to successfully compete for available federal HIV funds; however, HRSB has had severe staff shortages, impairing the Branch's efficacy.

The Kalaupapa Settlement is co-managed by the HD Branch and NPS. Staff shortages for NPS have led to previously transitioned NPS infrastructure responsibilities frequently not being performed, although there has been some improvement in 2024. The HD Branch coordinated and hosted meetings with leadership from DHHL, DLNR, DOT, and NPS to discuss anticipated needs related to DOH's eventual phase-out from Kalaupapa when DOH's patient care responsibilities at Kalaupapa end. Limited resources require PHNB to focus on populations at greatest risk for their support however the need for emergency preparedness work in the community is increasing.

HTH131 Disease Outbreak Control

Recently, diseases with substantial global impact (e.g. avian influenza, clade I and II Mpox) have emerged or reemerged (e.g. Marburg, Oropouche, Measles, and Polio). Diseases unusual on the mainland (e.g., leptospirosis and angiostrongyliasis) are a concern as are more common infections (e.g., whooping cough or Salmonella). Climate change is resulting in increased zoonotic and vector-borne diseases (e.g. dengue). Hawaii's growing population and its many visitors increase the likely introduction and spread of infectious diseases, some with potentially catastrophic consequences across multiple sectors.

DOCD also actively promotes vaccination, a proven cost-effective measure to prevent infectious disease spread, and serves as the technical lead for mass vaccination efforts such as immunization against SARS-CoV-2. The program distributes federally funded vaccines for Hawaii's keiki who are underinsured or lack insurance, who comprise just under half of children in the State.

Substantial work continues to monitor trends in COVID-19 and other respiratory virus disease including in high-risk settings such as nursing homes to provide timely guidance to the public and groups most impacted.

DOCD's activities face significant risk as it relies on federal funding for most of its activities. This funding previously on track to return to low non-inflation adjusted pre-pandemic levels, will also likely be reduced further with changing funding priorities with new federal leadership. While COVID-19 federal emergency funds have allowed immunization and disease surveillance systems to be rebuilt and strengthened after historical underfunding, future consistent funding must be secured to maintain these advances.

HTH730 Emergency Medical Services and Injury Prevention System

Injury remains the leading cause of early disability and loss of productive years, resulting in nearly 840 resident deaths and incurring \$670 million in hospital charges annually. Delivering high-quality trauma care across the State presents significant challenges due to the high cost and readiness requirements, compounded by remote locations and shortages of physicians and other personnel. Despite these obstacles, the Emergency Medical Services and Injury Prevention System Branch (EMSIPSB) has successfully implemented a comprehensive statewide trauma system for Hawaii. This system, funded by the Trauma System Special Fund (TSSF) established under Act 305, SLH 2006, has led to improved outcomes for trauma victims.

Older adult falls are a significant public health concern in Hawaii. For kupuna (seniors), falls are the leading cause of injury-related deaths, hospitalizations, and ambulance use in the State. Each year falls result in 133 deaths and 2,079 hospitalizations among Hawaii seniors. The direct medical charges for fall-related injuries among kupuna total nearly \$148 million annually. This figure would double if the costs of rehabilitation and long-term care were included.

The issue of senior falls is exacerbated by Hawaii's aging population and the unique geographical challenges of the State. Many seniors live in remote areas where access to immediate medical care is limited, making the consequences of falls even more severe. Additionally, cultural factors and a strong sense of independence among the elderly population often lead to underreporting and delayed treatment of falls.

HTH560 Family Health Services

Given the recent environmental disasters affecting communities in the State (e.g. Red Hill water contamination and the Maui wildfires, etc.), the Hawaii Birth Defects Program data will be extremely helpful to account for these potential environmental exposures through active surveillance of birth and medical records and responding to any concerning findings and trends. Without data from this program, the state and the concerned communities lack early and sensitive data that can alert actions to prevent and mitigate further negative health impacts and protect the public health.

HTH590 Chronic Disease Prevention and Health Promotion

Obesity, smoking, e-cigarette use, type 2 diabetes, hypertension, and cancer put people at greater risk for COVID-19 and complications. However, people cannot modify their behavior when the environments where they live, work, and learn, present more barriers than choices for healthy foods and physical activity, being tobacco-free, and managing their chronic diseases. After tobacco use, poor nutrition and physical activity are the leading risk factors for chronic

disease. Less than one in four adults and youth meet guidelines for fruit and vegetable consumption and physical activity. Improving health outcomes must include improving living conditions for the 63% of adults and 28% of youth who are overweight or obese, almost half of adults with type 2 diabetes and prediabetes, and more than one in four adults who have high blood pressure, high blood cholesterol, and are former smokers. Obesity continues trending upward for adults and youth and is contributing to chronic diseases like certain cancers, cardiovascular disease, and type 2 diabetes being diagnosed in younger adults. Tobacco-free gains are eroded with rising e-cigarette use by youth and young adults. The program seeks to make healthy living choices easy and convenient, so more people will enjoy quality and quantity of healthy productive years of life.

HTH595 Health Resources Administration

An ongoing element affecting HRA programs is high cost of living, as seen in the growing numbers of uninsured individuals and homeless families and the decreasing accessibility to health care services for rural residents and low income persons throughout the State.

HTH596 Office of Medical Cannabis Control and Regulation

With the rise in the cost of living in Hawaii, many individuals and families are finding it difficult to pay for some life essentials. The rise in the cost of living has raised the price of medical cannabis forcing patients to choose between their medicine including medical provider certification fees, and other life essentials. Many of the medical cannabis patients do not live close to a medical cannabis dispensary; the need to drive several miles to a dispensary combined with the rise in the price of gasoline has added to the pressure of medical cannabis patients.

Hospital Care

- **Increasing Patient Volumes and Staffing Shortages:**

In Fiscal Year (FY) 2024, HHSC's facilities experienced increasing patient volumes that either met or exceeded pre-Coronavirus pandemic levels. The significant increase in acute patient days appears to be due to a variety of reasons, including: 1) deferred care during the Coronavirus pandemic resulting in sicker patients, 2) staffing shortages in long-term care and other post-acute care facilities resulting in delayed discharges as patients wait for the appropriate beds to become available, and 3) patients with behavioral issues, medical insurance challenges, and medically complex issues making them hard to place in other care settings.

In the face of these increasing patient volume levels, HHSC suffered from clinical staffing shortages as a result of the lack of available staff due to economic conditions such as high cost of living and the scarcity of affordable housing, and the limited capacity of Hawaii colleges and universities to accept and graduate nursing students and clinical technicians. As a result, HHSC has had to supplement its staff with contracted nursing and other clinical personnel. In FY 2024, HHSC spent approximately \$39 million in contracted nursing and other clinical personnel as compared to \$14.4 million in fiscal year 2021. Recognizing the need to develop workforce programs that would allow HHSC's facilities to grow its own local healthcare workforce, HHSC's regions implemented a variety of workforce initiatives with community partners. These programs include establishing surgical technologist programs and nurse residency programs working with community colleges and local banks, specialized nursing certificate programs, establishing a certified nurse assistant program to prepare

students as early as the high school level to hire students as entry-level nursing assistants working with local high schools, the Healthcare Association of Hawaii, and the Good Jobs Hawaii Program, and the establishment of the Hawaii Island Family Residency Program at Hilo Medical Center.

The increasing patient volumes demonstrate how HHSC's facilities are critical in terms of access to health care in the State of Hawaii, particularly on the neighbor islands. In fiscal year 2023, HHSC's acute discharges for the four HHSC regions were 13,278, which accounts for approximately 12% of all acute care discharges in the State of Hawaii. In fiscal year 2023, HHSC's emergency department visits for the four HHSC regions were 87,879, representing approximately 18.3% of all emergency department visits statewide. The impact of HHSC's facilities on the neighbor islands is even more impressive. For residents of the County of Hawaii, HHSC's facilities cared for almost 70% of all acute care discharges and over 81% of all emergency department visits. For residents of the County of Kauai, HHSC's facilities cared for approximately 22.5% of all acute care discharges and 38.7% of all emergency department visits.

- Loss of Federal Funding for Coronavirus Costs:

One of the issues that HHSC faces going forward will be the increased need for State general fund appropriations for FYs 2024 and beyond due to the loss of federal funds (e.g. Provider Relief Fund grants, Small Business Association Paycheck Protection Program loans, American Rescue Plan Act funds, and the increased federal matching percentage from the CARES Act) that helped HHSC reduce its need for general fund appropriations during FYs 2020-2023. HHSC received over \$172 million in those types of funding during that time period, and with those sources of funding no longer anticipated to be available going forward, those funds will need to be replaced with State general fund appropriations or other sources of funds just to continue the services that HHSC currently provides.

Combined with the anticipated increase in pharmaceutical and medical supply inflation, growing costs of obtaining hospital general and professional liability insurance, and the impacts of labor shortages at all levels of the healthcare industry in Hawaii, HHSC's need for operational funding will continue to grow. The other major issue results from the devastating wildfires that destroyed Lahaina and impacted other parts of Maui. While HHSC no longer operates facilities on Maui, the economic impact of the loss of revenue from those devastated communities combined with the significant need for funds to rebuild homes and businesses and provide assistance to those who have basically lost everything will cause a significant drain on State finances, which will mean there will be less State general funds available to meet the needs of all the agencies that the State of Hawaii operates. Further, the demand for construction resources to rebuild Lahaina will likely cause other construction projects to be delayed or significantly increase the costs of those projects.

- Unfunded Mandates for State Collective Bargaining and Fringe Benefit Costs:

Public sector union pay raises for HHSC are negotiated by the State Office of Collective Bargaining, approved by the Administration, and funds are appropriated by the Legislature. Requiring HHSC to pay for collective bargaining increases approved by the State from HHSC's operating revenues imposes unbearable financial hardship on the system because

HHSC is unable to require higher reimbursement from commercial or government healthcare payers to cover legislated payroll increases.

HHSC was forced to absorb collective bargaining raises of varying percentages due to agreements between the State of Hawaii and public sector unions retroactive to July 1, 2021, and expiring on June 30, 2025. These raises are projected to cost HHSC a cumulative total of over \$90 million at projected fringe benefit rates over the four-year period of the agreements. Further, the collective bargaining agreements negotiated by the State of Hawaii are meant to cover employees supporting the static business environment of administrative offices, not the dynamic working environment found in the hospitals that HHSC operates. As a result, the work rules and pay schedules dictated by those collective bargaining agreements makes it difficult for HHSC to operate its facilities efficiently and cost effectively.

In addition, the State assessed HHSC a fringe benefit rate of 64.25 percent in FY 2024, which was an increase to the FY 2023 fringe benefit rate of 52.83%. Other private hospitals across the United States pay a fringe benefit rate of between 25-30 percent. The impact to HHSC of the difference between its FY 2023 fringe benefit rate and the private hospital fringe rate of 30% is approximately \$45.7 million in additional annual expense to HHSC. As a result of these ever-increasing cost pressures, HHSC's salaries & benefits expense as a % of net patient service revenue was 75.5% for FY 2023, as compared to the U.S. Not-for-Profit Healthcare System Median of 57.6% (per Standard & Poor's Global Ratings for 2021).

The increasing competition for healthcare resources including limited reimbursement dollars, the need for qualified healthcare professions, and the encroachment of national organizations into the State, including the neighbor islands.

Labor costs constitute the majority of the HHSC budget. HHSC costs are high compared to national averages and are higher than those of local competitors. While HHSC has been given limited authority to make memoranda of agreement and collective bargaining sub-agreements, HHSC is basically restricted from modifying salary and benefits. Pay raises for HHSC are negotiated by OCB, approved by the Administration, then appropriated by the Legislature. Requiring HHSC to pay for collective bargaining increases approved by the State from HHSC's operating revenues would impose unbearable financial hardship on the system; because HHSC is unable to require higher reimbursement from commercial or government healthcare payers to cover legislated payroll increases. Pay raises from collective bargaining make it increasingly difficult for the Corporation to manage operating costs. To provide adequate cash for payments to employees required by collective bargaining agreements, HHSC has requested that general fund revenues be provided to HHSC if any collective bargaining agreements are enacted in addition to funds provided to offset HHSC's annual losses attributed to excessive labor cost associated with the entire State collective bargaining process.

- Threat of Declining Medicare/MedQUEST reimbursements:

Government-type payors (Medicare/Medicaid/MedQUEST) account for over 80 percent of HHSC's gross patient revenue. As the federal government continues to implement measures to constrain the growth of the costs for the Medicare program and the State of Hawaii balances the need to manage costs of the Medicaid/MedQUEST program as enrollment

continues to grow, there will be continued downward pressure on HHSC patient service revenues, which fund over 75 percent of HHSC's operating costs. If these downward pressures continue, it will become increasingly difficult for HHSC to continue providing quality healthcare services without an increasing need for State general fund appropriations to supplant those decreasing revenues.

- **Workforce Challenges of Rural Hospitals:**

HHSC continues to operate with statutory restrictions controlling levels of service and outsourcing of operating units and must manage the work force under the provisions of State civil service and collective bargaining rules. Further, the lack of sufficient clinical workforce in the State's rural areas will continue to be a challenge due to the limited capacity of the State's residency programs and nursing programs combined with the high cost of living that makes it difficult to recruit and retain personnel in all areas of the hospitals.

Behavioral Health

HTH420 Adult Mental Health -Outpatient

The program is affected by the influence of the federal government in shaping the direction of programs and public policy including Block Grants for Community Mental Health Services requirements. It is also affected by policies and procedures established within other agencies and systemic barriers to recruitment for professional and support positions.

HTH430 Adult Mental Health – Inpatient

Healthcare, pharmacy, contracted services, and acute inpatient psychiatric service costs continue to increase, and keeping pace with those increasing costs is essential. The shortage of available/open beds in appropriate community-based programs and housing and increased court-ordered justice-involved admissions make it difficult to control the HSH census. The shortage of nurses and physicians could impact the program in the future. Utilities and other related operating costs also continue to rise.

HTH440 Alcohol and Drug Abuse Division

Major trends affecting the program include: management and oversight of the Hawaii Coordinated Access Resource Entry System (Hawaii CARES/988) for substance use, behavioral health and crisis services; State and county initiatives to prevent opioid overdoses and reduce the prevalence of opioid use disorders; addressing homelessness that involves strengthening of infrastructure and service systems to address homeless individuals; diversion of those with substance use disorders and low-level, non-violent offenses from arrest towards treatment; and federal and State laws requiring insurance groups that cover mental health or substance use disorders to provide the same level of benefits as provided for general medical treatment.

HTH460 Child and Adolescent Mental Health

CAMHD is working to respond to behavioral health workforce shortages in Hawaii, which have contributed to waiting lists for some CAMHD services, by providing rate increases and offering value-based payments to incentivize improved support and infrastructure. We have also implemented more telehealth, as a way to improve access to services in shortage areas. During the pandemic, the census of CAMHD decreased and has not returned to pre-pandemic levels, despite data indicating that the pandemic negatively impacted youth mental health. CAMHD

has launched media campaigns and outreach contracts to address this issue and identify youth in need of services.

HTH501 Developmental Disabilities

Major federal trends that directly impact the program relate to Medicaid funded programs including the Centers for Medicare and Medicaid Services Ensuring Access to Medicaid Services Final Rule (CMS-2442-F) promulgated in July 2024 and the HCBS Community Integration Final Rule. Both require full compliance with these complex federal regulations. Other significant federal trends relate to the Department of Justice's enforcement of the *Olmstead v. L.C.* Supreme Court ruling requiring states to eliminate unnecessary segregation of persons with disabilities; compliance with the 21st Century Cures Act for Electronic Visit Verification; U.S. Department of Labor rules; and the Workforce Innovation and Opportunity Act to improve the workforce system including for people with significant barriers to employment.

Two previous lawsuits also continue to affect the program (the Hawaii Disability Rights Center v. State of Hawaii (Civil No. 03-00524) Lawsuit and the Makin v. State of Hawaii (Civil No. 98-00997) Lawsuit) where the State was sued for violations of the community integration regulations of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and Medicaid rules concerning the right to services, timely delivery of services, and due process notification.

HTH495 Behavioral Health Administration

Major trends affecting this program include the cost-effectiveness of programs and services; the lack of enough qualified professional manpower to fill vacant positions; the Federal government's ongoing influence in shaping the direction, priorities, and policies of public programs; and natural disasters and severe economic and social conditions creating emotional stress on families and individuals resulting in an increased demand for mental health services.

Environmental Health

HTH610 Environmental Health Services

Rates of food- and vector-borne diseases are increasing nationally and in the case of vector-borne diseases, worldwide. The increase in these diseases increases the number of food- and vector-borne diseases locally. The increases put additional pressure on the programs to effectively prevent and contain potential outbreaks.

HTH710 State Laboratory Services

This program is impacted by State and federal laws (i.e., Clinical Laboratory Improvement Amendments, Drinking Water Act, Clean Water Act, etc.) and the need to respond to new and re-emerging threats in the State that could have an adverse impact on public health, the environment, and the local economy, for example, testing for highly pathogenic avian influenza (HPAI), dengue, monkeypox, legionella, antimicrobial resistant bacteria, performing whole genomic sequencing of respiratory and covid virus, wastewater testing, per- and poly-fluoroalkyl substances (PFAS) and lead in drinking water, and pesticide testing and microbial testing of foods.

Regulatory requirements and the need to be able to respond to clinical and environmental threats often are the driving sources for additional resources. Which often drives the need for additional resources.

HTH720 Health Care Assurance

Continued increase in the demand for health care services, especially for the elderly, frail, and vulnerable populations, which require the licensure of new residential care homes, nursing homes, dialysis facilities, and other health care facilities or organizations.

The Office of Health Care Assurance (OHCA) accepted the responsibility from DHS of licensing or certifying the adult community care foster family homes, case management agencies, and adult day care programs beginning July 1, 2014, as part of the Governor's New Day initiative to reshape the State government.

OHCA implemented the Durable Medical Equipment Supplier Licensing program effective January 1, 2017, pursuant to Act 137, SLH 2016, and implemented the Home Care Agency Licensing program in FY 19.

Overall Program Support

HTH906 State Health Planning and Development Agency

This program is affected by the following factors:

1. Changes in health insurance reimbursement methods and trends in the delivery of care, i.e., Affordable Care Act.
2. New developments in technology will shape the future successes in medical research, pharmaceuticals, information and medical technology, and health care delivery systems.
3. National and local shortages in trained health professionals, physicians, nurses, and other non-physician professionals.
4. The increasing rate of an aging population (older and ethnically diverse).
5. The continuing concerns regarding rural healthcare access and quality of care issues.
6. The impact on health care resources and services of unexpected diseases/ pandemics, e.g., COVID-19.

HTH760 Health Status Monitoring

This program is affected by the following factors:

1. A cooperative program with the National Center for Health Statistics requiring current flow data from all 50 states to produce national indicators of health status.
2. Demand by State and local agencies for small area (sub-islands) information on the health status of residents.
3. Changes in federal government data standards including race classification and standard population age-adjustments for mortality estimation.
4. Demand for electronic verification of records due to increased concerns of national security and identification theft.

HTH905 Development Disabilities Council

The Administration on I/DD revised how Councils report on their State Plan activities to better address the Government Performance and Results Act of 1993. The revised Annual Program Performance Report template includes performance measures that better demonstrate Councils' outcomes in implementing the federal law.

HTH907 General Administration

The Program is affected by major external economic and social trends, including increased demands on programs, accountability for resources and services provided, and the economy. These factors affect the involvement of and demands placed on DOH, its ability to manage available resources and, in turn, its total productivity and effectiveness.

HTH907 Office of Language Access

Hawaii is one of the most culturally diverse states and has one of the highest proportions of non-English speakers in the nation. Many of these non-English speakers are immigrants and migrants with LEP. According to the U.S. Census Bureau's 2018-2022 American Community Survey (ACS) five-year estimates, approximately 25.73%, or 351,542, of Hawaii's residents aged five years and older speak a language other than English at home. Of these, 150,743, or 11.06%, indicated that they speak English "less than very well."

Limited English Proficiency has serious impacts on people's economic and social activities, education, health literacy and wellness, employment, and access to public assistance, benefits, programs, and services. The continuing influx of immigrants and migrants to the State makes language access a critical and high priority.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports to the Legislature and Annual Reports prepared by the Department of Health, its divisions, and attached agencies, may be found at the following web address:

<https://health.hawaii.gov/opppd/>.

Hawaii Health Systems Corporation reports may be found at the following web address:

<https://www.hhsc.org/about-us/hhsc-reports/>.

06
Social Services

SOCIAL SERVICES

I. OVERVIEW

The Social Services program's overall objective is to enable individuals and families in need to attain a minimally adequate standard of living and to achieve the social and psychological adjustments necessary to successful living in modern society.

The program consists of four Level II programs: Services to Individuals, Families and Veterans; Assured Standard of Living; Hawaiian Homesteads; and Overall Program Support for Social Services. Aspects of these programs are contained within the Departments of Human Services (HMS), Defense (DEF), Attorney General (ATG), Hawaiian Home Lands (HHL), and Health (HTH).

Important program relationships exist between the Social Services program and Federal, private, and other governmental agencies, including the U.S. Departments of Health and Human Services, Housing and Urban Development, and Veterans Affairs.

- (1) Federal
 - Department of Health and Human Services
 - Department of Homeland Security
 - Department of Housing and Urban Development
 - Department of Agriculture
 - Department of Veterans Affairs
 - Department of the Interior
 - Department of the Treasury
 - Department of Defense
- (2) Counties
 - Community Services Departments
 - Police Departments
 - Prosecuting Attorney Departments
- (3) Private
 - Catholic Charities
 - Institute of Human Services
 - Kamehameha Schools/Bishop Estate
 - Association of Hawaiian Civic Clubs
 - Council for Native Hawaiian Advancement
 - Queen Liliuokalani Trust
 - Hale Kipa Youth Services
 - Child & Family Services
 - Maui Youth & Family
 - Salvation Army
 - Parents Inc.
 - Hawaii Youth Services Network
 - Keiki O Ka Aina
 - Partners in Development Foundation

- Pu'a Foundation
- Queen's Health Systems
- Kapiolani Medical Center for Women and Children
- Domestic Violence Action Center
- Hawaii Youth Services Network
- Hawaii Children's Action Network
- King Lunalilo Trust
- Fish and Wildlife Foundation

(4) Affinity & Philanthropic Organizations

- National Governor's Association
- American Public Human Services Association
- Ascend at the Aspen Institute
- Casey Family Programs
- W.K. Kellogg Foundation
- Hawaii Community Foundation
- Healthcare Association of Hawaii

Increasingly, the effective delivery of social services requires the whole of government and community approach to address the root causes of poverty and related social adversities. This work includes cross-branch, cross-agency, and community collaboration to address the social determinants of health and well-being. For example, the Department of Human Services works with:

- The Governor's Coordinator on Homelessness, who leads the State Office on Homelessness and Housing Solutions and chairs the and the Hawaii Interagency Council on Homelessness (HICH). With the Hawaii Interagency Council on Homelessness, the Governor's Coordinator leads the statewide planning and coordinated approach to address the needs of individuals and families experiencing homelessness. The HICH includes all executive branch agencies, se efforts include working with the Departments of Education, Transportation, law enforcement agencies, county governments, and community providers, and community members. The mission of the Governor's Coordinator on Homelessness is to prevent and address the impacts of homelessness on individuals and families and maintain the health and safety of public lands;
- The Department of Education and the Charter Schools Commission to deliver more Supplemental Nutrition Assistance Program (SNAP) benefits to eligible students;
- The Department of Education to maximize federal reimbursement for health care services needed for students to succeed in school;
- The Departments of Education and Health, and community providers to create a network of school- and community-based family resource centers;
- The Executive Office on Early Learning, the Departments of Education, and Charter Schools Commission to address the child care needs of families and the investment required to increase the capacity and quality of child care in Hawaii;

- The Department of Corrections & Rehabilitation, community advocates, and those with lived experience to address the needs of children of incarcerated parents and support reentry by prison inmates to the community;
- The Judiciary, the Department of the Attorney General, and State and federal law enforcement to combat sex and human trafficking of minors;
- The Office of the Governor, the Department of Labor & Industrial Relations, the Office of Enterprise Technology Services, and the National Governors Association to streamline online services for residents seeking employment and government services;
- The Department of Health and the Children's Healthy Living Program at the University of Hawaii at Manoa, supported by private philanthropy, to improve access to and participation in available nutrition programs for Hawaii's youngest children and to better understand the how Hawaii residents utilize SNAP benefits;
- The Department of Defense (DOD), Hawaii Emergency Management Agency (HIEMA), to address the long-term recovery needs of Maui residents following the August 8, 2023, wildfires that impacted Maui and Hawaii island, and
- The Department of Law Enforcement, with leadership by the Hawaii State Fusion Center and participation of multiple federal and state agencies working on preventing targeted violence.

These government and community collaborations require continued investment and dedicated staff, information technology (IT) improvements, and contracted services to redesign and reimagine government so that residents have easier access to government services that are responsive to their needs. In addition, discussing and expanding the understanding of federal programs and their funding schemes will assist Hawaii in maximizing the use of available federal funding.

In addition to setting the strategic vision and providing oversight over DHS programs and staff, the Director's Office also leads on special and pilot projects such as the Maui Wildfire Special Project and the Family Resource Centers Pilot. The Director's office also leads and participates in cross-sector technical assistance aimed at improving interagency communication and processes. Director's office staff also provides administrative support to the Commission on Fatherhood and the Lesbian, Gay, Bisexual, Transgender, Queer, Plus Commission.

Services to Individuals, Families and Veterans

The objective of this program is to enable individuals and families in need, and veterans to achieve and maintain the social and psychological adjustments necessary to successful living in modern society.

This program is comprised of the following lower-level programs within the Department of Human Services and the Department of Defense: Child Protective Services (HMS301); General Support for Child Care (HMS302); Child Protective Services Payments (HMS303); Cash Support for Child Care (HMS305); At-Risk Youth Services, consisting of In-Community Youth Programs (HMS501) and Hawaii Youth Correctional Facility (HYCF) (HMS503); Services to Veterans (DEF112); and Adult Protective and Community Services (HMS601).

HMS301 Child Protective Services

The objective of this program is to enable children at risk of abuse/neglect to live in a safe and secure environment by providing in-home and out-of-home social services that benefit the children and their families.

For children who are confirmed victims of child abuse/neglect (CA/N) or threatened with harm and their families, the range of services include assessment and crisis intervention; CA/N investigation; case management/permanency; differential response, such as family strengthening and voluntary case management; prevention of entry to foster care; foster care; permanency planning, including reunification, adoption, legal guardianship and another permanency living arrangement (APPLA); Independent Living; Imua Kakou; and licensing of resource caregivers homes and child placing organizations.

HMS302 General Support for Child Care

The objective of this program is to promote self-sufficiency of low-income families who are employed, in training or in education by providing access to comprehensive child care resources and services which assure the basic health and safety of children.

The Child Care Subsidy Program provides child care payments to help eligible families afford child care and support child care quality and accessibility in the communities. The Child Care Regulation Program sets standards and regulates family child care homes, group child care homes and centers, infant/toddler centers, and before/after school care.

HMS303 Child Protective Services Payments

The objective of this program is to assure an adequate standard of living for children who are unable to be maintained in their family home because of abuse, neglect, or inability of the family to provide them adequate care and supervision by providing payment for room and board and for costs related to care or assistance in family preservation/reunification or adoption.

Provide payments for foster care; emergency shelter; permanent custodians; former foster youths attending higher education and Imua Kakou (extended foster care to 21); difficulty of care services for children in foster care who present difficulties in their physical, emotional or psychological functioning; subsidies to facilitate adoption for children with special needs; and subsidies to facilitate legal guardianship, or other permanent legal arrangements for children who cannot be reunified with parents in a safe family home. Payments also cover basic daily living needs and other essentials such as clothing, transportation to school, visitation (Ohana Time) services to expedite reunification; and prevention services to prevent out-of-home placement.

HMS305 Cash Support for Child Care

The objective of this program is to provide child care subsidies which promote the self-sufficiency of low-income families who are employed, or in approved training or education, and the health and safety of children.

The Child Care Subsidy Program (CCS) provides child care subsidies and support services to eligible families. CCS serves employed parents, or parents in education or training programs, or children in need of child care for protective service reasons.

The First-To-Work Program (FTW) is a work program for families that receive Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) cash benefits. FTW issues child care subsidies to support TANF/TAONF recipient families so they can successfully engage in the work program, participate in work activities, obtain training and employment, and transition off welfare to financial independence.

The Preschool Open Doors Program (POD) provides support to eligible low- and moderate-income families to be able to access quality early childhood group care settings for their children so the children will have at least one year of preschool experience and be ready for kindergarten.

In FY 24, the Department of Human Services issued approximately \$30 million in child care subsidies for 3,962 children to help families and children maintain stable child care and offset the costs of the increased expenses that child care providers are experiencing to implement the additional health and safety measures for children in care and child care staff.

HMS501 In-Community Youth Programs

The objective of this program is to coordinate a continuum of programs and services in communities for at-risk youth to prevent delinquency, reduce recidivism, and maximize opportunities for youth to thrive within their community; and to monitor standards for youth in residential custody facilities.

The purpose of OYS is "to provide services and programs for youth at-risk under an umbrella agency in order to facilitate optimum service delivery, to prevent delinquency, and to reduce the incidence of recidivism among juveniles through the provision of prevention rehabilitation, and treatment services." During the next biennium, OYS will maintain outreach and service delivery to youth, families, their community, and assist to coordinate the various agencies and organizations, including, education, child welfare, mental health, the Judiciary/Family Court, and community-based organizations in order to improve service delivery to youth.

OYS is committed to providing leadership in developing a comprehensive continuum of services to reduce juvenile delinquency and enhance public safety. During the past biennium, OYS has strengthened the juvenile justice system through activities such as planning, collaboration, coordination, training and technical assistance consistent with the provisions of Chapter 352D, HRS. OYS continued statewide support services and programming to youth and their families during the pandemic and Maui wildfires, including community-based prevention programs, community-based support for youth involved with Family Court and exiting the Hawaii Youth Correctional Facility (HYCF), residential services for homeless youth, risk and needs assessment for justice involved youth, youth diversion services, and other services to support youth and communities.

OYS funds a range of youth services, from prevention to institutional aftercare, in a comprehensive and consolidated manner using federal and State dollars. These services include programs for truancy, community-based outreach and advocacy, intensive monitoring, youth- and family-centered wraparound planning services, project-based cultural programs, life skills, parent partnerships, emergency shelters, residential facilities and Safe Spaces.

HMS503 Kawailoa Youth and Family Wellness Center

The objective of this program is to provide secure custody and quality care for youth who have been sent to the Hawaii Youth Correctional Facility (HYCF), and who will receive rehabilitation programs, specialized services, and custodial care, to increase their ability to successfully function within the community upon their release without re-offending.

Act 375, SLH 1989, mandated the Office of Youth Services (OYS) to provide a continuum of services ranging from prevention to secure care. On July 1, 1991, OYS assumed the responsibility for HYCF, the only juvenile correctional facility in the State. In September 1995, the 30-bed facility at HYCF was completed. Additionally, a ten-bed hardware-secure building is located near the main facility (currently utilized for females). Act 208, SLH 2018, expanded the role of HYCF by creating KYFWC and authorizing it to provide additional programming to high-risk youth and young adults.

Major initiatives that HYCF continues to support and encourage include:

- Developing and revising of facility policies, procedures and practices that are juvenile justice-appropriate.
- Providing ongoing staff training for HYCF direct care staff, social workers, and other staff.
- Strengthening of communication between the Judiciary, the Department of Education (DOE), the Department of Health (DOH), the Department of Human Services (DHS), and other State agencies to ensure the delivery of appropriate services for youth in a seamless and collaborative manner.
- Managing on-campus partnerships that allow for services for vocational training for 15 to 25-year-olds, 'aina-based mentoring, and a homeless shelter for young adults (18 to 25 years old).
- Operating and maintaining KYFWC by providing services and programs to meet the needs of at-risk youth and young adults, including homeless youth and victims of human or sex trafficking.

DEF112 Services to Veterans

The objective of this program is to enable veterans to achieve and maintain the social and psychological adjustments necessary for success in civilian life and to assure their burial requirements.

Program activities include:

1. Develops, implements and maintains a statewide veterans' services network.
2. Provides counseling, information and referral services to veterans and dependents.
3. Provides support services to veterans and dependents for filing benefit claims and appeals review.
4. Provides the means to receive, process and resolve veterans' complaints.
5. Supports community and government activities for veterans.
6. Continues to operate the Hawaii State Veterans Cemetery in Kaneohe, Oahu.
7. Provides support and assists the counties to maintain veterans' cemeteries on the neighbor islands.

Important program relationships include close coordination and cooperation with key government agencies including the Hawaii Departments of Human Services, Labor and Industrial Relations, Health, and Land and Natural Resources; the U.S. Department of Labor; the University of Hawaii, the counties of Hawaii, Maui and Kauai and with the U.S. Veterans Administration to detail their needs and seek monetary assistance and support for veterans' services.

HMS601 Adult Protective and Community Services

The objective of this program is to enable vulnerable adults to live in a safe environment by providing protective services and volunteer programs to assist the community.

The Adult Protective and Community Services Program (APCS) administers a variety of programs and services to protect vulnerable adults from abuse and neglect, and to ensure their health, well-being, and safety in their homes and in the community. APCS provides crisis intervention, including investigation and emergency services, and case management to vulnerable adults who are reported to be abused, neglected, or financially exploited by others, or seriously endangered due to self-neglect. Additionally, APCS provides case management services for clients receiving adult foster care, courtesy, and repatriate services.

APCS provides certification for the Nurse Aide Training and Competency Evaluation Program and administers two community programs, the Senior Companion Program (SCP) and the Foster Grandparent Program (FGP).

Assured Standard of Living

The objective of this program is to assure that those in need attain at least a minimally adequate standard of living by providing services, direct assistance, and payments for the necessities of life.

This program is comprised of the following lower-level programs within the Department of Human Services and the Department of the Attorney General: Monetary Assistance for General Needs, consisting of Aged, Blind and Disabled Payments (HMS202), General Assistance Payments (HMS204), Federal Assistance Payments (HMS206), and Cash Support for Families – Self-Sufficiency (HMS211); Housing Assistance, consisting of Rental Housing Services (HMS220), Hawaii Public Housing Authority Administration (HMS229), Rental Assistance Services (HMS222), and Homeless Services (HMS224); Health Care, consisting of Community-Based Residential and Medicaid Facility Support (HMS605) and Health Care Payments (HMS401); General Support for Assured Standard of Living, consisting of Case Management for Self-Sufficiency (HMS236), Disability Determination (HMS238) and Child Support Enforcement Services (ATG500); and Employment and Training (HMS237).

HMS202 Aged, Blind and Disabled Payments

The objective of this program is to provide financial support, within State appropriations, through direct monetary payments for food, clothing, shelter, and other essentials, to individuals who are aged, blind, or permanently disabled who do not qualify for Social Security or who are waiting for a determination of eligibility for Supplemental Security Income (SSI) or Social Security benefits; and to maximize federal interim assistance from SSI payments.

This program processes applications for Aid for the Aged, Blind and Disabled (AABD) cash assistance, determines initial eligibility and authorizes payment and/or benefit adjustments when the circumstances of the recipient changes. It refers recipients for federal benefits when potentially eligible for Social Security benefits to transition from state assistance to federal benefits, and annually re-determines continued eligibility.

HMS204 General Assistance Payments

The objective of this program is to provide financial support, within State appropriations, through direct monetary payments for food, clothing, shelter, and other essentials, to individuals who are temporarily disabled, who do not qualify for Social Security, or who are waiting for a determination of eligibility for Supplemental Security Income (SSI) or Social Security benefits and to maximize federal interim assistance from SSI payments.

This program processes applications for General Assistance (GA) cash assistance. It determines initial eligibility and makes payment and/or benefit adjustments when the circumstances of the recipient changes, refers and advocates for federal benefits for GA recipients to transition from State assistance on to federal benefits, electronically notifies the Social Security Administration (SSA) of the SSI interim assistance authorization, and refers for physical and psychological re-evaluations to establish whether the disability has been ameliorated due to treatment requirements.

HMS206 Federal Assistance Payments

The objective of this program is to provide eligible low-income households energy credit payments to offset the high utility costs in Hawaii and to prevent utility disconnection or restore utility connection for households in crisis. This program provides payments in the form of credits to utility accounts for households that meet income and categorical qualifications for the Hawaii Home Energy Assistance Program (H-HEAP).

HMS211 Cash Support for Families – Self-Sufficiency

The objective of this program is to provide financial support to families with children through direct monetary payments for food, clothing, shelter and other essentials until the family expands their capacity for self-sufficiency or until minor children attain the age of majority.

This program processes applications for families with minor dependent children. It determines initial eligibility and issue benefit payments, redetermines eligibility and/or adjusts benefits when circumstances change for the recipient family, processes annual recertifications and determines continued eligibility for recipient families, reviews administrative rules on eligibility; conducts analysis of eligibility criteria; and makes amendments when necessary.

This program develops and maintains the Temporary Assistance to Needy Families (TANF) State Plan and provides work programs for families to receive job skills in training, education, work experience, and supportive services so families are prepared for job search and obtain paid employment, as conditions of the federal block grant.

HMS220 Rental Housing Services

The objective of this program is to ensure the availability of adequate housing for low-income families by providing public rental housing facilities at a reasonable cost.

Under the public housing program, the Hawaii Public Housing Authority (HPHA) is responsible for developing new public and affordable housing projects, determining eligibility requirements and rental rates, processing applications, and maintaining the rental properties at an acceptable standard. Of the 6,270 units in operation, 5,406 are conventional low-income federal-assisted units and 864 are State-owned public housing units.

HMS229 Hawaii Public Housing Authority Administration

The objective of this program is to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel, and providing other administrative and housekeeping services. The program provides the administrative direction and support needed to effectively carry out the major tasks of the Hawaii Public Housing Authority (HPHA).

HMS222 Rental Assistance Services

The objective of this program is to facilitate the use of private rental housing for low-income families by supplementing their rental payments.

This program administers the federal Section 8 HCV Program, Non-Elderly Disabled Vouchers, Veterans Affairs Supportive Housing Vouchers, and RSP. Under these programs, rental units in the private sector are utilized, and rental assistance payments are made directly to participating landlords. The program currently administers approximately 3,880 units using 3,672 federally funded vouchers and 208 State-funded units.

HMS224 Homeless Services

The objective of this program is to comprehensively address the needs of the homeless in Hawaii and to provide the opportunity for homeless people to help themselves by achieving improved, permanent living situations.

The Homeless Programs Office (HPO) currently addresses these basic service components:

- Provision of outreach, shelter, and social services to the homeless and management of State-owned shelters via contracts.
- Development of policy and implementation strategies to end homelessness.
- Membership on and collaboration with the Hawaii Inter-agency Council on Homelessness (HICH), the State's strategic planning council.

HMS605 Community-Based Residential and Medicaid Facility Support

The objective of this program is to prevent inappropriate institutionalization of aged, blind, or disabled individuals by assisting with community-based residential needs.

The Adult Protective and Community Services Program (ACPS) provides supportive services to clients and their families to remain in the community and to prevent premature institutionalization. State Supplemental Payments (SSP) are used to supplement federal Social Security Income (SSI) benefits received by individuals residing in Adult Residential Care Homes (ARCHs), Community Care Foster Family Homes (CCFFHs), Developmental Disabilities Domiciliary Homes (DD Doms), and medical treatment facilities.

HMS401 Health Care Payments

The objective of this program is to ensure that qualified low-income and disabled individuals and families are provided appropriate health or long-term care services that meet their needs.

The Med-QUEST Division (MQD) manages Hawaii's Medicaid Program, QUEST. This includes procuring and closely monitoring QUEST Integration Health Plan contracts to ensure that all contractual requirements are fulfilled, including monitoring of access, quality, utilization, plan payment, and expenditures. The Customer Service Call Center, Eligibility Branch, and Health Care Outreach Branch respond to and resolve eligibility questions and issues and our Quality and Member Relations Section works to resolve health coverage and provider issues. Cost control management activities that contribute to overall expenditure cost containment include pursuing recoveries from liable third parties and, to the extent possible, ensuring members qualifying for long-term supports and services are in the least institutional setting. Finally, MQD partners with many other departments, such as the Department of Health (DOH), to support community and population health strategies.

HMS236 Case Management for Self-Sufficiency

The objective of this program is to enhance program effectiveness and efficiency by determining the eligibility of applicants and recipients for public assistance, orienting them to the available services, directing them to appropriate places for assistance, and aiding recipients to obtain and retain employment.

This program conducts the following eligibility determination activities:

1. Processing applications for financial assistance and Supplemental Nutrition Assistance Program (SNAP).
2. Conducting eligibility determination on a scheduled and unscheduled basis.
3. Making payment and/or benefit adjustments when the circumstances of the recipient changes.
4. Processing annual recertifications and determining continued eligibility for recipient individuals and families.
5. Conducting informational activities to assist eligible persons to participate in the program.
6. Conducting collateral contacts to verify household eligibility.
7. Making referrals to other resources as appropriate.

HMS238 Disability Determination

The objective of this program is to process applications received for Social Security Disability Insurance (SSDI) Benefits and for Supplemental Security Income (SSI) Payments and maintain quality decision making by maintaining percentage of cases returned for substantive reasons by the Office of Quality Review Improvement.

The Disability Determination Branch (DDB) makes medical determinations on disability claims filed with the Social Security Administration (SSA) under the SSDI-Title II and SSI-Title XVI programs. DDB's primary function is to make determinations about whether an individual is disabled or blind, the date disability or blindness began, and the date disability or blindness stopped. DDB is responsible for developing medical evidence and rendering the initial determination on whether the claimant is or is not disabled or blind under the law.

Usually, DDB tries to obtain evidence from the claimant's own medical sources first. If that evidence is unavailable or insufficient to make a determination, DDB will arrange for a consultative examination to obtain the additional information needed. After completing development of the evidence, trained staff at DDB makes the initial disability determination.

ATG500 Child Support Enforcement Services

The Child Support Enforcement Agency (CSEA) works together with federal, State and local agencies to ensure that Hawaii's children have the ongoing financial support of both parents, by providing a system for case management, order enforcement, and processing payments and disbursements of court-ordered child support.

The child support enforcement program is a partnership of federal and State resources. In addition to the reimbursement to the State's public assistance programs, CSEA also receives 66% federal matching funds for its operating costs and requires only 34% of its operating costs to be paid through the State's general fund.

HMS237 Employment and Training

The objective of this program is to maximize the number of Employment and Training (E&T) participants who are able to obtain and retain employment.

The major activities of the E&T Program will remain geared toward improving the employability and earning power of the participants. The program will continue to partner with the community college system statewide to provide training and skill building opportunities. Additionally, the program intends to partner with public or private agencies who serve the Supplemental Nutrition Assistance Program (SNAP) population and provide E&T-like services. The goal is to progressively move toward third-party partnership based on 50% federal match of expenses incurred to provide services. E&T activities include the following employment preparation activities: assessment of skill level, employability development planning, job search skills training, job search, linkage with community-based employment and training programs, General Equivalency Diploma or equivalency preparation, English as a second language assistance, work experience, vocational skills training, and case management.

Hawaiian Homesteads

The objective of this program is to develop and manage the designated Hawaiian Home Lands to create more homesteads for Native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and generate the revenues needed to administer the program. Through the use of these revenues, lease lands, loan funds and technical assistance will be provided to Native Hawaiians in order to furnish the opportunity to secure and maintain an adequate standard of living.

HHL is working in collaboration with other Hawaiian organizations to bring needed services into homestead communities in response to requests from our beneficiaries. These services provide more opportunities to create healthy, vibrant and self-sustaining communities. HHL continues to provide financial assistance to worthy projects benefiting native Hawaiian communities. Grants are provided to organizations with priority on housing, improvements to homestead land, and building the capacity of homestead communities.

The U.S. Department of Housing and Urban Development, Federal Housing Administration (FHA) insured loans (as provided by private lenders) is the primary source of loan financing for native Hawaiians. The FHA loan program, adopted in 1987, allows homesteaders to apply for new or replacement home financing with long-term loans insured by FHA. Loans are also available through other external sources such as the U.S. Department of Agriculture's Rural Development, U.S. Department of Veterans Affairs, federal credit unions, and other financial entities through which the department provides loan guarantees.

The Section 184A Native Hawaiian Housing Loan Guarantee Program was added in the Hawaiian Homelands Homeownership Act of 2000, which offers home ownership, property rehabilitation, and new construction opportunities for eligible Native Hawaiian individuals and families wanting to own a home on Hawaiian home lands. The purpose of the Section 184A loan is to provide access to sources of private financing on Hawaiian home lands.

The Department partners with others to develop self-sufficient and healthy communities. HHL owns and operates 4 water systems – 3 are State Department of Health regulated potable drinking water systems and 1 is a non-potable water system used for stock water for ranching homesteads. The Department is required by law to provide safe and clean water to the public and to ensure the health and safety of the community. Additionally, HHL develops affordable housing and new homestead lots for agriculture and pastoral purposes. As such, the department seeks funding for water and waste infrastructure to prepare lots for residential, farming and ranching purposes.

Since 2016, HHL was awarded a \$36M grant from the Department of Agriculture, Rural Development, for (1) improvements to existing HHL-owned water systems (Hoolehua, Molokai and Anahola, Kauai) due to its aging infrastructure; to increase operational efficiency and system reliability; and to improve safety and security; and (2) construction of new water, wastewater, and storm drainage infrastructure (Lai Opuia, West Hawaii) for new homestead developments. The department continues to seek USDA funds to further its commitment to providing safe clean water and sanitary waste disposal (sewer and drainage) infrastructure statewide.

The Department received more than \$17M in grant funds from the U.S. Treasury to administer the Tribal Broadband Connectivity Program (TBCP) and other broadband related efforts in HHL's homestead communities. The Department is focused on establishing a 21st-century telecommunication infrastructure across the homestead communities and our goal is to blend modern technology with the rich heritage of Hawaiian culture, ensuring that Native Hawaiian communities have access to high-speed internet and digital resources that are culturally relevant and transformative.

By investing in broadband infrastructure and digital equity initiatives—focusing on workforce development, digital literacy, and devices—we are not only connecting homes and communities but also creating pathways to a robust digital workforce. This initiative aims to empower homestead beneficiaries by providing them with the tools and opportunities needed to thrive in a rapidly evolving technological landscape, while honoring and integrating the values of Hawaiian culture in every step.

Overall Program Support for Social Services

The objective of this program is to enhance the effectiveness and efficiency with which the objectives of the Social Services program are achieved by providing executive direction, program planning and analysis, and other program support and administrative services.

HMS902 General Support for Health Care Payments

The objective of this program is to ensure program effectiveness and efficiency by formulating policies, administering operations and personnel, and providing other administrative services.

The major activities of the Med-QUEST Division (MQD) are to perform overall program planning, implementation, maintenance, review and modification for the multi-billion-dollar medical assistance programs and services. MQD provides long- and short-range planning, develops new services in response to federal and State initiatives and requirements, reviews and researches federal and State policy issues, initiates policy changes, promulgates rules and regulations, conducts public hearings, procures managed care contracts, enrolls Medicaid providers, conducts preliminary investigation of fraud and abuse, conducts quality control reviews and monitors contracts, makes payments and recovers overpaid funds, provides in-service training, explores new alternatives in the provision of health care services, provides public education, and coordinates activities with program staff within the Department of Human Services (DHS).

HMS903 General Support for Self-Sufficiency Services

The objective of this program is to enhance the effectiveness and efficiency of the programs and services by formulating policies, administering operations and personnel, and providing other administrative services that assist individuals and families to expand their capacity for self-sufficiency, make healthy choices, and improve their quality of life.

This program is responsible for the core function of planning; program development; administration of operations and personnel; coordination/collaboration among programs, with other agencies, and with the community; and overall performance monitoring, assessment, and feedback for the financial assistance programs, SNAP, Employment and Training (E&T) services, Child Care Subsidy and Licensing programs, and homeless programs and services. It is also responsible for the user support function for automated systems and the investigations and overpayment recovery function.

HMS904 General Administration for DHS

The objective of this program is to enhance program efficiency and effectiveness by formulating overall policies, directing operations and personnel, and providing other administrative and information technology (IT) services.

This program is responsible for:

1. **Formulating Overall Policies:** Plan and develop short- and long-range programs to achieve the objectives of the Department of Human Services' (DHS) major program areas; evaluate program policies and procedures and initiate changes when applicable; collaborate on cross-sector initiatives that improve access, delivery, and outcomes of services; propose State and federal legislation; and conduct research related to program needs.

2. Directing Operations and Personnel: Evaluate the quality and quantity of services rendered by programs; seek additional resources and technical assistance; conduct studies and develop management improvement programs; enhance employee skills and improve work performance through in-service training and staff development programs; safeguard employee health and welfare; assure adequate and appropriate workforce to maintain a satisfactory operational level; participate in labor relations and collective bargaining contract negotiations; provide administrative support to attached agencies and commissions; lead DHS' emergency operations; and facilitate the State's Emergency Support Function 6 for mass care and feeding.
3. Providing other administrative and IT services: Maintain a system of fiscal control and reporting on State, federal, and other funds; maintain a system of purchasing, disbursement, and inventory management; provide technical assistance to program managers in budget preparation and execution; develop, install, maintain, and secure effective information systems; coordinate rules and regulations for programs; and coordinate media and responses to public information requests.

HMS901 General Support for Social Services

The objective of this program is to enhance program effectiveness and efficiency by providing training and information systems support to employees, contracting for services, providing quality assurance, monitoring programs, administering grants and federal funds, providing training and information systems support, and providing other administrative and support services.

Support Services staff perform the following major activities: planning; budget coordination, and monitoring; staff training; contracting; grants management and compliance monitoring; federal compliance; and improving maintenance of information systems. These activities are conducted in order to provide administrative direction and support in the planning, development, and implementation of comprehensive statewide social service programs that include Child Welfare Services (CWS) and Adult Protective and Community Services (APCS).

HMS777 Office on Homelessness and Housing Solutions

The objective of this program is to reduce homelessness in Hawaii by working with State, county, and community agencies to develop and test innovative solutions to prevent and end homelessness, including through transitional and permanent housing and supportive or assisted services, or both.

The Office on Homelessness and Housing Solutions (OHHS), which consists of the Governor's Coordinator on Homelessness and seven staff, provides administrative support to the Hawaii Interagency Council on Homelessness (HICH), establishes and guides policies to address homelessness in Hawaii, and designs and evaluates promising and innovative approaches to address homelessness. The activities are grouped into three major categories:

1. Formulating Policies: Plan and develop short- and long-term strategies to reduce and end homelessness in Hawaii, including developing and sustaining housing and supportive services programs. This includes supporting the work of HICH to develop, implement, and update the ten-year strategic plan to end homelessness and working to align the strategic plan with similar plans at the federal and local levels.

2. **Managing and Evaluating Programs:** Design, implement, and evaluate innovative programs and approaches to address homelessness. This includes the use of data to identify system gaps and areas of opportunity and the use of data to build support for innovative new approaches, such as the development of non-traditional housing models and integration of behavioral health and housing interventions.
3. **Providing Other Administrative and Technical Support:** Support the work of the HICH advisory board and conduct educational trainings forums for homeless service providers and other key stakeholders. The purpose of trainings is to increase awareness of homeless issues and provide technical assistance to build homeless service provider capacity.

HRD200 Office of Wellness and Resilience

The Office of Wellness and Resilience (OWR) works to strengthen the State's systems and services, using healing-centered principles as strategies to make Hawaii a trauma-informed state. The OWR's core functions are data and assessment, policy and program development, training and technical assistance, and partnership and collaboration.

The OWR's activities performed include:

1. **Data and Assessment:** Gather data from State departments and the people of Hawaii to assess wellness and resilience across the islands.
2. **Policy and Program Development:** Supports State departments in implementing trauma-informed and resilience-based policies and practices. Develops and implements best practices in trauma-informed care, wellness, and resilience.
3. **Training and Technical Assistance:** Provides training and technical assistance to State departments, county agencies, non-profits, and other agency leadership to assist with their reform efforts to address trauma-informed care within their divisions. Provides continuous training and technical assistance to State departments and other organizations to sustain their trauma-informed care goals.
4. **Partnership and Collaboration:** Collaborates and partners with entities and individuals in the public and private sectors to achieve its outcomes. Serves as a convenor, facilitator, and/or coordinator of groups to promote community engagement, community organizing, and coalition building around issues related to trauma, wellness, and resilience.

OWR has created contracts with the Universities of Hawaii and Connecticut, Harvard Baker Center for Children and Families, EPIC Ohana, SAS services, Ku-A-Kanaka, and SigBee. In addition, formal relationships (i.e., Memorandum of Agreements) have been established with the Departments of Human Services, Health, and Corrections and Rehabilitation. OWR works with community stakeholders, county agencies, non-profit organizations, private entities, grassroots and philanthropic organizations towards achieving collective impact.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Social Services program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 06

PROGRAM LEVEL: I. 06 SOCIAL SERVICES

OBJECTIVE: TO ENABLE INDIVIDUALS AND FAMILIES IN NEED TO ATTAIN A MINIMALLY ADEQUATE STANDARD OF LIVING AND TO ACHIEVE THE SOCIAL AND PSYCHOLOGICAL ADJUSTMENTS NECESSARY TO SUCCESSFUL LIVING IN MODERN SOCIETY.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
06	1. % VULNERABLE ADULTS W/ APS NOT REABUSED		95	95	95	95	95	95	95	95
	2. % WORK PGM PARTICIPANTS WHO EXITED WITH EMPLOYMENT		2	2	2	2	2	2	2	2
	3. %TANF/TAONF RCPT PART WRK PGM MTG FED WRK PART STD		18	16	17	17	17	17	17	17
	4. % PLANNED HWN HOMESTEAD LOTS THAT WERE DEVELOPED		100	100	100	100	100	100	100	100

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
0603	HAWAIIAN HOMESTEADS	-	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
	TOTAL		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
OPERATING EXPENDITURES										
0601	SERVICES TO INDIVIDUALS, FAMILIES AND VETERANS	-	165,912	363,415	365,087	364,677	364,128	364,128	364,128	364,128
0602	ASSURED STANDARD OF LIVING	-	2,147,483	2,147,483	2,147,483	2,147,483	4,229,126	4,229,126	4,229,126	4,229,126
0603	HAWAIIAN HOMESTEADS	-	53,561	63,929	65,167	65,216	65,218	65,218	65,218	65,218
0604	OVERALL PROGRAM SUPPORT FOR SOCIAL SERVICES	-	189,604	328,520	433,064	413,923	413,319	413,319	413,319	413,319
	TOTAL		2,556,560	2,903,347	3,010,801	2,991,299	5,071,791	5,071,791	5,071,791	5,071,791
TOTAL OPERATING EXPENDITURES										
0601	SERVICES TO INDIVIDUALS, FAMILIES AND VETERANS	-	165,912	363,415	365,087	364,677	364,128	364,128	364,128	364,128
0602	ASSURED STANDARD OF LIVING	-	2,147,483	2,147,483	2,147,483	2,147,483	4,229,126	4,229,126	4,229,126	4,229,126
0603	HAWAIIAN HOMESTEADS	-	55,311	65,879	66,917	66,966	66,968	66,968	66,968	66,968
0604	OVERALL PROGRAM SUPPORT FOR SOCIAL SERVICES	-	189,604	328,520	433,064	413,923	413,319	413,319	413,319	413,319
	TOTAL		2,558,310	2,905,097	3,012,551	2,993,049	5,073,541	5,073,541	5,073,541	5,073,541
CAPITAL INVESTMENT EXPENDITURES										
0601	SERVICES TO INDIVIDUALS, FAMILIES AND VETERANS	-	7,615	8,896	100,220					
0602	ASSURED STANDARD OF LIVING	-	16,800	25,800	68,000					
0603	HAWAIIAN HOMESTEADS	-	20,000	20,000	20,000	20,000				
0604	OVERALL PROGRAM SUPPORT FOR SOCIAL SERVICES	-		40,000	10,000					
	TOTAL		44,415	94,696	198,220	20,000				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Services to Individuals, Families and Veterans

HMS301 Child Protective Services

CWS continues to provide a range of services directed at preserving the family unit, preventing children from entering foster care, helping children remain safely in their own home, and expediting safe reunification with their parents. Family First Hawaii has been providing home-based services to families on Oahu and Hawaii Island for a year and is extending its services to Kauai and Maui. CWS hopes to use its Spouse and Child Abuse Special Fund, which was recently approved a ceiling increase, to pay the up-front costs of prevention services.

DHS also maintains concurrent permanency efforts for children who are unable to be reunified in a timely manner through placements with adoptive family, legal guardians, or APPLAs with concerted efforts to prioritize placing children in resource caregivers' homes of relatives or kin. Public demand requires CWS to supplement existing contracts to provide more support services to eligible families so that the risk of harm to former children who are under foster custody and under legal guardianship or adopted do not increase without direct oversight.

Efforts to recruit better qualified resource caregivers have also resulted in the creation of an online portal where applying to be resource caregiver is much easier and faster.

CWS provides room and board for children in foster care with licensed resource caregivers/families. The size of personnel and services in CWS is currently at the minimum level that must be maintained in order to ensure sufficient availability of quality and timely services to families and children. Unfortunately, the number of children in foster care with significant special needs have made securing placements for them extremely challenging. Due to the specialized care required, many shelters and homes do not have qualified individuals to provide the daily needs for this population of children. Community resources are extremely limited and their mental health needs are also a challenge for other government agencies to manage. The costs for this population are anticipated to continue to increase due to the specialized skills needed to care for them and the limited numbers of individuals/programs that can meet this population's daily needs. The time that CWS staff provides for supervision of this population is also increasing and takes time away from the other duties and tasks of the staff.

HMS302 General Support for Child Care

The estimated number of children between the ages of 0-5 years is 87,011. There were only 30,626 spaces available in 776 regulated child care homes or centers in FY 24. Child care providers have reported increased operating costs while having fewer children in care, either due to the provider voluntarily reducing their capacity or families not sending their children to group care. In previous years, the unmet need for child care crossed all ages of children; however, the greatest need has been for programs for infants and toddlers. The supply of these programs is very limited and some child care rates are as high as \$2,475 per month, which is far more than most of Hawaii's families' ability to pay.

HMS303 Child Protective Services Payments

Since 2014, CWS has experienced an increase in the number of children for whom foster board payments must be made. The number of children becoming eligible has outpaced the number of children who are exiting care. This growth is reflective of the general trend throughout the nation. Similarly, the cost of funding this program will continue to increase. Additionally, the practice of using Social Security (SS) benefits of eligible youth to reimburse State funds for their foster board payments ceased in 2023 at the recommendation of the Legislature. For this population of youth, foster board payments are not reimbursable from the federal government since the SS benefits are provided for their care.

HMS305 Cash Support for Child Care

The estimated number of children between the ages of 0-5 years is 87,011. There were only 30,626 spaces available in 776 regulated child care homes or centers in FY 24. Child care providers have reported increased operating costs while having fewer children in care, either due to the provider voluntarily reducing their capacity or families not sending their children to group care. In previous years, the unmet need for child care crossed all ages of children; however, the greatest need has been for programs for infants and toddlers. The supply of these programs is very limited and some child care rates are as high as \$2,475 per month, which is far more than most of Hawaii's families' ability to pay.

The pandemic significantly impacted the ability for FTW participants to obtain employment that would provide financial independence. Between July 2023 to September 2024, only an average of 2.2% of participants successfully exited the FTW Program with employment and the number is only projected to increase by 1%. In addition, only 17% of participants are projected to be engaged in work activities and meet federal work participation requirements each month. Approximately 70 FTW participants per month will receive child care subsidies.

HMS501 In-Community Youth Programs

The continuum-of-care concept dictates that a range of flexible programs be available to meet the needs of youths and their families. The community mobilization model will enable OYS to better assess the types of services needed within communities and to more closely monitor and oversee programs. Prevention programs divert youth from entering the juvenile justice system. Early intervention programs for youth who have contact with police or Family Courts prevent further penetration into the juvenile justice system. Increased alternatives to incarceration at a judicial circuit-level will decrease the demand for space at HYCF. Increased parole and alternative community program services will save money by preventing re-incarceration in the adult prison system.

OYS previously served over 4,000 youth annually, but, with current limited resource, OYS currently serves approximately 2,500 youth annually in its community-based prevention programs. These programs and services provide at-risk youth with trauma-informed, family-focused programming that decrease risk factors and increase protective life skills to improve their outcomes. Additionally, programs supported as a result of funding from Act 201, SLH 2014, have positively impacted youth involved in the juvenile justice system, including an 88% reduction in admissions at HYCF from FY 24 admissions compared to FY 09. The public-private partnerships on our Kawaihoa Youth and Family Wellness Center campus and the prevention programs will continue to divert youth toward positive life achievements.

As OYS develops and coordinates a statewide continuum of services, a more realistic administrative infrastructure will be necessary to plan, implement, monitor, and evaluate programs and services. Absent the necessary administrative structure and the necessary resources to support this initiative, the ability of OYS to maintain a system of accountability for the direct care and supervision of youth, as mandated by Chapter 352D, HRS, will remain limited.

HMS503 Kawaihoa Youth and Family Wellness Center

Compared to residential community-based programs, institution-based programs are generally more costly; thus, they should be utilized for only those who warrant secure custody and treatment. Many confined youth are committed because of a lack of alternatives. Public safety is enhanced by the development of a continuum of alternative programs, which allows for the appropriate placement and treatment of youth.

DEF112 Services to Veterans

In two years, contact with veterans and the subsequent caseload have increased by 25% with continued growth expected.

HMS601 Adult Protective and Community Services

APCS investigated approximately 900 reports of abuse, neglect, and financial exploitation in FY 23, of which 358 adults were provided case management services. APCS continues to be guided by best practice standards and continues to maximize its service delivery system by optimizing and enhancing the skills of current staff.

Repatriate Services are coordinated by working with various government departments and agencies in the development and implementation of resettlement plans for United States citizens who have fallen ill or become destitute or because of war, threat of war, invasion, or similar crisis while in foreign countries and who elect to repatriate to the State of Hawaii.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0601

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 01 SERVICES TO INDIVIDUALS, FAMILIES AND VETERANS

OBJECTIVE: TO ENABLE INDIVIDUALS AND FAMILIES IN NEED, AND VETERANS TO ACHIEVE AND MAINTAIN THE SOCIAL AND PSYCHOLOGICAL ADJUSTMENTS NECESSARY TO SUCCESSFUL LIVING IN MODERN SOCIETY.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0601	1. % CHDRN OOH RET TO FAM W/IN 12 MO OF OOH PLCMT		72.2	72.2	75	75	75	75	75	75
	2. % VETERANS' SERVICES PLAN ACHIEVED		95	95	95	95	95	95	95	95
	3. % VULNERABLE ADULTS W/ APS NOT REABUSED		95	95	95	95	95	95	95	95

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
060101	CHILD PROTECTIVE SERVICES	HMS-301	53,210	108,291	106,547	106,547	106,547	106,547	106,547	106,547
060102	GENERAL SUPPORT FOR CHILD CARE	HMS-302	12,632	15,929	16,978	16,978	16,979	16,979	16,979	16,979
060103	CHILD PROTECTIVE SERVICES PAYMENTS	HMS-303	49,832	78,305	79,807	79,807	79,808	79,808	79,808	79,808
060104	CASH SUPPORT FOR CHILD CARE	HMS-305	24,207	127,377	127,377	127,377	127,378	127,378	127,378	127,378
060105	AT-RISK YOUTH SERVICES	-	18,605	22,637	22,877	22,466	22,467	22,467	22,467	22,467
060106	SERVICES TO VETERANS	DEF-112	2,044	2,056	2,066	2,066	2,067	2,067	2,067	2,067
060107	ADULT PROTECTIVE AND COMMUNITY SERVICES	HMS-601	5,378	8,817	9,432	9,432	8,882	8,882	8,882	8,882
	TOTAL		165,908	363,412	365,084	364,673	364,128	364,128	364,128	364,128
CAPITAL INVESTMENT EXPENDITURES										
060105	AT-RISK YOUTH SERVICES	-	6,450	2,311	7,220					
060106	SERVICES TO VETERANS	DEF-112	1,165	6,585	93,000					
	TOTAL		7,615	8,896	100,220					

Assured Standard of Living

HMS202 Aged, Blind and Disabled Payments

Based on FY 24 data, the projected monthly cash support caseload is estimated to be 739 cases and the projected number of applications received each month is estimated to be 152 cases.

Based on FY 24 data, the projected average monthly payment per recipient is estimated to be \$357 and the projected average number of applications approved each month is estimated to be 30 cases.

HMS204 General Assistance Payments

Based on FY 24 data:

1. The projected monthly cash support caseload is estimated to be 4,560 cases and the projected number of applications received monthly is estimated to be 1,586 applications.
2. The projected average monthly payment per household is estimated to be \$432 and the projected average number of applications approved each month is estimated to be 528 applications.
3. The number of cases determined to be no longer disabled or closed due to the amelioration of the temporary disability is 533 cases.
4. The number of cases closed due to other sources of income, such as federal SSI or SSDI benefits, is 388 cases.

HMS206 Federal Assistance Payments

Federal eligibility policies affecting applicants and funding have the greatest impact on the cost, effectiveness, and program size.

Measures of Effectiveness are:

- Percent of households receiving Hawaii Home Energy Assistance Program (H-HEAP) benefits on public assistance. Approximately 85% of households are on public assistance.
- Percent of households receiving H-HEAP not on public assistance is affected by the increase in income limits, which is a combination of 60% of the State Median Income (SMI) and 150% of the state's Poverty Index (Federal Poverty Limit). Approximately 15% of households are not on public assistance.

Target Group:

- Eligible low-income households with an open utility account at the time of the open enrollment period.
- Eligible low-income households with a disconnection notice or households who have been terminated.

Program Activities:

- Average payment per household receiving energy crisis intervention (ECI) assistance. The average payment in federal fiscal year (FFY) 24 was \$652.

- Average payment per household for energy credit (EC) assistance. The average payment in FFY 24 was \$856.
- Number of households receiving ECI assistance. 1,641 households received ECI assistance in FFY 24.
- Number of households receiving EC assistance. 7,168 households received EC assistance in FFY 24.

HMS211 Cash Support for Families – Self-Sufficiency

Based on FY 24 and partial FY 25 data, the projected monthly cash support caseload is estimated to be 2,868 cases and the projected average number of applications received each month is estimated to be 962 applications.

Based on FY 24 and partial FY 25 data, the projected average monthly payment per recipient household is estimated to be \$654 per month and the projected average number of applications approved each month is estimated to be 185 applications.

HMS220 Rental Housing Services

The anticipated size and scope of the program are not, to any degree, different from past years. Current emphasis is on improving the existing program. A review of the program shows no significant discrepancies in the planned cost, the effectiveness of the program, program size and actual achievements.

HMS229 Hawaii Public Housing Authority Administration

The anticipated size and scope of the program are not, to any degree, different from past years. Current emphasis is on improving the existing program. A review of the program shows no significant discrepancies in the planned cost, the effectiveness of the program, program size and actual achievements.

HMS222 Rental Assistance Services

A review of the program shows no significant changes in the planned cost, effectiveness, or program size and actual achievements.

For RSP, continuous efforts will be made to maintain and increase the number of participating families to maximize the budget authority.

HMS224 Homeless Services

A large portion of the program's expenditures consist of contracts for essential services: operations and maintenance of homeless emergency and transitional shelters, operations for homeless outreach and civil legal services, and emergency grant programs. Additional allocations have also been made to implement a statewide Housing First Program (HFP) and Rapid Re-Housing Program (RRHP). Similar to HFP, the goal of RRHP is to move homeless individuals and families quickly out of homelessness and into permanent housing. The difference between the programs is that HFP focuses on highly visible, chronically homeless unsheltered persons while RRHP targets sheltered homeless individuals and families. RRHP helps to move homeless individuals and families quickly out of shelter and is intended to increase efficiency of the homeless shelter system. The first Family Assessment Center (FAC) opened in 2016 and, due to the success of the program, the Legislature passed Act 62 in 2019

with additional funding for the operation of a second FAC. FAC services reflect a "housing first" approach in addressing family homelessness.

Consistent with the 'Ohana Nui strategy, FACs address the social determinants of health and provides case management services to quickly place families in permanent housing.

Planned Level of Program Effectiveness:

- Decrease the length of stay in emergency and transitional shelters.
- Increase income of homeless individuals and families via intervention by outreach, shelter services, and financial assistance programs.
- Increase numbers of individuals and families who secure and maintain permanent housing.
- Prioritize the highest level of intervention for the people with the highest acuity, and document cost savings of housing services to larger systems such as hospitalization, emergency room utilization, 911 calls, jail, prison, etc.

HMS605 Community-Based Residential and Medicaid Facility Support

SSPs are required to supplement federal SSI payments received by individuals residing in ARCHs, CCFHs, DD Doms, and medical treatment facilities. About 1,890 SSI/SSP recipients received SSPs in FY23.

HMS401 Health Care Payments

The program serves nearly one-third of all Hawaii residents, including half of all Hawaii's keiki. Quality has improved and costs have been controlled. MQD has cost-avoided over \$1 billion in general funds since the inception of QUEST.

HMS236 Case Management for Self-Sufficiency

Expenditures under the First-To-Work (FTW) Program are directly related to assisting Temporary Assistance to Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) recipients in becoming financially independent of the welfare system, thus, it is cost effective in nature. With the continuing emphasis on employment, there will be further cost savings to the State as FTW participants are required to participate in countable work activities, education, or employment.

Planned Levels of Program Effectiveness

- Of the total monthly TANF case closures, the rate of exits due to employment is expected to be 12%.
- About 22% of cash support recipients each month are projected to be employed each year.

Projected Target Group Size

- Approximately 1,700 cash support recipients each month are anticipated to be work eligible individuals and mandated to participate in the work program.
- An estimated 7,000 individuals are potentially eligible for cash support based on the 1st quarter FY 25 caseload.

Projected Level of Program Activity

- An estimated 230 of cash support recipients per month are anticipated be engaged in work activities and meeting federal work participation requirements. About 22% of cash support recipients each month are projected to be employed.
- An estimated 1,426 applications for TANF and TAONF will be processed each month based on applications processed in the 1st quarter of FY 25.
- An estimated 21,000 applications for the General Assistance and the Aid to the Aged, Blind and Disabled programs will be processed each year based on applications processed in FY 24 and 1st quarter FY 25.
- An estimated 90,000 Supplemental Nutritional Assistance Program (SNAP) applications will be processed each year.
- An estimated 85,000 households will receive SNAP as a SNAP only household or 90,000 households will receive SNAP as a SNAP only household or a household that receives other cash supports with the SNAP benefits.

HMS238 Disability Determination

SSA issues national workload estimates on an annual basis for each state based on a wide range of data. The estimated annual workload for the federal fiscal years 2025-2027 is 10,042 cases. The program projects clearing 100% of the applications received.

DDB makes determinations of eligibility for disability benefits on 100% of all claims received. This means that all claims received during the fiscal year are adjudicated and processed out to SSA by the end of the fiscal year or in the next fiscal year.

ATG500 Child Support Enforcement Services

For years, the agency's general fund appropriation and staff resources have not notably increased. Several positions, in fact, were abolished in the past few years for their prolonged vacant status due to recruitment difficulties. Support payments collected were close to \$110 million on average. The agency is awarded with federal incentive money every federal fiscal year based on its overall program performance in five categories against other states in the nation. Increasing the amount of incentive money has been difficult due to loss of positions and limited resources.

HMS237 Employment and Training

The total number of participants in the E&T Program was approximately 919 for FY 22 and 1,003 for FY 23. Of this number, approximately 7%-10% exited due to employment.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0602

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 02 ASSURED STANDARD OF LIVING

OBJECTIVE: TO ASSURE THAT THOSE IN NEED ATTAIN AT LEAST A MINIMALLY ADEQUATE STANDARD OF LIVING BY PROVIDING SERVICES, DIRECT ASSISTANCE, AND PAYMENTS FOR THE NECESSITIES OF LIFE.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0602	1. % ABD CLIENTS EXITING PGM DUE TO SSI/RSDI BENEFITS		1	1	1	1	1	1	1	1
	2. % OF GA INDIVS EXIT DUE TO AMELIORATN OF DISABIL		1	8	8	8	8	8	8	8
	3. PUB HSG AVG MONTHLY RENT PAYMENT (\$)		457	450	450	450	450	450	450	450
	4. % LTC CLIENTS RECEIVING CARE UNDER HCBS PROGRAM		72	75	75	75	75	75	75	75
	5. % WORK PGM PARTICIPANTS WHO EXITED WITH EMPLOYMENT		2	2	2	2	2	2	2	2
	6. %TANF/TAONF RCPT PART WRK PGM MTG FED WRK PART STD		18	16	17	17	17	17	17	17

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
060201	MONETARY ASSISTANCE FOR GENERAL NEEDS	-	48,397	107,338	109,979	109,979	109,979	109,979	109,979	109,979
060202	HOUSING ASSISTANCE	-	39,506	261,011	266,320	275,530	275,530	275,530	275,530	275,530
060203	HEALTH CARE	-	2,147,483	2,147,483	2,147,483	2,147,483	3,757,929	3,757,929	3,757,929	3,757,929
060204	GENERAL SUPPORT FOR ASSURED STANDARD OF LIVING	-	61,540	79,192	82,996	82,642	82,642	82,642	82,642	82,642
060205	EMPLOYMENT AND TRAINING	HMS-237	615	3,045	3,045	3,045	3,046	3,046	3,046	3,046
	TOTAL		2,297,541	2,598,069	2,609,823	2,618,679	4,229,126	4,229,126	4,229,126	4,229,126
CAPITAL INVESTMENT EXPENDITURES										
060202	HOUSING ASSISTANCE	-	16,800	25,800	68,000					
	TOTAL		16,800	25,800	68,000					

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 060201

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 02 ASSURED STANDARD OF LIVING
 III. 01 MONETARY ASSISTANCE FOR GENERAL NEEDS

OBJECTIVE: TO ENSURE THAT INDIVIDUALS AND FAMILIES ARE PROVIDED WITH SUFFICIENT FINANCIAL RESOURCES TO OBTAIN FOOD, CLOTHING, SHELTER AND OTHER ESSENTIALS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
060201	1. % ABD CLIENTS EXITING PGM DUE TO SSI/RSDI BENEFITS		1	1	1	1	1	1	1	1
	2. % OF GA INDIVS EXIT DUE TO AMELIORATN OF DISABIL		1	8	8	8	8	8	8	8
	3. AVERAGE INCOME OF ELGIBLE ENERGY CREDIT HOUSEHOLDS		23903	22000	21000	21000	21000	21000	21000	21000

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
06020102	AGED, BLIND AND DISABLED PAYMENTS	HMS-202	3,258	4,029	4,029	4,029	4,029	4,029	4,029	4,029
06020103	GENERAL ASSISTANCE PAYMENTS	HMS-204	23,783	26,889	26,889	26,889	26,889	26,889	26,889	26,889
06020104	FEDERAL ASSISTANCE PAYMENTS	HMS-206	853	5,703	8,345	8,345	8,345	8,345	8,345	8,345
06020106	CASH SUPPORT FOR FAMILIES - SELF-SUFFICIENCY	HMS-211	20,501	70,715	70,715	70,715	70,716	70,716	70,716	70,716
	TOTAL		48,395	107,336	109,978	109,978	109,979	109,979	109,979	109,979

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 060202

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 02 ASSURED STANDARD OF LIVING
 III. 02 HOUSING ASSISTANCE

OBJECTIVE: TO ASSURE THAT LOW- AND MIDDLE-INCOME HOUSEHOLDS ARE HOUSED IN ACCOMMODATIONS ADEQUATE TO THEIR NEEDS AND COMMENSURATE WITH THEIR ECONOMIC CAPACITY.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
060202	1. PUB HSG AVG MONTHLY RENT PAYMENT (\$)		457	450	450	450	450	450	450	450
	2. PUB HSG AVG MONTHLY TURNOVER RATE OF HSG UNITS		38	50	50	50	50	50	50	50
	3. AVG MONTHLY RENT SUPPLEMENT PAYMENT		433	430	430	430	430	430	430	430
	4. # CLIENTS W/ PERM HOUSING DUE TO SHELTER PROGRAMS		1281	1180	1180	1180	1200	1260	1260	1260

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
06020201	RENTAL HOUSING SERVICES	HMS-220	5,486	106,405	116,808	122,111	122,110	122,110	122,110	122,110
06020206	HAWAII PUBLIC HOUSING AUTHORITY ADMINISTRATION	HMS-229	395	55,939	45,840	46,076	46,077	46,077	46,077	46,077
06020213	RENTAL ASSISTANCE SERVICES	HMS-222	6,733	69,829	74,926	78,596	78,597	78,597	78,597	78,597
06020215	HOMELESS SERVICES	HMS-224	26,891	28,835	28,745	28,745	28,746	28,746	28,746	28,746
	TOTAL		39,505	261,008	266,319	275,528	275,530	275,530	275,530	275,530
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
06020201	RENTAL HOUSING SERVICES	HMS-220	16,800	25,800	68,000					
	TOTAL		16,800	25,800	68,000					

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 060203

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 02 ASSURED STANDARD OF LIVING
 III. 03 HEALTH CARE

OBJECTIVE: TO ENSURE THAT QUALIFIED LOW INCOME AND DISABLED INDIVIDUALS AND FAMILIES ARE PROVIDED ADEQUATE AND APPROPRIATE HEALTH CARE SERVICES EITHER THROUGH FEE FOR SERVICE OR MANAGED CARE PROGRAMS TO MAINTAIN AND IMPROVE THEIR HEALTH AND TO PREVENT OR DELAY INSTITUTIONALIZATION.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
060203	1. % SSI/SSP RCPNTS IN LCNSD/CRTFD DOM CARE/MEDICAID		95	95	95	95	95	95	95	95
	2. % MANAGD CARE PYMTS DEVOTD TO DIRECT HTH CARE SVCS		89	91	90	90	90	90	90	90
	3. % LTC CLIENTS RECEIVING CARE UNDER HCBS PROGRAM		72	75	75	75	75	75	75	75

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
06020304	COMMUNITY-BASED RESIDENTIAL AND MEDICAID FACILITY SUPPORT	HMS-605	17,810	17,810	17,810	17,810	17,811	17,811	17,811	17,811
06020305	HEALTH CARE PAYMENTS	HMS-401	2,147,483	2,147,483	2,147,483	2,147,483	3,740,118	3,740,118	3,740,118	3,740,118
	TOTAL		2,165,293	2,165,293	2,165,293	2,165,293	3,757,929	3,757,929	3,757,929	3,757,929

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 060204

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 02 ASSURED STANDARD OF LIVING
 III. 04 GENERAL SUPPORT FOR ASSURED STANDARD OF LIVING

OBJECTIVE: TO ENHANCE THE EFFECTIVENESS AND EFFICIENCY OF THE PROGRAM BY PROVIDING STAFF SUPPORT SERVICES AND OTHER ADMINISTRATIVE SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
060204	1. % WORK PGM PARTICIPANTS WHO EXITED WITH EMPLOYMENT		2	2	2	2	2	2	2	2
	2. %TAN/TAONF RCPT PART WRK PGM MTG FED WRK PART STD		18	16	17	17	17	17	17	17
	3. % OF DISABILITY CLAIMS PROCESSED DURING YEAR		100	100	100	100	100	100	100	100
	4. % CHILD SUPPORT CASES W/ SUPPORT ORDERS ESTD		83	83	83	83	83	83	83	83

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
06020401	CASE MANAGEMENT FOR SELF-SUFFICIENCY	HMS-236	26,793	45,765	46,450	46,096	46,096	46,096	46,096	46,096
06020402	DISABILITY DETERMINATION	HMS-238	4,952	8,859	8,859	8,859	8,860	8,860	8,860	8,860
06020403	CHILD SUPPORT ENFORCEMENT SERVICES	ATG-500	29,793	24,567	27,685	27,685	27,686	27,686	27,686	27,686
	TOTAL		61,538	79,191	82,994	82,640	82,642	82,642	82,642	82,642

Hawaiian Homesteads

The program consists of two Level II programs in HHL: Planning and Development for Hawaiian Homesteads (HHL 602) and Administration and Operating Support (HHL 625). The objectives of these programs are to develop and manage the designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Act) and generate revenues to address program needs.

This program administered by HHL partners with others toward developing self-sufficient and healthy communities for the benefit of native Hawaiians (persons of at least 50 percent Hawaiian blood) as required by the Admissions Act and as a compact with the United States, the State of Hawaii and the people of Hawaii.

The Hawaiian Home Lands Trust created by Congress through the Hawaiian Homes Commission Act of 1920, as amended (Act), set aside public lands, called Hawaiian home lands, for homesteads. The Act was adopted as a provision of the State Constitution in 1959 when Hawaii was granted statehood. Responsibility for the Commission and the Hawaiian home lands was transferred to the State at that time. Except for provisions that increase benefits to lessees or relate to administration of the Act, the law can be amended only with the consent of Congress.

The primary responsibilities of HHL are to serve its beneficiaries and to manage its extensive land trust. The land trust consists of over 200,000 acres on the islands of Hawai'i, Maui, Moloka'i, Lāna'i, O'ahu, and Kaua'i. HHL provides direct benefits to native Hawaiians in many ways. Beneficiaries may receive 99-year homestead leases at \$1 per year for residential, agricultural, or pastoral purposes. These leases may be extended for an aggregate term not to exceed 199 years. Beneficiaries may receive financial assistance through direct loans, insured loans, or loan guarantees for home purchase, construction, home replacement, or repair. In addition to administering the homesteading program, HHL leases trust lands not in homestead use at market value and issues revocable permits, licenses, and rights-of-entry. The income from these enterprises is used to supplement HHL's programs, including continued homestead development.

HHL ensures the Hawaiian Home Lands Trust is on a solid foundation with sound policies and procedures, a long-term sustainable financial plan, a commitment to serving beneficiaries, and an organizational culture that honors the spirit of its founder, Prince Jonah Kūhiō Kalaniana'ole. With the foundation firmly rooted, administrations going forward will be prepared to work side-by-side with beneficiaries and other partners to create and maintain vibrant homestead communities.

HHL:

1. Reaffirms and asserts its Trust status by:
 - Determining and committing to meeting the Trust Kuleana;
 - Protecting the Trust; and
 - Advancing the Hawaiian Homes Commission Act.

The mission of the Hawaiian Home Lands Trust is implemented by a state department, the HHL. The Hawaiian Homes Commission Act provides clear roles and responsibilities to implement the Act, while our State administrative rules provides for implementation. The difference and the roles of each kuleana must be articulated.

2. Ensures the financial well-being of the Trust by:
 - Improving efficiency and effectiveness of internal operations;
 - Creating synergistic partnerships and alliances; and
 - Diversifying and increasing revenue streams

The Trust has a finite amount of land and resources. Not only is the Trust expected to provide “new” homesteads for 40,000 waitlist applications, but it must also continue to serve the existing 10,000 lessees by way of repair and maintenance of utilities, traffic, roads, water, wastewater, health and safety requirements. The Trust must also use its lands to generate revenue to financially support the trust’s work of serving beneficiaries. Current economic times must be considered in the development of new strategies that produce optimal performance of the trust. Developing partnerships and alliances that provide mutual benefit will enhance the opportunities for success. The Trust must also consider alternative revenue streams that will help to meet the ever-growing waitlist.

3. Provides excellent customer service by
 - Increasing communication and access to information;
 - Developing transparent policies, procedures and practice; and
 - Providing professional development opportunities and support for all staff members.

During both the beneficiary and staff retreats, opinions centered on the Trust’s ability to provide for and support beneficiaries and employees. Once comment in particular came from the staff retreat: “Good customer service benefits both beneficiaries and employees/HHL.” Both groups also expressed the desire for consistent and clear policies – procedures and practices that would withstand the changing of new administration over time. Through the objective above, the Trust will focus on laying the foundation for consistency, providing communication and creating methods for beneficiaries, staff and the broader public to access information. Further, the goals will provide for staff professional development support which leads to strong customer service and high performance while incorporating our Hawaiian values and understandings.

4. Delivers diverse homesteading opportunities by
 - Expanding the variety of residential homesteading opportunities
 - Implementing agricultural homesteading opportunities
 - Implementing pastoral homesteading opportunities
 - Implementing aquaculture homesteading opportunities
 - Seeking alternative financing for homesteading opportunities

The Trust has mainly focused on single-family homes over its lifetime. Driven by the economic times and the needs of beneficiaries and applicants, the Trust must seek to expand the breadth and depth of its homesteading opportunities overall. The Trust has over 40,000 applications for families waiting to be returned to the ‘āina. Expanding residential homesteading opportunities into areas such as Kauhale, multi-family homes, rental and transitional units will provide relief to applicants who continue to wait for a home to meet

their needs. The Trust will strive to implement agricultural, pastoral, and aquacultural homesteading opportunities to fit today's family. Considerations will be given to cluster-lots, community use lots and rural homesteading. To support these objectives, the department must step out of the box to create alternative financing models to service these beneficiaries.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0603

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 03 HAWAIIAN HOMESTEADS

OBJECTIVE: TO DEVELOP AND MANAGE THE DESIGNATED HAWAIIAN HOME LANDS TO CREATE MORE HOMESTEADS FOR NATIVE HAWAIIANS (AS DEFINED BY THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED) AND GENERATE THE REVENUES NEEDED TO ADMINISTER THE PROGRAM. THROUGH THE USE OF THESE REVENUES, LEASE LANDS, LOAN FUNDS AND TECHNICAL ASSISTANCE WILL BE PROVIDED TO NATIVE HAWAIIANS IN ORDER TO FURNISH THE OPPORTUNITY TO SECURE AND MAINTAIN AN ADEQUATE STANDARD OF LIVING.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0603	1. % PLANNED HWN HOMESTEAD LOTS THAT WERE DEVELOPED		100	100	100	100	100	100	100	100
	2. % SURRENDERED OR CANCELED LOTS RE-AWARDED		100	100	100	100	100	100	100	100
	3. % OF R&M TASKS COMPLETED OF TOTAL TASKS INITIATED		80	80	80	80	80	80	80	80

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
060302	ADMINISTRATION AND OPERATING SUPPORT	HHL-625	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
	TOTAL		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
<u>OPERATING EXPENDITURES</u>										
060301	PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS	HHL-602	38,883	48,883	50,085	50,134	50,136	50,136	50,136	50,136
060302	ADMINISTRATION AND OPERATING SUPPORT	HHL-625	14,678	15,046	15,082	15,082	15,082	15,082	15,082	15,082
	TOTAL		53,561	63,929	65,167	65,216	65,218	65,218	65,218	65,218
<u>TOTAL OPERATING EXPENDITURES</u>										
060301	PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS	HHL602	38,883	48,883	50,085	50,134	50,136	50,136	50,136	50,136
060302	ADMINISTRATION AND OPERATING SUPPORT	HHL625	16,428	16,796	16,832	16,832	16,832	16,832	16,832	16,832
	TOTAL		55,311	65,679	66,917	66,966	66,968	66,968	66,968	66,968
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
060301	PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS	HHL-602	20,000	20,000	20,000	20,000				
	TOTAL		20,000	20,000	20,000	20,000				

Overall Program Support for Social Services

This program is comprised of the following lower-level programs within the Departments of Health and Human Services: Executive Office on Aging (HTH904), Disability and Communication Access Board (HTH520), General Support for Health Care Payments (HMS902), General Support for Self-Sufficiency Services (HMS903), General Administration (DHS) (HMS904), General Support for Social Services (HMS901), the Office on Homelessness and Housing Solutions (HMS777), and beginning in 2025, the Office of Wellness and Resilience (HMS555).

Executive Office on Aging (HTH904)

The Executive Office on Aging (EOA) serves to optimize the health, safety, and independence of Hawaii's older adults and people with disabilities. EOA supports elders and their caregivers through planning, development, advocacy, and coordination of policies, programs, and services.

As a result of the Older Americans Act, EOA was designated the lead agency in the State to address aging issues on behalf of more than 224,000 persons 60 years of age and older. For the well-being (physical, social, mental health, etc.) of the State's older population, EOA is charged with a wide range of responsibilities that include:

- Providing statewide leadership for the development and review of policies and programs for older adults, as articulated by the State Plan on Aging, the Comprehensive Master Plan for the Elderly, Long Term Care Plan for Hawaii's Older Adults, and the State Plan on Alzheimer's Disease and Related Dementias;
- Developing a State Plan every 4 years for submission to the U.S. Administration on Community Living enabling the State to receive allotments under the Older Americans Act, as amended;
- Serving as a clearinghouse of aging policies and information;
- Recognizing older adults, caregivers and individuals with disabilities as resources;
- Maintaining an efficient statewide database system to identify and define the aging population in Hawaii;
- Overseeing a statewide Aging and Disability Resource Center with sites in each county to streamline access to long-term supports and services by integrating the full range of long-term supports and services into a single, coordinated system;
- Overseeing a statewide, client-driven, comprehensive long-term services and supports;
- Recognizing that elders deserve special protection from abuse and neglect;
- Ensuring that there is an Office of the Long-Term Care Ombudsman in EOA to protect the health, safety, welfare, and rights of residents of long-term care facilities in accordance with State and federal law; and
- Promoting and establishing basic services for family caregivers.

Disability and Communication Access Board (HTH520)

The functions of the Disability and Communication Access Board (DCAB) are to:

1. Establish guidelines for the design of buildings, facilities, and sites by or on behalf of the State and counties in accordance with Section 103-50, Hawaii Revised Statutes (HRS);
2. Provide review and recommendations on all State and county plans for buildings and facilities, in accordance with Section 103-50, HRS;

3. Establish guidelines for the utilization of communication access services provided for persons who are deaf, hard of hearing, or deaf/blind in State programs, including the credentialing of interpreters who do not possess national certification;
4. Administer the statewide program for parking for disabled persons, in accordance with Part III of Chapter 291, HRS;
5. Serve as public advocate of persons with disabilities by providing advice and recommendations on matters relating to access for persons with disabilities, with emphasis on legislative matters, administrative rules, policies, and procedures of State and county governments;
6. Review and assess the problems and needs relating to access for persons with disabilities in the State in order to provide recommendations in the improvement of laws and services;
7. Serve as the designated State agency to coordinate the efforts of the State to comply with the requirements of the Americans with Disabilities Act (ADA) for access to services, employment, telecommunications, and facility and site design; and
8. Provide technical assistance and guidance to, but not limited to, State and county entities in order to meet the requirements of State, federal, and county laws.

HMS902 General Support for Health Care Payments

MQD staff ensures program cost effectiveness and recommends program modification in response to significant program changes (e.g., population growth, federal mandates, etc.). As federal and State laws impact Medicaid, program planning and analysis are required to comply with the changes. Hawaii's Medicaid program continues to cover about 400,000 Hawaii residents, which is down about 15% from peak enrollment during the COVID PHE but is still about 22% above the pre-COVID average of approximately 327,000 Hawaii residents.

HMS903 General Support for Self-Sufficiency Services

A large portion of the program's expenditures consist of operation and maintenance of two legacy computer systems, including associated software and network equipment; contracts with public agencies and private providers for outreach, employment, child care, and homeless shelter services; program development; and fraud investigation and recovery.

Planned Level of Program Effectiveness:

The Temporary Assistance for Needy Families (TANF) Program requires 50% of individuals participating in a work program to meet the federal work participation standard. As of September 2024, the national error rate is 10.03% and the regulatory threshold is 11.68%, meaning an accuracy rate of 88.32% must be maintained for SNAP. An estimated 95% of contracted service providers will meet the performance standards.

Projected Target Group Size:

An estimated 1,700 TANF/Temporary Assistance for Other Needy Families (TAONF) individuals will be determined to be work eligible and be required to participate in the First-To-Work Program each month. Of the estimated 20,000 SNAP recipients who are able-bodied and subject to work registration, approximately 2,000 individuals will participate in the SNAP E&T Program.

Projected Levels of Program Activities:

Federal regulations require 95% of applications be processed within the federal time frames. An estimated 230 TANF/TAONF recipients per month will be engaged in federally recognized work activities. Approximately 1,500 SNAP recipients will be engaged in a work activity with the SNAP E&T Program.

HMS904 General Administration for DHS

DHS continues to invest in modernizing its IT systems to improve programs' efficiency and effectiveness and maintain the overall security of the systems. The cost of IT modernization continues to increase as the BES and other IT projects' scopes are reevaluated and additional system changes are needed. Some of these modifications are required as part of program improvement and efficiency efforts and others are needed because of changes in federal law.

The increases in permanent, emergency, and pilot programs; and attached agencies and commissions within DHS have increased the need for human resources, fiscal, auditing, and other types of administrative support. Additionally, with the resumption of eligibility redeterminations for certain DHS programs, DHS anticipates that more administrative hearings will be needed as more applicants and beneficiaries file appeals.

HMS 901 General Support for Social Services

Program costs will continue to increase in consideration of demands and expectations of the public. More funds need to be invested in items that will enhance the work being done and in recruitment and retention of staff.

Program performance and effectiveness is measured in relation to the support provided to the programs and personnel under its administration. These measures include staff training and development, federal compliance reviews, contract/provider monitoring, and federal funds tracked and monitored.

Program size data is very limited at this time. This Program is also actively recruiting for vacant positions, so the impact of filling those positions have yet to be determined.

HMS777 Office on Homelessness and Housing Solutions

The program provides leadership in establishing and guiding policies to address homelessness in Hawaii and to design, evaluate, and scale promising and innovative approaches to address homelessness. While the number of homeless individuals statewide has steadily declined between 2016 and 2022, there was an increase of homeless individuals in 2023 and 2024. Hawaii continues to have the second highest per capita rate of homelessness among the 50 states.

HRD200 Office of Wellness and Resilience

Not applicable.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0604

PROGRAM LEVEL: I. 06 SOCIAL SERVICES
 II. 04 OVERALL PROGRAM SUPPORT FOR SOCIAL SERVICES

OBJECTIVE: TO ENHANCE THE EFFECTIVENESS AND EFFICIENCY WITH WHICH THE OBJECTIVES OF THE SOCIAL SERVICES PROGRAM ARE ACHIEVED BY PROVIDING EXECUTIVE DIRECTION, PROGRAM PLANNING AND ANALYSIS, AND OTHER PROGRAM SUPPORT AND ADMINISTRATIVE SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0604	1. UNDUPLICATED # OF CLIENTS SERVED BY OFC OF AGING		7250	7250	7250	7250	7250	7250	7250	7250
	2. % OF OBJECTIVES IN DCAB PLAN OF ACTION COMPLETED		90	90	90	90	90	90	90	90
	3. % MEDICAID APPS PROCESSED W/IN SPEC TIME CRITERIA		94	90	90	90	90	90	90	90
	4. % SELF-SUFFICIENCY SVC PROVIDERS MEETING PERF STDS		91	91	95	95	94	94	94	94
	5. % APPEALS RESOLVED W/IN SPECIF TIME CRITERIA		99	99	98	98	98	98	98	98
	6. % FED COMPLIANCE REVIEWS W/ NO SIGNIF NEG FINDINGS		90	90	90	90	90	90	90	90

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
060402	EXECUTIVE OFFICE ON AGING	HTH-904	24,322	24,343	24,617	24,653	24,653	24,653	24,653	24,653
060403	DISABILITY AND COMMUNICATIONS ACCESS BOARD	HTH-520	3,115	3,183	3,226	3,268	3,269	3,269	3,269	3,269
060404	GENERAL SUPPORT FOR HEALTH CARE PAYMENTS	HMS-902	67,544	99,419	143,783	143,783	143,783	143,783	143,783	143,783
060405	GENERAL SUPPORT FOR SELF-SUFFICIENCY SERVICES	HMS-903	46,948	138,298	165,091	163,583	163,583	163,583	163,583	163,583
060406	GENERAL ADMINISTRATION FOR DHS	HMS-904	12,762	22,526	36,073	19,162	18,557	18,557	18,557	18,557
060407	GENERAL SUPPORT FOR SOCIAL SERVICES	HMS-901	4,463	6,828	7,534	6,734	6,734	6,734	6,734	6,734
060408	OFFICE ON HOMELESSNESS AND HOUSING SOLUTIONS	HMS-777	30,445	33,920	50,920	50,920	50,920	50,920	50,920	50,920
060409	OFFICE OF WELLNESS AND RESILIENCE	HRD-200			1,818	1,818	1,820	1,820	1,820	1,820
	TOTAL		189,599	328,517	433,062	413,921	413,319	413,319	413,319	413,319
CAPITAL INVESTMENT EXPENDITURES										
060406	GENERAL ADMINISTRATION FOR DHS	HMS-904		40,000	10,000					
	TOTAL			40,000	10,000					

III. PROGRAM CHANGE RECOMMENDATIONS

DHS will continue to pursue modernizing its information and technology systems to support improved public access to services and ensure that the human services workforce has the necessary tools to continue to serve Hawaii residents with Aloha and efficiency.

The Affordable Care Act of 2010 (ACA) set DHS on the journey to modernize the human services delivery infrastructure. The ACA provided Hawaii with substantial federal investment to develop the Kauhale On-Line Eligibility Assistance System (KOLEA), an improved eligibility determination system that uses integrated technology. The implementation of KOLEA reduced the time from application to determination from 45 days to 24 to 48 hours and was vital in managing a 38 percent increase in Medicaid enrollees during the COVID-19 pandemic.

Major IT modernization and organizational change management projects continue as DHS develops and implements the Benefits Eligibility System (Phase II) and Comprehensive Child Welfare Information System (Phase III), which will improve the IT infrastructure for staff and streamline accessibility and service delivery for residents.

Developing technology, advances in brain science, and research on the long-term consequences of adverse childhood experiences influenced DHS in 2014 to adopt a multigenerational approach to service delivery with an emphasis on investments in children and their families.

DHS' theory of change is that with streamlined delivery and reduced barriers, individuals and families could access the range of available benefits and services that support their well-being and efforts to become self-sufficient. DHS executive leadership, divisions, attached agencies, and providers began finding new ways to work across programs and departments to serve Hawaii's families. DHS collaborated with and received technical assistance from the American Public Human Services Association, Ascend at the Aspen Institute, and the National Governor's Association - all catalysts and conveners for systems and policy change within social service agencies. DHS adapted Ascend's "2-Gen" approach to service delivery, or 'Ohana Nui, Hawai'i's multigenerational framework, to create generative processes that address the root causes of poverty and the social determinants of health and well-being.

In 2019, DHS worked with the administration, the Legislature, and community stakeholders to pass Act 82, SLH 2019. The act changed DHS's enabling statute and requires an integrated and multigenerational approach to reduce intergenerational poverty. The innovative and cross-sector collaborations have resulted in tangible and meaningful 'Ohana Nui investments in leadership and workforce development and allowed staff to gain experience in innovating new processes and programs that improve client experiences and well-being.

The COVID-19 pandemic compounded pre-pandemic challenges with workforce shortages and wage differentials with the private sector, especially in social work, eligibility workers, and IT. However, DHS' successful and rapid pandemic response highlighted the experienced leadership and strength of relationships as we quickly problem-solved, maintaining safe access by residents and staff safety while reaching the highest caseloads in DHS history through a telework and hybrid environment. The capacity to rapidly pivot DHS' service delivery model has its foundation in the ongoing strategic planning and organizational change efforts.

The department's rapid business process redesign to respond to the COVID-19 pandemic, coupled with additional emergency management incidents during the pandemic, highlighted the need for DHS to consider adding dedicated resources for disaster human services. Unfortunately, the August 2023 Wildfires underscored the need for dedicated disaster human services.

The unprecedented impacts of the August 2023 Wildfires on Maui and Hawaii island required an unprecedented response by the State to support Maui residents. Working with HIEMA, DHS staff assisted with sheltering needs, including assisting with placement in HIEMA's non-congregate care program, developing a temporary housing program with Airbnb, constructing a temporary field shelter for individuals who were not eligible for FEMA non-congregate care program beyond the safe harbor period; and supported the State's Emergency Support Function 6 for mass care and feeding. Existing DHS programs applied for federal waivers that preserved Medicaid coverage for Maui residents, allowed Supplemental Nutrition Assistance Program (SNAP) benefits to be used for hot food purchases statewide, conducted a Disaster SNAP program for Maui residents who were not already receiving SNAP benefits, worked with child care providers, the County, and the Department of Education to restart regulated child care, and stood up a Maui Relief TANF Program for families with children who were not eligible for federal disaster assistance. For long-term recovery, DHS is leading the Rental Assistance Program, interim housing development at Ka La'i Ola, and is the State's grant recipient of the FEMA Disaster Case Management Program.

As the one-year commemoration of the Maui wildfires and interim housing solutions are becoming available for survivors, DHS is engaged in planning discussions led by the City & County of Honolulu to address Hawaiian Electric Company's Public Safety Power Shutoff program, which may impact certain communities statewide, including DHS recipients. Traumatic events, including power outages, disproportionately impact vulnerable populations lacking resources and social connections.

The multiple disasters and long-term consequences demand that DHS be prepared and work with partners and communities to mitigate inequities and improve the social safety net. The pandemic exposed the structural inequities that compounded the health and economic consequences of COVID-19 on people and communities that were vulnerable before the pandemic.

However, like other health and human services agencies across the country, DHS is challenged to attract and retain a dedicated, well-trained, and trauma-informed workforce. During the next two fiscal years, DHS' executive and administrative leadership will need to continue innovating, find new ways to support the workforce, and improve working conditions, including investments in safety protocols in-office and online.

In a highly economically stressed community where income inequality continues to widen and where there are individuals with complex needs, threats of violence and harassment against DHS staff have increased. New training and resources for staff and supervisors are needed to increase de-escalation skills and protocols to prepare and educate staff who face increased threats from the public both in-person and through social media. With the public's expectations for more straightforward, smoother, and technology-supported delivery processes, high

demands for services, and potential reductions in human resources, the executive and management leadership will remain focused on efforts to improve working conditions.

Executive Office on Aging (HTH904)

The program's operating requests are as follows (general funds, unless noted otherwise):

1. Add position and funds for one Program Specialist V for Executive Office on Aging (1.00 Perm/\$35,508; 1.00 Perm/\$71,016 in General Funds) (HTH904/AJ).
2. Add funds for one Planner VI for Executive Office on Aging (1.00 Temp/\$79,872; 1.00 Temp/\$79,872 in General Funds) (HTH904/AJ).
3. Convert Positions from Temporary to Permanent for one Program Specialist III, Program Specialist IV, and Program Specialist V for Executive Office on Aging (3.00 Perm/\$192,408; 3.00 Perm/\$192,408 in General Funds) (HTH904/AJ).
4. Delete Long-Term Vacant Position: #24455, Account Clerk III (-1.00 Perm/- \$34,020; - 1.00 Perm/- \$34,020 in General Funds).

Disability and Communication Access Board (HTH520)

The program's operating request adds 1.00 permanent exempt DCAB Program Specialist position in both fiscal years, \$42,500 in FY 26 and \$85,000 in FY 27 (HTH 520/AI).

DEF112 Services to Veterans

The program's operating request deletes one long-term vacancy FTE count in general funds in FY 26 and FY 27. The program's capital improvement program request adds \$35,000,000 and \$58,000,000 in other federal funds in FY 26 to build the third Hawaii Veterans Home, Maui.

Hawaiian Homesteads

Article XII, Section 1 of the State Constitution states “The legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administrative and operating budget of the department of Hawaiian home lands; in furtherance of (1), (2), (3), and (4) herein, by appropriating the same in the manner provided by law.” Based on Article XII, Section 1, the Hawaiian Homes Commission, the head of the Department of Hawaiian Home Lands, has a fiduciary responsibility to ask for amounts the Commission considers “sufficient sums” for the Department’s administrative and operating expenses.

As the recipient of a competitive federal grant under the National Telecommunications and Information Administration’s TBCP and in anticipation that additional grant funds will be received later this year, a budgetary housekeeping measure is being requested to add 3 positions for TBCP as such staff are necessary to manage and implement the competitive federal grant.

HHL launched the beginning of a systems modernization initiative with the implementation of Salesforce in 2019 in order to move the Department off an aging and antiquated system to a modernized system conducive to the 21st century. The Department is working with consultants who have extensive experience in full system migration and integration of software applications within the State of Hawaii and internationally. This modernization project is expected to require a one-time cost of \$2,295,000 and an annual renewal cost of \$362,853.

HHL also recently launched a major effort to access Federal funds and is requesting a budget of \$4.2 million for procuring multiple qualified providers with expertise to assist in all aspects of resource development. In 2022, the Hawaii State Legislature appropriated \$600 million through Act 279 to the Department of Hawaiian Home Lands. The purpose of this funding is to reduce the Hawaiian Homes waitlist. To this end, the Department has been actively pursuing new lot development projects as well as awarding all available lots to beneficiaries on the waitlist. Act 279 funding was clearly a monumental and historic step in the right direction in addressing the reduction of HHL's waitlists. However, more funding is desperately needed to reduce the 29,000 waitlist even further.

Thus, HHL intends to request continued funding as part of its sufficient sums budget request to allow the design and construction of needed infrastructure improvements to develop lots on its lands to continue to reduce the waitlist.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Disability and Communication Access Board

The advances in medicine, the demographics of an aging society, and the maturation of disability civil rights laws will result in several trends that affect DCAB. Some of the trends mesh with those of EOA and DHS.

- Emergency readiness, preparedness, and evacuation of persons with disabilities and special health needs. Recent disasters and the pandemic identified inadequacies in Hawaii's emergency response system particularly for people with disabilities and the elderly with special health needs. To enhance the State's emergency preparedness response efforts, DCAB will participate with federal and State entities to ensure that communications with persons with disabilities concerning emergencies are as effective as communications with all others.
- Designing livable communities. Urban planning, including development of walkable communities and accessible transportation systems to complement an architecturally accessible community will continue to impact our overall program emphasis.
- Community-based services to implement Olmstead. The U.S. Supreme Court's "Olmstead" decision accelerated State planning efforts to develop additional community-based services for persons with disabilities. In recent state legislative sessions, community-based providers have advocated for increased compensation to meet the true cost of care.
- Statewide ADA coordination. All departments have self-evaluations and transition plans to implement the ADA. However, funding has not necessarily kept pace, nor has the system been able to administer the volume of construction needed, especially in the schools. Continued coordination with State and county agencies and ADA coordinators will help to ensure greater access for persons with disabilities.
- Stabilization of the parking program for persons with disabilities. The number of individuals eligible for a parking placard for persons with disabilities will continue to increase as the population of persons with disabilities increases. The program is now stable. Also, issues

relating to record retention and identity fraud will require attention to ensure the integrity of the statewide database.

Protective Services

The Social Services Division of DHS provides prevention and protective services for children and vulnerable adults who may be at risk of or experiencing abuse or neglect. Its programs include services and safe living arrangements to reduce abuse, neglect, and maltreatment.

The Adult Protective Services Branch (APSB) provides crisis intervention, investigation, and emergency services to vulnerable adults reported to be abused, neglected, financially exploited by others, or seriously endangered due to self-neglect. Act 289, SLH 2022, expanded APSB's right of entry to investigate reports of self-neglect or caregiver neglect. Previously, APSB could only enter a person's premises without a court order to investigate reports of physical abuse. The purpose of the additional authority is to prevent harm and wasting of assets and to assist individuals and families in addressing the needs of the vulnerable adult.

The Child Welfare Services Branch (CWSB) provides family strengthening and support services for child protection, foster care, adoption, higher education payments, leadership development for former foster youth, and independent living; and licensing of resource family homes, group homes, and child-placing organizations. Additionally, CWSB responds to all reports of sex trafficking of minors or trafficking in persons.

In 2013, federal law and Act 252, SLH 2013, authorized CWSB to provide voluntary services for youth who exited foster care. The resulting program, Imua Kākou, helps these youth build successful futures through services and benefits, including higher education or continued board payments, peer support, and leadership development.

Hawaii Helping Our People Envision Success (HI HOPES) is a statewide initiative that works to ensure that youth and young people, primarily aged 14-26, who have experienced foster care have the relationships, resources, and opportunities they need to succeed. The initiative is celebrating ten years of youth voice and community collaboration to improve the child welfare system in Hawaii and ensure the well-being of youth and young adults in foster care. Many HI HOPES youths advocated and supported the passage of Act 252, SLH 2013, which created the extended foster care program, and Act 105, SLH 2018, which consolidated the existing rights of foster children into one section of law.

Furthermore, Act 16, SLH 2017, in compliance with the Justice for Victims of Trafficking Act of 2015, Public Law 114-22, updated Hawaii's child abuse reporting law to include reports of known or suspected child victims of sex and labor trafficking. As a result, CWSB receives reports of sex and labor trafficking, investigates sex and labor trafficking cases, and provides supportive services to all minor victims. CWSB staff participate in law enforcement operations that recover youth who were reported as runaways and are suspected to be victims of commercial sexual exploitation of children.

Family First Hawaii is Hawaii's implementation program of the federal Family First Prevention Services Act of 2018. The Family First Prevention Services Act added the prevention of child abuse and neglect to child welfare services agencies. The fundamental shift in the law is to

provide prevention services that preserve a family and avoid the placement of a child into a foster home. Prevention services can include substance abuse treatment programs for parents and evidence-based programs that strengthen families and prevent abuse and neglect. Hawaii was the first program in federal Region IX to be approved. DHS Child Welfare Services Branch began implementing the Family First Hawaii plan by October 1, 2021.

Child Care

Child care in Hawaii is a regulated industry. Eligible parents or guardians may be eligible to receive publicly funded subsidies to assist with paying for the cost of child care.

The COVID-19 pandemic highlighted the critical importance of accessible, affordable, and quality child care for parents and caregivers to maintain employment, perform essential functions, and contribute to the necessary health care and other essential services. However, as with other industries, the pandemic also exposed the fragile infrastructure of the child care sector that relies upon small businesses and highly skilled-but low-wage earners to operate.

In response, DHS implemented eligibility and licensing waivers with federal authority and under emergency proclamations so that more parents could qualify for available subsidies. Licensing waivers allowed providers to maintain their businesses safely even as student enrollment varied daily, and health and mitigation recommendations were frequently updated as the community learned more about COVID-19.

DHS also distributed significant federal stabilization grant funds to assist child care providers in paying operational expenses, staff bonuses, or other benefits to maintain staffing.

Child Care Licensing

Child Care Licensing ensures the health, safety, and well-being of children enrolled in registered family child care homes and licensed child care centers (e.g., before & after school child care facilities, group child care centers & group child care homes, and infant & toddler child care centers) by developing and enforcing minimum standards for these types of child care. In addition, it monitors compliance with federal and State child care laws and administrative rules and provides consultation and technical assistance to child care providers.

Child Care Subsidies

Hawaii has two primary child care subsidy programs that provide financial assistance to offset the cost of child care:

1. The Child Care Development Block Grant is a federal subsidy program administered by the State through Child Care Connections Hawaii. This program helps low-income families sustain employment, educational efforts, and job training by providing a subsidy to parents for their children's care at DHS-approved child care providers.
2. Preschool Open Doors is a State-funded subsidy program that allows income-eligible families to send their child or children to a licensed preschool for potentially two years before kindergarten entry. The goal of this program is to promote school readiness for children.

The Temporary Assistance for Needy Families (TANF) program also provides funding for afterschool care and programs for families participating in TANF/Temporary Assistance for Other Needy Families (TAONF) programs and attending DOE schools.

Domestic Violence Shelters and Services

DHS is one of the State's largest funders of domestic violence services. CWSB contracts statewide domestic violence shelters and support services, including legal services for victims and families experiencing domestic violence. The TANF/TAONF programs also provide program waivers for individuals experiencing domestic violence.

Homeless Services and Housing Solutions

Addressing and preventing homelessness continues to be a top priority and involves all branches of State and county governments, community providers, and those with lived experience.

In 2012, Act 105, SLH 2012, codified the Governor's Coordinator on Homelessness and the Hawaii Interagency Council on Homelessness (HICH) in Chapter 346, HRS, as an acknowledgment that addressing homelessness required greater collaboration and coordination among diverse government entities, businesses, nonprofit organizations, and faith-based organizations. Before this, the Governor's Coordinator on Homelessness and the HICH were authorized by Executive Order No. 11-21.

Pre-pandemic, the Governor's Coordinator on Homelessness and the HICH adopted a "Housing First" approach and developed a statewide coordinated entry system for individuals and families to access various homeless services. Between 2016 and 2020, homeless individuals statewide decreased by 1,463 (18.5 percent). There were significant statewide reductions in key homeless sub-populations during this timeframe:

- 43.7 percent reduction (1,469 individuals) in persons in homeless families,
- 27.1 percent reduction (182 individuals) in veterans experiencing homelessness,
- 22.4 percent reduction (437 individuals) in chronic homelessness, and
- 15.2 percent reduction (658 individuals) in unsheltered homelessness.

During this period, the Legislature authorized the `Ohana Zones pilot program by Act 209, SLH 2018, extended it by Act 128, SLH 2019, and extended it again by Act 235, SLH 2022. `Ohana Zones "are designed to assist individuals experiencing homelessness find and transition into permanent housing . . . [and] have the potential to serve individuals experiencing homelessness in a way that existing programs are currently unable." As a result, the Governor's Coordinator on Homelessness implemented `Ohana Zones across the State by coordinating with the counties to support aligned county projects and maximize the use of State funds.

Most `Ohana Zones pilot program projects began implementation before July 2019 and were set to end by June 2023; however, Act 235, SLH 2022, extended the `Ohana Zones pilot program and appropriated an additional \$15,000,000 to continue the pilot program and seed additional projects. As of November 30, 2021, \$21,520,712, or about 67 percent of the \$32,000,000

appropriated for `Ohana Zones by Act 209, SLH 2018, and Act 128, SLH 2019, has been expended.

The COVID-19 pandemic immediately changed how homelessness services are delivered and impacted services in congregate settings, such as emergency shelters, resulting in a temporary reduction in available shelter space. Despite the challenges, the placement of homeless individuals from an unsheltered environment to housing continued through the pandemic.

The pandemic also required the Governor's Coordinator on Homelessness and the Ohana Zones operators and service providers to innovate to continue serving more than 5,510 individuals. Their efforts preserved 358 beds for homeless services and added 469 new beds to the overall inventory as of November 30, 2021.

While the State and federal eviction moratoriums and the emergency mortgage, rental, and utility relief programs temporarily prevented additional housing instability and homelessness, the lifting of the eviction moratoriums resulted in an increased focus on homelessness prevention. To address an increase in anticipated evictions, Act 57, SLH 2021, temporarily changed rental termination notice requirements and created a mediation process so tenants could access available federal rental assistance and negotiate payment of past due rent and move-out dates. This allowed many tenants to remain in their rentals and reduced the number of residents who experienced housing instability; however, the temporary provisions expired in August 2022.

In response to the dramatic increases in Hawaii's housing values, landlords with long-term rentals are moving to increase their rents, impacting older residents who rent and subsist on a fixed income. These residents constitute a new population facing homelessness and housing instability as affordable and low-income housing inventories remain inadequate to meet demand.

Additionally, Act 252, SLH 2022, established the Statewide Office on Homelessness and Housing Solutions within DHS and added organizational infrastructure. The Governor's Coordinator on Homelessness will lead this new office and the HICH and continue working with all government branches, State and county agencies, and community stakeholders to prevent homelessness and develop innovative housing solutions.

While the Governor's Coordinator on Homelessness focuses on policy and planning, the Office of Homelessness and Housing Solutions, with significant appropriations from the Legislature, continues to support `Ohana Zone Pilot Program sites and is developing Kauhale statewide, creating more tiny homes for individuals and families.

The Homeless Programs Office continues to administer State-funded homeless programs, including outreach, legal services, the Housing First program - permanent supportive housing for "chronically homeless individuals," rapid rehousing assistance, and prevention services. As part of the coordinated entry system and insight into available services, DHS homeless programs contracts require contracted providers to enter data into one of two Homeless Management Information Systems run by the State's two Continuum of Care organizations.

To make the homeless shelter system more cost-effective and more appealing to families and individuals, Act 234, SLH 2016, established minimum compliance and annual audit requirements for every homeless emergency shelter operated by a provider agency under contract with DHS and tied homeless shelter stipends to performance measures achieved by the provider agency. However, the following year, Act 100, SLH 2017, gave DHS more time and flexibility to establish minimum requirements acknowledging community differences and wide variation in the configuration of homeless emergency shelters across the State. In particular, there are distinct differences between emergency shelters located in rural areas compared to shelters located in more densely populated urban communities.

At-Risk Youth Services

The Office of Youth Services (OYS) provides and coordinates a statewide continuum of services and programs for at-risk youth to prevent delinquency and reduce the incidence of recidivism. While a core responsibility of the OYS is to manage and operate the State's only correctional facility for youth, the Hawaii Youth Correctional Facility (HYCF), the agency also provides and supports front-end prevention, diversion, and crisis intervention services and after-care services for youth after release. Youth who do not require secure confinement at HYCF are placed in appropriate community-based programs that meet the needs of the youth without jeopardizing the public's safety.

Act 201, SLH 2014, initiated juvenile justice reform in Hawaii to improve and enhance Hawaii's juvenile justice system, which would adopt a therapeutic juvenile justice model instead of a punitive one. By working collaboratively across sectors, OYS and HYCF have reduced the admissions at HYCF by as much as 26 percent since Act 201, SLH 2014, became law. In addition, in 2022, systemic collective work reduced the number of girls incarcerated in Hawaii to zero.

As part of juvenile justice reform, Act 208, SLH 2018, established the Kawailoa Youth and Family Wellness Center (Kawailoa) on the HYCF Kailua campus to provide much-needed services for at-risk youth and young adults. As a result, HYCF and community providers have commenced innovative and culturally based programs and services at Kawailoa, including youth crisis sheltering and residential services, mental health treatment, vocational and educational opportunities, restorative therapeutic alternatives to the juvenile justice system, and services for victims of commercial sexual exploitation of children.

Most recently, Act 130, SLH 2022, tasked DHS with developing and administering the Safe Spaces for Youth pilot program to address the needs of the growing population of youth experiencing homelessness across the State. The OYS will work with the counties, other State agencies, and community stakeholders to implement safe spaces for youth and examine what opportunities and benefits are available to support these youth.

Preventing youth from entering the juvenile justice system and potentially transitioning to confinement in the adult criminal justice system will require increased investment in front-end community-based programs, diversion programs, residential programs, crisis intervention services, and vocational and educational support for youth. Additional human resources and IT support are also necessary to help manage public-private partnerships, enhance governance and fiscal oversight, and improve case management, program evaluation, and program development.

Notably, significant capital improvements are necessary and underway at HYCF and Kawaihoa to replace and maintain the air conditioning system, the water supply system, power generators, and the sewer system. Other site improvements may be required to support these capital improvements.

The Hawaii Youth Commission is attached to the Office of Youth Services for administrative purposes. Comprised of 15 members from across the state, per section 352D-11, Hawaii Revised Statutes, the commission's purpose is "to advise the governor and legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the State."

DEF112 Services to Veterans

Major external trends impacting the Veterans' Services program include:

1. The budget meets the minimum level required to provide basic information and services as prescribed by the Legislature and the Governor.
2. The federal budget deficit is expected to limit or slow growth of veterans' benefits and services, placing a greater burden on states to address the needs of veterans.
3. The aging veteran population will continue to place added pressure and demand for burial space which is reaching its limit due to the eventual closing of National Federal Cemetery space.
4. New worldwide conflicts have increased the number of people that are eligible for veterans' services, and present staffing will be challenged to provide timely services.

Hawaiian Homesteads

HHL awarded 52 turnkey homes in June 2024 as part of phase one of the Puuhona Homestead lots awards. Puuhona is the Department's first project initiated through the allocation of \$600 million to DHHL in Act 279. The Department acquired the roughly 47-acre Waikapu parcel through a land transfer with the Dowling Company, Inc., in exchange for affordable housing credits from the county of Maui. Puuhona will be awarded in three separate offerings and will comprise of 137 turnkey homes and 24 improved vacant lots. The awarding of lease awards is expected to accelerate over the next few years as a result of the funding from Act 279.

This type of innovative approach in acquiring land in more desirable areas near infrastructure utilizing affordable housing credits or funding from Act 279 will allow greater opportunities for beneficiaries. HHL is also leveraging other funding to develop projects like the redevelopment of its 820 Isenberg Street property in Moiliili, Oahu, which will consist of 277 affordable rental units for beneficiaries. Projects on Hawaiian home lands were also awarded Federal and State Low-Income Housing Tax Credits for 32 single family homes in the Villages of Laiopua from the State's 2023 Volume Cap and for 30 single family homes in Hanapepe from the State's 2024 Volume Cap. Applications are expected to continue to be submitted each year.

In a milestone initiative, HHL signed the program's first in-house building permit for its Yorktown transitional housing project. This new approach is set to streamline the building permit process and will enable the department to advance on the development of homestead projects statewide. Located on HHL's landholdings in Kalaeloa, the Yorktown transitional housing project includes 18 studio units, a shared laundry room and an office space. The

Department aims to offer a safe and affordable housing solution to houseless individuals on HHL's waitlist.

HHL awarded a new type of lot called subsistence-agriculture lots last year. By design, subsistence-agricultural lots are less than three-acres in size and in close proximity to existing infrastructure in planned communities. This homestead model will allow for small-scale farming for home consumption or supplemental income through commercial sales. To better support the new agricultural lessees, HHL will provide agricultural training workshops through the University of Hawaii's College of Tropical Agriculture and Human Resources program.

Although HHL's mission "to develop and deliver land to native Hawaiians" is well-known, the lesser-known charge "to manage the Hawaiian Home Lands trust effectively" is equally important. Increasingly, this responsibility is demanding a greater share of HHL's financial and staff resources to address.

In terms of land holdings, of the total inventory, less than 5 percent are designated for residential use (including existing residential homesteads), while nearly two thirds of HHL's land inventory (63.3 percent or 128,721 acres) are lands designated as General Agriculture or Conservation/Special District. Most of these lands will remain in HHL's inventory over the next 20 years with HHL facing land management issues for this acreage, similar to DLNR and other large private land owners (i.e., trespassing, dumping, fire prevention, etc.). Finding creative ways to manage this trust resource with beneficiary engagement and participation, while honoring HHL's fiduciary responsibilities to act prudently and not place the interests of one beneficiary group above another, is the challenge ahead.

New Administrative Rules were signed in 2019 allowing for rentals and multi-family housing on Hawaiian Home Lands. HHL plans to pursue multi-family rental units including affordable rentals (possibly for kupuna) as an additional housing option for beneficiaries particularly in locations where multi-family density makes sense such as in urban Honolulu and where available infrastructure can support increased density.

Challenges

There are several challenges DHHL faces with respect to meeting the mission of homesteading. These include, but are not limited to, the following:

DHHL can only develop where it has lands. Most of DHHL's lands are located on the neighbor islands in rural or more remote locations. The greatest demand (longest waiting list) is for residential property on Oahu (11,499). Yet, DHHL has the least amount of land holdings on Oahu (3.3 percent of total lands).

Reliable funding. The cost for infrastructure (roads, water, sewer, drainage, electrical, etc.) to prepare DHHL lands for homesteading is high. The development process is also long requiring environmental compliance, planning, design, and construction phases. To keep a steady production of lots requires a reliable stream of funding to keep lots in every phase of development. This reliable funding also gives families waiting for an award of a lot (both applicant families on the waiting list or UI lessees) some certainty to plan and prepare financially to take a lot.

Competing needs. In addition to developing new homesteads, DHHL also has other critical, albeit lesser-known responsibilities.

Like a county, DHHL maintains and repairs existing infrastructure (e.g., clearing of flood channels and drainage, fire protection of non-homestead areas, roads and facilities maintenance, sewer emergencies and repairs, etc.) In certain counties, the county has either not accepted dedication of portions of newer infrastructure, or has stopped performing needed repair. One example is sewer systems. Act 227, SLH 2014, clarified and confirmed that operating and maintenance of sewer systems is a county function. However, DHHL continues to maintain the sewer systems on Hawaiian home lands, primarily in the City and County of Honolulu until Act 227 can be fully implemented in subdivisions completed after the mid-1990's. In addition to county-like responsibilities, DHHL also performs water utility functions.

If DHHL trust resources are spent to address these critical functions for existing homesteads and lessees, it will not have the resources needed to maintain its homestead lot development production goals and meet the needs of beneficiaries on the wait list.

Increasing costs of development. In the past 24 months, there has been an increase in construction bids over and above construction cost estimates. Increases in consultant and construction management fees, labor rates, and increases to materials and freight costs have contributed to increased construction bids. Government review and processing times have also contributed to project delays beyond HHL's control. HHL expects more of the same over the next biennium, as our CIP funding stretches thinner.

Repair and maintenance. HHL's repair and maintenance program is divided into several components: sewer, drainage, water, and various subdivision improvements.

Sewer. Sewer spills continue to occur and plague homesteaders. The legislature passed Act 227, SLH 2014, to allow the dedication of sewer infrastructure in HHL subdivisions to the county after the systems are brought up to county standards. The department continues to work with the City and County of Honolulu to have systems that have met City standards to be dedicated to the City for maintenance of HHL's CIP funding has been used to have engineers inspect the existing systems, locate sections that need replacement, repair or cleaning and determine what needs to be done to have the systems inspected and turned over to the county. In September 2020, HHL has conveyed the sewer lines in Kaupuni Village, Oahu to the City and County of Honolulu in the first of what will be several line transfers stemming from the implementation of Act 227, SLH 2014.

Drainage. Historically speaking, storm events have caused damage to drainage channels and flooding within homesteads. Homestead expansions have burdened existing drainage facilities. Climate change and king tides are also impacting low lying homestead areas. Further, increased storm water and drainage detention standards and requirements have increased maintenance requirements for drainage ditches, channels, streams and detention basins.

The department continues to work with the counties and FEMA to address clean-up and pinpoint improvements that would prevent or reduce future flooding.

Water. HHL also performs water utility functions. HHL owns and operates three regulated public water systems: Hoolehua, Molokai; Anahola, Kauai; and Kawaihae, Hawaii. Together, the systems have a total of 826 water meter connections serving approximately 2,500 individuals (not including the schools and airport that are supported by the Hoolehua system.)

HHL also owns and operates a non-potable water system for stock purposes in Puukapu and soon to be constructed non-potable water system in Honokaia, both on Hawaii Island. These non-potable water systems are designed to service over 200 connections. On Molokai, DHHL staff operate and maintain the public water system. On Hawaii Island at Kawaihae and on Kauai at Anahola, DHHL contracts with water operations and maintenance vendors to operate and maintain those public water systems. Due to the relatively small size of the systems and the limited customer base, HHL's operating expenses remain high, and all systems are heavily subsidized.

In addition to Department of Health safe drinking water standards, HHL recently adopted a HHL Water Policy and administrative rules for operations and maintenance of these water systems.

Subdivision improvements. Until roadways are dedicated to the counties for maintenance, HHL continues to be responsible for major pavement repairs, maintenance of street trees, sidewalks, street lighting, signage, and striping. Recently, various communities have requested traffic calming and speed abatement improvements, such as speed bumps, electronic signs, flashing beacons, and crosswalk improvements. Legislative appropriations have enhanced HHL's implementation of traffic calming in several Oahu homestead areas, though demand for more improvements is increasing.

ATG500 Child Support Enforcement Services

For the operating budget, requests are being submitted for the following:

1. Trade-off/transfer funds between various org codes within ATG500 to address negative budget entries and reconcile for actuals to correctly revise and reflect budgeted amounts.
2. Raise the special fund appropriation ceiling for personal services under ATG500GA by \$3,100,000 for FY 26 and FY 27.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of the Attorney General may be found at the following web address: <https://ag.hawaii.gov/publications/>.

Reports and studies by the Department of Human Services may be found at the following web address: <https://humanservices.hawaii.gov/reports/>.

Reports and studies by the Department of Defense may be found at the following web address: <https://dod.hawaii.gov/department-info/>.

07
Formal Education

FORMAL EDUCATION

I. OVERVIEW

The Formal Education program's overall objective is to maximize the realization of each individual's intellectual potential, to contribute to personal development, enhance social effectiveness, and provide the basis for satisfying vocations by making available a graduated and integrated series of high quality formal education programs; to add to the sum of human knowledge by conducting basic and applied research; and to enhance the welfare of the community by offering instruction and other services of benefit to the general public.

The program consists of two Level II programs: Lower Education and Higher Education. These programs are contained within the Departments of Education (EDN) and Defense (DEF), and the University of Hawaii (UOH).

Lower Education

The objective of this program is to assure that all children in prescribed school age groups learn fundamental facts, concepts, and reasoning processes; develop appropriate physical, social, aesthetic, and basic occupational skills; acquire attitudes and values necessary for successful functioning in society by providing guidance, instruction, training, exposure to learning experiences, and opportunities to mature; and, in addition, to enhance the welfare of the community by offering instruction and other services of benefit to the general public.

Department of Education Programs: School-Based Budgeting (EDN100), Special Education and Student Support Services (EDN 150), Instructional Support (EDN 200), State Administration (EDN 300), and School Support (EDN 400)

There are a number of developments and trends, which significantly affect the Lower Education program. These include:

- a. Fully preparing all students for success in college and careers, as part of the Every Student Succeeds Act (ESSA) Act of 2015, a reauthorization of the Elementary and Secondary Education Act (ESEA).
- b. Implementation of the Individuals with Disabilities Education Improvement Act (IDEA) of 2004, as reauthorized.
- c. Demographic changes in the State population, which affect enrollment in DOE and UH systems.
- d. Continued awareness and a call to action to ensure gender equity and the equitable treatment of protected classes of students in and out of the classroom and the DOE.
- e. Desire to prepare students to be workforce ready through Career and Technical Education (CTE) Pathways and Academies.
- f. Continued need to recruit and retain qualified teachers in general and particularly in hard-to-staff geographic areas, special education, and Hawaiian language immersion programs.
- g. Desire for increased cultural awareness in education through the Hawaiian Language Immersion Program and through the broader framework of Nā Hopena A`o.
- h. Greater awareness of gun violence and the need to provide safe schools.

Technological changes affecting instructional content and delivery of instructional and other services, including distance learning options.

School Facilities Authority (EDN 450)

The objective of this program is to plan and construct modern learning and living environments for Hawaii's public school system.

The Hawaii School Facilities Authority (HISFA) is a State agency established under provisions of Act 72, SLH 2020, as amended by Act 217, SLH 2021. The HISFA is responsible for all public school development, planning, and construction related to capital improvement projects assigned by the Legislature, Governor, or Board of Education (BOE) (Section 302A-1703(a), HRS). Through various legislative acts, the HISFA are authorized to build preschools, Central Maui schools, and workforce housing.

Preschools: Access to affordable and high-quality early child care and education is vital to the well-being of children, families, and the community. Benefits associated with high-quality early child care and education include increased achievement test scores, high school graduation, college enrollment, and reduced risk factors, such as the negative impacts of poverty and delinquency.

Currently, the challenges Hawaii families face in accessing childcare services consist of costs, lack of available seats, physical access (e.g., distance), and lack of quality programs. To address some of these barriers, the Hawaii State Legislature, local and State agencies, and community-based non-private and private programs have joined forces to promote and improve the early learning and pre-kindergarten movement.

Central Maui: Central Maui is positioned to receive additional classroom capacity throughout the region to address the issue of overcrowded facilities serving a growing student demand. These existing issues were exacerbated by the catastrophic Lahaina Wildfire, which effectively displaced thousands of Hawaii families from West Maui to seek housing options throughout the State and furthered the shortage of school facility capacity.

Workforce Housing: The Hawaii Department of Education (DOE), the State's largest department with 258 schools, 37 charter schools, and over 25,000 employees, faced significant challenges in the 2022-2023 school year, with over 835 teachers resigning, including 374 who left Hawaii. Legislators attribute this to low educator salaries and the high cost of living, which contribute to the shortage of licensed educators. To address these issues, they have identified financial incentives and affordable teacher housing as key strategies. Under Act 172, SLH 2023, the HISFA is tasked with implementing affordable housing to help attract and retain educators.

The HISFA collaborates with numerous State agencies (e.g., Office of the Lieutenant Governor, the Legislature, DOE, University of Hawaii, Hawaii State Public Charter School Commission, Executive Office on Early Learning, etc.) and county, private, community-based, and other institutional agencies.

School Community Services (EDN 500)

The objective of this program is to provide lifelong learning opportunities for adults and to meet other community needs to the general public.

This program includes the Adult Education and After-school Plus (A+) programs.

The Adult Education Program includes a system of two community schools and eight satellite campuses that provide a variety of courses for adult learners, with integrated programs and services in the areas of basic education, Hawaii adult community school diploma, family literacy, citizenship, workforce education, and life enhancement. Courses and services offered are:

- **Adult Basic Education:** Instruction in basic skills development up through Grade eight, concentrating on reading, arithmetic, oral language acquisition (English as a Second Language), listening, speaking, and writing.
- **English Literacy/Civics:** Instruction in U.S. history and government for aliens who desire assistance in acquiring U.S. citizenship.
- **High School Equivalency:** Instruction in academic courses for persons who require a high school equivalency. Offered are the General Educational Development (GED) and High School Equivalency Test (HiSET) diploma programs.
- **Cultural and Recreation:** Instruction in the arts, music, drama, dance, and recreation.
- **Adult Literacy Education:** Special courses and tutoring for those who need to master reading and computational skills, especially those functioning below the fifth-grade level.
- **Community Education:** Services include enrichment and supplementary activities to enhance the K-12 program. This effort includes value-added support for the training of substitute teachers, literacy tutors, and paraprofessionals.

The A+ program provides childcare services in public elementary schools where 20 or more eligible K-5/6 children can enroll in the program. Latchkey children, children of parents who are employed, attending school, in a job training program, and parents who are staffing the program are eligible to enroll. The program provides after-school services with a limited educational component including homework assistance, enrichment activities, and supervised recreational activities.

Program linkages include collaboration and partnership with federal, State, county, private, community-based and institutional agencies to provide literacy and adult basic education services, and high school equivalency. The program also provides instructional services to adults through special programs such as Family Literacy and Workplace Literacy programs, English literacy programs, and programs for the homeless, legalized aliens, incarcerated, and institutionalized. Afterschool program relationships include private and community-based providers and the Hawaii State Department of Human Services.

Charter Schools (EDN 600)

Charter schools provide parents and students within the State of Hawaii an alternative to the traditional public school experience. Charter schools, while subject to the same State accountability requirements as all other public schools, serve as incubators of innovative approaches to educational, governance, financing, administration, curricula, technology, and teaching strategies.

Charter Schools as public schools, provide students with educational instruction in alternative or innovative approaches or methods that are consistent with applicable policies and directives of the Board of Education (BOE) so that they may achieve those standards and develop to their fullest potential in alignment with the BOE's statewide educational policy.

The program provides formal and informal coordination with the Hawaii State Public Charter School Commission, DOE, the BOE and other State agencies.

Charter Schools Commission and Administration (EDN 612)

The objective of this program is to authorize high-quality public charter schools throughout the State.

The State Public Charter School Commission negotiates and executes charter contracts with each charter school and also makes determinations as to whether each charter contract merits renewal, nonrenewal, or revocation.

To this end, the Commission performs monitoring on a regular basis, at least annually, of the academic, financial and organizational functions of all charter schools. Financial monitoring occurs quarterly, and when warranted, monthly.

The Commission solicits and evaluates applications for new charter schools during its application process. The application and evaluation processes are intentionally rigorous to ensure approval of only quality applications.

The Commission is also responsible for receipt and distribution of operational funding from the State (based on the Hawaii Department of Education's (DOE) costs as provided in statute, Section 302D-28, HRS) and federal funds.

The program provides formal and informal coordination with charter schools, charter school governing boards, non-profit entities, DOE, the Hawaii Board of Education (BOE) and federal and State agencies.

Early Learning (EDN 700)

Early life experiences lay the groundwork for a child's lifelong learning and behavior. The basic objective of the Executive Office on Early Learning (EOEL) is to assure that high quality early learning experiences are affordable and accessible to all young children across the state. The EOEL accomplishes this through two major means: engaging in systems-level coordination across the entirety of the early learning sector in the state and through the administration of the EOEL Public Prekindergarten (Pre-K) Program in collaboration with the HIDOE. This program aims to address children's physical, social and emotional development, cognition, language and literacy, and approaches to learning. In addition, a supplementary objective of the program is to coordinate, improve, and expand upon existing early learning experiences and services for children from prenatal care until the time they enter kindergarten, as well as to enhance the welfare of the community by supporting other services of benefit to the sector as a whole and the general public.

All of these objectives center on the basic goal of helping children as they grow up, by exposing them to quality experiences and learning environments for their own benefit and ultimately for the good of the community. While most of the activities focus on young children, the EOEL also supports the deployment of multi-generational and culturally relevant programs and services focusing on families and units beyond individual children.

EOEL is governed by the Early Learning Board (ELB), which is a 15-member board represented by various [stakeholders] members across the community and field of early learning. The ELB is empowered by the Legislature to formulate policy relating to early learning, promote collaboration across agencies and stakeholders serving young children, and appoint the director of the EOEL. The Director is supported by a staff that focuses on systems-building and broader early learning policy work, and the administration of the EOEL Public Pre-K Program. EOEL staff also work alongside DOE staff, including Complex Area Superintendents, principals, and other administrative staff, to implement the EOEL Public Prekindergarten] Pre-K Program in the state as well.

Currently, EOEL has 92 classrooms located on 74 DOE campuses with a capacity to enroll 1767 children. Understanding that equitable access is critical for Hawaii's youngest children and families, the program prioritizes children who: are eligible for special education services under the IDEA and require general education placement; are in foster care; are experiencing homelessness or unstable housing; are dual or multi-language learners; are in a family whose income is no more than 300 percent of the federal poverty level; and/or are experiencing at-risk situations which may impact their development and learning.

In addition, there is an early learning program within the EOEL that focuses on expanding access to affordable and high-quality early learning experiences for children from low-income families who are not otherwise eligible for kindergarten, by allowing preschool programs to be established on public school campuses through public-private partnerships. There are currently fourteen (14) of such classrooms on two islands, Oahu and Hawaii Island, and twelve are on Oahu and two are on Hawaii Island. Previously known as Pre-Plus contracts, all existing Pre-Plus contracts are administered through Head Start providers currently and each classroom has a capacity to enroll 20 students as well.

Retirement Benefits – DOE (BUF 745), Health Premium Payments – DOE (BUF 765), and Debt Service Payments – DOE (BUF 725)

The objectives of these programs are to:

1. Provide funds for retirement benefits payments to support Department of Education (DOE) personnel;
2. Provide employer contribution payments for health premiums in an effective and timely manner; and
3. Provide funds for debt service to support the DOE's capital improvement program.

The Department of Budget and Finance administers these programs on behalf of the DOE.

School Repair and Maintenance, Neighbor Island Districts (AGS 807)

The objective of this program is to maintain public school facilities in a safe and highly usable condition by providing repair and maintenance (R&M) service.

The program will strive to provide timely, responsive, quality, cost effective, and innovative R&M services to public schools on the islands of Hawaii, Kauai, Maui, Molokai, and Lanai. The program is responsible for providing a safe and conducive learning environment for the public schools on these islands by providing administrative, technical and trade-related services to DOE.

The effectiveness of this program is dependent upon a sustained and mutually cooperative relationship between DOE and DAGS.

Public Libraries (EDN 407)

BRIEF HISTORY

After statehood in 1959, the Hawaii State Legislature created the Hawaii State Public Library System (HSPLS), the only statewide system in the United States, with the Hawaii State Library building as its flagship branch. Under provisions of Act 150, SLH 1981, HSPLS became a separate agency under the direct oversight of the Board of Education. The State Librarian is appointed by the Board of Education and is responsible for the operation, planning, programming, and budgeting of all public libraries within the State.

While public libraries report to the Board of Education, the organization's administrative functions are in alignment with and supported by the Executive Branch. The duties of the Board of Education are described in Hawaii Revised Statute §312-1.

HSPLS is the only single statewide public library system in the United States. There are 51 branches on 6 islands. This includes the Library for the Blind and Print Disabled that ensures that those who cannot read standard print have access to library services. Of the 51 branches, there are a total of 12 branches that operate as both public and school libraries.



MISSION, VISION, SERVICE PHILOSOPHY

Public Libraries are vital components of our democratic communities. They ensure that no matter who you are or where you are from, you have the same access to our collective stories, information, ideas, learning and connectivity. There is no other single resource in our Hawaii communities that plays this important role.

Mission: The Hawaii State Public Library System inspires curiosity and creates opportunities for all to read, learn, and connect.

Vision: Nourished minds. Thriving Hawaii communities. Enriched generations.

Service Philosophy: The Hawaii State Public Library System provides service with aloha. We value and welcome all into our spaces. We are courteous, helpful, knowledgeable, and dedicated to serving our communities.

HAWAII STATE PUBLIC LIBRARY SYSTEM STRATEGIC FRAMEWORK & FOCUS AREAS

HSPLS is one single program and uses the Hawaii State Public Library System Strategic Framework & Focus Areas as a map to focus the system’s energy and resources on providing collections, services and programs, and facilities that meet the diverse needs of everyone in communities across the state.

STRATEGIC FRAMEWORK

The Strategic Framework provides a simple map for how we think about our organization in relation to the work we do to serve our communities. Our libraries are about people, places, collections and programs/services.



AREAS OF FOCUS

The Areas of Focus will help us to fine tune our yearly goals, prioritize our work, and allocate our resources to better meet the needs of our communities. In considering survey results, four specific areas were identified:



Public libraries today are more than just books. They are community hubs that provide connections for all generations to technology (computers and internet access), physical and digital collections, our collective stories and history, early literacy story times, physical and virtual classes to learn new skills, meeting spaces, and non-traditional collections like ukuleles

or quilt patterns. Public libraries are also the places that partner with other state and local agencies to create more opportunities for our communities to connect.

PHYSICAL COLLECTIONS

HSPLS has a collection of more than 2.8 million items that include books, DVDs, records, books on CD and more. Because we are a statewide public library system, patrons can request an item from any library and have it delivered to their local library to read, listen and enjoy.

Public libraries are about collecting the resources that people need and cannot or do not want to own, but share. Our physical collection also includes non-traditional collections. We have ukuleles that are available to check out in all 51 public libraries. We are working on a project to incorporate tool libraries in the future.

DIGITAL COLLECTIONS

HSPLS has continued to evolve by adding collections that can be accessed from almost anywhere. The digital collection includes: ebooks, eaudiobooks, magazines, newspapers, streaming movies, databases focused on research, health, money management and more. HSPLS also offers online classes and learning opportunities, including services like Mango languages.

PROGRAMS

Each of the 51 branches offers local programs that support community interests. In FY2023, there were more than 3,000 programs that attracted 92,976 participants. HSPLS also has statewide programs like the Summer Reading Challenge to support literacy and lessen the summer slide of learning among students. More than 16,000 people participated in the 2024 Summer Reading Challenge and logged over 15 million minutes of reading.

DIGITAL LITERACY

Act 232, SLH 2022, also designates HSPLS as the statewide hub for digital literacy skills in our communities. HSPLS is responsible for supporting a statewide program to ensure that everyone has access to resources to develop digital literacy skills needed for education, workforce, and day-to-day living in the digital world. We do this through on-one-on opportunities for people to meet and learn with digital navigators, in-person classes and online synchronous and asynchronous classes.

HSPLS has a partnership with the State of Hawaii's Department of Labor and Industrial Relations, Workforce Development Division to implement 600 basic digital literacy classes across all 51 branches through May 2025. Funding for these classes was provided by a U.S. Department of Labor Employment and Training Administration grant.

HSPLS is also working with the University of Hawaii, which has set aside Broadband Equity Access and Deployment Program (BEAD) federal dollars for HSPLS to expand our digital navigators' programs across all branches and to train future generations of digital navigators.

Our public libraries are the place for free opportunities for all of our communities to learn the technology skills they need to thrive today and into the future.

PARTNERSHIPS

Our public libraries are also the places that partner with other state and local agencies to create more opportunities for our communities to connect. A few examples include:

- A partnership with the Department of Health and the Pacific Basin Telehealth Resource Center to implement telehealth tech kits and telehealth navigators to enable rural communities to connect with doctors and technology to improve and maintain their health.
- A partnership with the Department of Hawaiian Homelands to implement three programs: 1) build a recording studio in the Nanakuli Public Library to be used by students learning to capture local histories and for the community; 2) implementation of solar stations at 10 of our libraries to enable charging and wifi access outside of our libraries; and 3) digital literacy classes for kupuna.

BUDGET

The Hawaii State Public Library System depends on (4) sources of funding:

1. State General Funds (GF)
2. State Capital Improvement Project (CIP) Funds
3. Special Funds
4. Federal Library Services and Technology Act (LSTA) Funds

State General Funds

State General Funds are allocated each year by the State Legislature and Governor. This funding is used for day-to-day operations of the public libraries, such as staffing, equipment, utilities, security, and other basic operations.

Capital Improvement Project Funds

State CIP Funds are used to construct improvements to library facilities for the health and safety of the community, as well as new building projects. These types of projects also include support for ADA access and energy efficiency.

Special Funds

Special Funds are generated by collection of HSPLS fines and fees, and other enhanced services such as meeting room rentals. The funding is used to purchase collections for all public libraries.

Federal Library Services and Technology Act

LSTA funding is provided through the Federal Institute of Museum and Library Services to every state based on a formula. Hawaii receives about \$1.3 million each year. The funding is used for technology, internet connectivity, and digital resources to ensure equitable access to resources on all six islands. This funding requires Maintenance of Effort and Matching funds from the State of Hawaii in order to receive the full appropriated funding.

Additional Support

HSPLS also depends on funds raised by immensely committed volunteers who dedicate their time and resources to support library programs and services across Hawaii. The [Friends of the Library of Hawaii](#) (FLH) was established in 1879 and “is a nonprofit organization whose primary objective is to maintain free public libraries in the State of Hawaii, to promote extension of library services throughout the State of Hawaii and to increase the facilities of the public library system of Hawaii by securing materials beyond the command of the ordinary library budget. Other objectives are to focus attention on libraries and to encourage and accept, by bequest or gift, donations of books, manuscripts, money, and other appropriate material that can enrich the cultural opportunities available to the people of Hawaii. The Friends of the Library of Hawaii is a nonprofit, tax-exempt organization approved by Section 501(C)(3) of the Internal Revenue Code.” Section 312 -3.7 of the Hawaii Revised Statutes recognizes their role in the support of the public library system. Additionally, there are separate organizations that support individual branches as either an affiliate of FLH or as a separate non-profit organization.

Library Facilities

HSPLS has a statewide infrastructure to support communities on six islands. In order to maintain the 51 libraries and two administrative locations, HSPLS works with the Department of General Accounting and Services (DAGS).

Work with DAGS

Pursuant to a Memorandum of Understanding with DAGS, DAGS is the encumbering agency for all HSPLS CIP funds. HSPLS works closely with DAGS to ensure the CIP projects meet HSPLS’ operational needs.

Approximately Sixty percent of the HPSLS buildings were erected before the 1970s and haven’t had significant improvements made since originally constructed. HSPLS is actively addressing facilities projects to ensure that Hawaii’s public libraries are healthy, safe, energy efficient, and comfortable community spaces.

Hawaii National Guard Youth Challenge Academy (DEF 114)

The objectives of this program are to:



1. Intervene and positively impact the lives of at-risk 16- to 18-year-old high school dropouts by providing the values, skills, education, and self-discipline necessary for successful placement in the Post-Residential Phase, and
2. Encourage the cadets to "commit their lives to change" by seeking and enrolling in higher education, become gainfully employed through a vocational trade, or to enlist in the armed service of their choice.

Hawaii is one of the five states in the nation that have two Youth Challenge Programs (YCP). The program's target applicants include at-risk high school dropouts and teens from homeless families; ages range from 16 to 18 years old.

The Residential Phase curriculum and activities are designed to provide each cadet with a rigorous educational program which develops personal and leadership skills. This is achieved through a curriculum that integrates classroom work, community service, physical training, and military themed activities into one unified experience. The program curricula emphasizes nurturing cadets in a quasi-military residential environment. Through the cooperative efforts of federal, State and program staff, the cadets learn to strengthen family and community ties.

Hawaii National Guard (HING) YCA has created great alliances and tremendous support from organizations outside of HING. This support has come from the Hawaii Department of Education, Waipahu Community School for Adults and their competency-based programs. The Family Tree Organization provides therapy sessions for the cadets and their families with life coping skills and anger management. Access to Recovery is funded by the State of Hawaii Department of Health, and the Adolescent Substance Abuse Counseling Service is provided by the military service. The Boys and Girls Club of America has been a partner of the program for years. A vital part of the HING YCA has been the HING Youth Challenge Foundation. It is a 501(c)(3) organization that was formed by parents, friends and Hawaii businessmen to support the academy with scholarship funds to encourage Youth Challenge graduates to pursue higher education and vocational or technical training.

Higher Education

The objective of this program is to develop eligible individuals to the highest levels of intellectual, personal, social, and vocational competency commensurate with their abilities and desires; to add to the sum of human knowledge by conducting basic and applied research; and to enhance the welfare of the community by offering instruction and other services of benefit to the general public.

UOH100 University of Hawaii, Manoa

A research university of international standing, the University of Hawaii (UH) at Manoa (UHM) is the flagship of the UH system, the State's sole public university system governed by an 11-member Board of Regents. A land-grant, sea-grant, space-grant, and sun-grant institution, Manoa creates, refines, disseminates, and perpetuates human knowledge; offers a comprehensive array of undergraduate, graduate, and professional degrees through the doctoral level; carries out advanced research; and performs essential services in the community.

Located in Manoa valley on the island of Oahu, our university was founded in 1907 under the auspices of the Morrill Act as a land-grant college of agriculture and mechanic arts. With the

addition of a College of Arts and Sciences in 1920, the college became UH, and in 1972, it became UHM to distinguish it from the other units in the growing UH system.

Today more than 20,000 students are enrolled in Manoa courses, on campus or via distance delivery. Classified as a Carnegie Doctoral University-Highest Research Activity institution, Manoa offers 98 bachelor's degrees, 88 master's degrees, 52 research doctorates as of Fall 2024. The university offers professional degrees in business, law, medicine, nursing, and architecture. Approximately 76% of Manoa students are undergraduates, 36% are of Asian ancestry and 16% are of Native Hawaiian or Pacific Islander ancestry, and 58% are women.

UH was first accredited by the Western College Association in 1952. The Manoa campus is currently accredited by the Senior Colleges and University Commission of the Western Association of Schools and Colleges. Sixty-nine degree programs are also accredited by appropriate professional agencies.

The objectives of UHM are as follows:

- To aid eligible individuals to achieve higher levels of intellectual, personal, social and educational competency by providing occupational, general academic, and professional training.
- To create new basic knowledge, develop solutions for technical and social problems, improve the quality of the faculty, contribute to the quality of undergraduate and graduate instruction programs, and strengthen the State's high-technology economic base by undertaking sponsored basic and applied research projects.
- To improve the quality of life and provide direct assistance to individuals, special interest groups, individual communities, and the general public by making available a variety of instructional, cultural, recreational, vocational, problem-solving, and general informational services in which the institution has special competence.
- To assist and facilitate in a directly supportive way the academic functions of the institutions.
- To support, enrich, and broaden the student's life while enrolled at the institution by making available a variety of services and activities which supplement the primary academic programs; by streamlining services; by developing civic, social, and career values; and by enhancing student learning and curriculum infusion.
- To facilitate the operation of the institution as an organization by providing campus-wide executive management, fiscal, logistical and other related supporting services.

Manoa is a premier research institution whose scholars are leaders in their disciplines and whose students are prepared for leadership roles in our society. Manoa serves the State by striving for excellence in its three missions: teaching, research, and public service.

Manoa aims to deliver a current, flexible, diverse and multicultural curriculum and co-curriculum, and to provide enriching applied educational experiences for its students. Manoa houses the State's only medical school, law school, college of engineering, and school of architecture. It provides distinctive professional degrees through schools of education, business, travel industry management, nursing, public health, and social work. As one of just a handful of land-, sea-, space, and sun-grant universities, Manoa has unique responsibilities and

opportunities to deliver applied research and education programs that are relevant to the pressing needs of our State and the nation.

The campus has made major recent investments in initiatives in the Health Sciences, Space Sciences, Cinematic Arts, and Sustainability, with the aim of contributing to the diversification of Hawaii's economy and meeting the workforce needs of today and tomorrow. Investments have also been made in various areas related to student wellness and student learning, including mental health support, academic advising, classroom improvements, and student housing, with the aim of ensuring student success towards their career aspirations.

As a research university, Manoa's emphasis is on research as well as undergraduate and graduate instruction. As a return on the State's investment, research at UHM brought in over \$1.8 billion in extramural grants and contracts over the last five years (FYs 20-24). Manoa's joint focus on research and instruction distinguishes it from the other campuses of the UH system and makes it a productive economic engine for the State of Hawaii.

The Manoa campus community also provides support for the State through public service. Our faculty provide research on problems that confront Hawaii, serve and assist the State government, and lend their expertise for the public good. The campus provides new workers in critical areas for the State economy.

Significant program relationships are as follows:

1. Other campuses of the UH system, particularly through articulation with community colleges critical for the transfer of students to Manoa and the integration of student information systems, as well as policies and procedures regarding students.
2. The State Executive and Legislature, through providing technical expertise in areas of specialization among our faculty.
3. Various State agencies such as the Department of Education and the College of Education; the Department of Agriculture and the College of Tropical Agriculture and Human Resources; the Department of Health and the public health programs, Nursing and Medicine; the Department of Human Services and the School of Social Work; the Departments of Transportation and Accounting and General Services and the College of Engineering; the Departments of Commerce and Consumer Affairs and Business, Economic Development and Tourism and the Public Utilities Commission and the College of Social Sciences, the Shidler College of Business, and the Hawaii Natural Energy Institute.
4. The private sector and institutions such as hospitals, businesses, social welfare agencies, and travel industry establishments.
5. Many federal granting agencies, especially the National Institutes of Health, National Science Foundation, National Endowment for the Humanities, the Departments of Agriculture, Commerce, Education, Energy, Defense, Health and Human Services, and Interior (U.S. Geological Survey); the National Park Service; the National Aeronautics and Space Administration; the National Oceanic and Atmospheric Administration; Sea Grant College Program; the Office of Naval Research and the Agency for International Development.
6. County governments interested in research to develop economic activity on their islands or to solve problems in their communities.

7. Various community service agencies or organizations that work together with the university to find solutions to problems of mutual concern.
8. Other external libraries (including the Library of Congress) and university presses throughout the United States and the Asia-Pacific region with whom book exchanges are transacted.
9. East-West Center, whose grantees are provided graduate education, health, and counseling services.
10. Federal and State agencies enforcing health and safety, equal access and employment, and financial aid regulations.

UOH110 University of Hawaii, John A. Burns School of Medicine

The John A. Burns School of Medicine (JABSOM) opened in 1965 as a two-year program of basic medical sciences and became a four-year degree-granting program in 1973. The School is named after the late Governor John A. Burns, who was instrumental in its founding. JABSOM is a diverse learning community committed to excellence and leadership in:

- Educating current and future healthcare professionals and leaders.
- Conducting medical and biomedical research and translating discoveries into practice.
- Establishing community partnerships and fostering multidisciplinary collaboration.
- Pursuing alliances unique to Hawaii and the Asia-Pacific region.
- Acting with forethought regarding right relationships, respect, and moral action (Pono).

JABSOM's undergraduate medical education (MD) and residencies/fellowship (graduate medical education or GME) programs are fully accredited through 2025 by the Liaison Committee on Medical Education (LCME) and through 2024 by the Accreditation Council on Graduate Medical Education (ACGME), respectively. JABSOM enrolls 77 new MD degree candidates annually for a total enrollment of over 300 students over the four years of the program (<https://admissions.jabsom.hawaii.edu/>).

After receiving their degrees, JABSOM MD students enter GME programs to receive additional training required for licensure and board certification.

JABSOM offers a total of 20 GME residency or fellowship programs. Each residency training program ranges from three to five years, with one to three years more for completing fellowships after residency training. JABSOM trains more than 225 physicians annually in the specialties of Family Medicine, Sports Medicine, Internal Medicine, Primary Care Internal Medicine, Cardiovascular Disease, Geriatric Medicine, Obstetrics and Gynecology, Maternal-Fetal Medicine, Complex Family Planning, Orthopedic Surgery, Pathology, Pediatrics, Neonatal-Perinatal Medicine, General Psychiatry, Addiction Psychiatry, Addiction Medicine, Child and Adolescent Psychiatry, General Surgery, Surgical Critical Care, and Neurointerventional Surgery. All GME programs work closely with their clinical training sites to improve patient care delivery across Hawaii (<https://jabsom.hawaii.edu/education/gme/index.html>).

JABSOM physician graduates are strongly committed to caring for the people of Hawaii. Over half of the State's practicing physicians are JABSOM medical school graduates, JABSOM residency or fellowship graduates, or JABSOM faculty members.

The School's graduate programs confer Master of Science (MS) and Doctor of Philosophy (PhD) degrees in several biomedical sciences disciplines, including Quantitative Health and Clinical Research, Cell and Molecular Biology, Developmental and Reproductive Biology, and Tropical Medicine. Graduate Certificate programs are available in Quantitative Health Sciences and Tropical Medicine. In addition to graduate programs focusing on a single discipline, an interdisciplinary graduate program is offered in Neuroscience. The Department of Communication Sciences and Disorders (CSD) offers an MS in speech-language pathology (SLP). This master's degree fulfills the academic and clinical requirements established by the Certificate of Clinical Competence in SLP. This program is accredited by the Council on Academic Accreditation in Audiology and Speech-Language Pathology (CAA) of the American Speech-Language-Hearing Association (ASHA) (<https://jabsom.hawaii.edu/education/graduate-programs/index.html>).

One of the medical school's outstanding and long-running programs is Imi Hoola, a post-baccalaureate 12-month education program for individuals from socially, educationally, or economically disadvantaged backgrounds who have demonstrated a strong commitment to serving areas of need in Hawaii and the U.S. Affiliate Pacific Island jurisdictions. Up to 12 students are enrolled each year. Successful program completion allows students to enter JABSOM as first-year medical students (<https://jabsom.hawaii.edu/offices-programs/imi-hoola/index.html>).

Students can also earn a Bachelor of Science (BS) medical laboratory science degree at JABSOM. This is the only BS professional training program in the field of laboratory science in the State. This program is accredited by the National Accrediting Agency for Clinical Laboratory Sciences (NAACLS) (<https://medtech.jabsom.hawaii.edu/overview/index.html>).

The School also conducts research and helps grow the next generation of scholars through the following Institutes, Centers, and Programs: Yanagimachi Institute of Biogenesis Research, Diabetes Research Center, Center for Cardiovascular Research, Center for Pacific Innovations, Knowledge, and Opportunities (PIKO), Ola HAWAII, Hawaii Center for AIDS, Center for Native and Pacific Health Disparities Research, Hawaii IDeA Center for Pediatrics and Adolescent Clinical Trials 2 (HIPACT2), Hawaii and Pacific Basin Area Health Education Center, Hyperbaric Treatment Center, Native Hawaiian Center of Excellence, Pacific Center for Emerging Infectious Diseases Research, Pacific Disabilities Center, Sim Tiki Center, and Center for Clinical Skills (<https://jabsom.hawaii.edu/research/centers/index.html>).

JABSOM's success in medical education, biomedical research and clinical care results from building respectful and collaborative relationships with our University of Hawaii (UH) colleagues and many community, State, national, and international organizations. These include:

1. UH Manoa's other healthcare-related schools, colleges, and research units, including the Nancy Atmospera-Walch School of Nursing, the UH Cancer Center, the Thompson School of Social Work and Public Health, the College of Tropical Agriculture and Human Resilience, the College of Engineering, and the College of Natural Sciences.
2. The Legislature of the State of Hawaii continues to support JABSOM's physician workforce studies and JABSOM's loan repayment program for eligible healthcare providers who serve in specified rural areas of our State.

3. UH System entities such as Kapiolani Community College (KCC) and UH Hilo, Daniel K. Inouye College of Pharmacy.
4. The private sector hospitals and healthcare delivery organizations, including Queen's Health Systems (Manamana, West, Central Oahu, North Hawaii), Hawaii Pacific Health (Kapiolani Medical Center for Women and Children, Pali Momi Medical Center, Straub Medical Center, and Wilcox Medical Center), Kuakini Health System, Kaiser Permanente Medical Center, Tripler Army Medical Center and VA Hospitals, Rehabilitation Hospital of the Pacific, Shriners Hospital, Hawaii Health Systems Corporation, Hilo Medical Center, Samuel Mahelona, and Kauai Veteran's Medical Center. The School provides essential clinical service through shared faculty and resident/fellow activities in the community hospitals.
5. Physicians in hospital and office-based practices throughout the State of Hawaii who, on a volunteer basis, provide essential supervision and teaching to our medical students and resident physicians.
6. Many federal granting agencies, especially the National Institutes of Health (NIH), Health Resources and Service Administration (HRSA), and Centers for Disease Control (CDC). The School serves as a portal for federal grant support of basic, clinical, and translational health science research to the State.
7. Through unique academic affiliation agreements, the JABSOM faculty members participate in statewide practice plans: University Partners of Hawaii (UHP), Queen's University Medical Group, and Hawaii Pacific Health Medical Group, which support faculty members as they provide care to patients in our communities and train tomorrow's physicians.
8. Federal and State agencies enforcing health and safety, equal access and employment, and financial aid regulations.

UOH115 University of Hawaii, Cancer Center

The mission of the University of Hawaii Cancer Center (UHCC) is to reduce the burden of cancer through research, education, patient care and community outreach with an emphasis on the unique ethnic, cultural and environmental characteristics of Hawaii and the Pacific. To accomplish this mission, UHCC is organized into two cancer research programs: Population Sciences in the Pacific (PSP) and Cancer Biology (CB). Programs are each organized with two components spanning the study of basic mechanism and etiologies of cancer to addressing targets and interventions in order to translate discovery to the population it serves. To facilitate successful attainment of research goals, UHCC supports shared resources and core research facilities: Analytical Biochemistry, Biostatistics, Chemical Biology, Genomics and Bioinformatics, Metabolomics, Microscopy and Imaging, Nutrition Support, and Pathology. Research programs, education and training across the lifespan, community outreach, public health, and clinical trial interventions are targeted toward cancers of importance in the catchment area.

The Population Sciences in the Pacific (PSP) research concentrates on lifestyles, behavioral factors, genetic susceptibility, and cancer prevention. Its mission is to investigate racial/ethnic differences in cancer as a means to: a) identify risk factors for cancer development or progression; b) elucidate mechanisms; c) develop interventions to prevent cancer or improve treatment adherence and survival; and d) ameliorate ethnic disparities in exposure and disease outcome. To achieve these goals, PSP members study risk factors related to cultural differences, environmental hazards, behaviors, and modifiable lifestyle factors (diet, physical activity,

tobacco smoking, e-cigarette use, betel nut chewing, cultural values about health information and resources). They also investigate genetic susceptibility to cancer and molecular alterations in epigenetics, metabolomics and microbiome, and further examine their interactions with environmental and lifestyle factors in relation to cancer risk and survival. They are especially interested in cancer sites that vary substantially in frequency or survival by race and ethnicity, as well as in risk factors and behaviors that are modifiable through intervention.

The goal of the Cancer Biology (CB) Program is to positively impact cancer incidence and mortality in Hawaii and the larger Pacific through highly collaborative and integrated research in cancer genetics, gene-environment interactions, tumor microenvironment, and diagnostic and therapeutic development. Focus of the program remains in our catchment area, which includes: high incidence cancers in Hawaii in the adult (breast, liver, colorectal cancer) and the pediatric population (glioblastoma and neuroblastoma as the most frequent solid tumors in Hawaiian children), cancers resulting from environmental exposures (mesothelioma), and cancer-related conditions with higher mortality in the Hawaiian population (cancer-related sepsis). Additionally, reflecting our geographical location, the program fosters research on natural products from the local, endemic species to discover chemical probes for studying cancer molecular pathways. To a significant extent, interventional clinical research is focused on the catchment area populations and the existing cancer outcome disparities across these populations.

The Clinical Trials Office (CTO) provides clinical protocol and data management, protocol reviews, budgeting and regulatory functions for all sites across the UHCC network (Hawaii Cancer Consortium, HCC). The CTO provides a central location for cancer protocols, a centralized database of protocol-specific data, an updated list of currently active protocols for use by center investigators, and status reports of protocols. Quality control and training functions that are tracked include: centralized education services for clinical research associates (CRAs) and data managers; data auditing of patient accrual, assessment of patient eligibility, timely submission of study data, and other study compliance measures; and data and safety monitoring activities that ensure the safety of study participants. The UHCC Office of Compliance compliments these functions and focuses on data safety and monitoring, quality assurance, and protocol audit activities.

The UHCC Cancer Research Training (CRT) core coordinates research education and training activities at the Cancer Center by 1) developing and deploying innovative education initiatives to train cancer researchers at all career levels in the catchment area; 2) increasing skills in cancer research through programs appropriate to different career levels; and 3) assessing success of training activities through evaluation by stage-specific metrics.

Community Outreach and Engagement (COE) facilitates activities across UHCC programs aimed at addressing cancers of particular importance to the catchment area because of increased incidence or mortality, including cancer disparities affecting disadvantaged populations, through community engagement and education, and through innovative clinical, basic science, population-based and translational research.

Shared Resources and Core Research Facilities provide essential scientific and technical services to the Cancer Biology and Population Sciences in the Pacific programs. They include Analytical

Biochemistry, Biostatistics, Genomics and Bioinformatics, Metabolomics, Microscopy, Nutrition Support, Pathology, and Chemical Biology.

The UHCC is an organized research unit within UH. However, any researcher working on cancer across the UH System can be a fully engaged Cancer Center Member with access to the Shared Resources and Cores of the Center as well as all symposia and programmatic meetings. Many of these members are also in leadership positions or hold Chair appointments within the Center. This comprises the "Matrix" component of our activities and is essential in our synergistic and collaborative initiatives across UH. For example, we have Full and Associate members whose faculty lines are in JABSOM, the College of Tropical Agriculture and Human Resources, the Thompson School of Social Work and Public Health, Nursing, Engineering, Chemistry, Kinesiology, Communicology, Pharmacy (Hilo), and at the University of Guam and in American Samoa. In addition, another 200 affiliate members are engaged with the Center through its clinical partners: Adventist Health Castle, Hawaii Medical Service Association, Hawaii Pacific Health, Kuakini Medical Center, The Queen's Health Systems, and JABSOM, which together form the Hawaii Cancer Consortium. Indeed, our clinical trials work is completely integrated with these partners with doctors that work in each engaged in evaluation and review of clinical trials in our cancer center CTO committees. The doctors that engage in conducting these Center sponsored clinical trials are further insured by the Cancer Center through the Doctors Group. In addition to clinical trials support we also provide nurse practitioners that work in the hospitals and support the academic activity in recruitment of several Academic Clinicians and Physician-Scientists who have clinical work in the partner hospitals. Our structure as an organized research unit (ORU) enables our tremendous flexibility to break silos across UH and the state and work with various programs to help support their education, research, clinical, and community outreach activities as they relate to cancer. This spans from co-recruitments, teaching in the lab and the lecture hall, to research and education grants and collaborations.

UOH210 University of Hawaii, Hilo

The objective of this program is to develop eligible individuals to higher levels of intellectual, personal, social, and vocational competency by providing occupational, general academic, and professional training leading to certificates and degrees.

The University of Hawaii, Hilo (UH Hilo) offers certificates and degrees through the College of Arts and Sciences, the College of Agriculture, Forestry, and Natural Resource Management, Ka Haka Ula O Keelikolani College of Hawaiian Language, College of Business and Economics, Daniel K. Inouye College of Pharmacy, School of Nursing, and School of Education.

UH Hilo supports, enriches, and broadens the student's life while enrolled at UH Hilo by making available a variety of services and activities which supplement the primary academic programs. It provides campus-wide executive leadership guided by State, Board of Regents and Presidential rules, regulations, and policies.

Federal funds in the form of research and training grants have supported this program, and continued support is anticipated. Continued funding and support from the National Science Foundation, U.S. Department of Education, U.S. Department of Health and Human Services, National Aeronautics and Space Administration, and the U.S. Department of Agriculture have greatly bolstered Colleges and programs at UH Hilo.

The College of Agriculture, Forestry and Natural Resource Management's continuing relationship with UH Manoa, through the Action Alliance with the College of Tropical Agriculture and Human Resources and their Hawaii Island Research Stations, provides additional resources both in personnel and program data.

Relationships with the State Library Systems and the Manoa Library play an integral part of this operation. Interlibrary loans are a continuous program between these agencies.

Federal documents are also maintained in this program and have been designated by the federal government as the depository of all federal documents for Hawaii County.

Federal funds authorized by the U. S. Department of Education are available for student financial aid programs, such as work-study, subsidized loans, and Pell grants.

UOH220 Small Business Development

The objective of this program is to stimulate the State's economy by developing eligible individuals to increased entrepreneurial knowledge and skills by providing consulting and training services.

To achieve the program's objectives, the activities focus on small business owners and those who wish to start and grow businesses by providing: 1) one-on-one customized consulting; 2) training workshops; and 3) business research support. Federal funds from the U.S. Small Business Administration (SBA) have supported the program since 1990. These SBA funds are annually matched by State funds at no less than a 1:1 ratio.

UOH700 University of Hawaii, West Oahu

The University of Hawaii (UH) West Oahu offers a distinct and accessible student-centered education that focuses on the 21st Century learner. The University embraces Native Hawaiian culture and traditions, while promoting student success in an environment where students of all backgrounds are supported. The campus fosters excellence in teaching, learning, and service to the community.

UH West Oahu offers Board of Regents approved bachelor's degrees in various concentrations and certificates as listed below:

- Bachelor of Arts in Business Administration (Concentrations in Accounting, Facilities Management, Finance, General Business Administration, and Hospitality and Tourism, Management, and Marketing)
- Bachelor of Arts in Creative Media (Concentrations in General Creative Media, Communications and New Media Technologies, Design and Media, and Video Game Design and Development)
- Bachelor of Arts in Humanities (Concentrations in English, Film, Media and Popular Culture, Hawaiian-Pacific Studies, History, Mathematics, and Philosophy)
- Bachelor of Arts in Social Sciences (Concentrations in Anthropology, Early Childhood Education, Economics, Political Science, Psychology, and Sociology)
- Bachelor of Arts in Public Administration (Concentrations in Community Health, Disaster Preparedness and Emergency Management, Health Care Administration, General Public Administration, Justice Administration, and Long-Term Care)

- Bachelor of Education (Concentrations in Elementary Education (grades K-6), Middle-Level Education (grades 6-8) English, Social Studies, General Science, and Mathematics, and Secondary Education (grades 6-12) English, Social Studies, Biology, General Science, and Mathematics)
- Bachelor of Applied Science (Concentrations in Culinary Management, Facilities Management, Hawaiian and Indigenous Health and Healing, Health Information Management, Health Professions, Information Security and Assurance, Information Technology, Respiratory Care, and Sustainable Community Food Systems)
- Bachelor of Science in Natural Sciences (Concentrations in Applied Mathematics, Life Science (Biology), and Health Sciences)
- Bachelor of Science in Cybersecurity (Concentration in Cyber Operations)
- Certificates such as Asian Studies, Music, Disaster Preparedness and Emergency Management, Health Care Administration, Substance Abuse and Addictions Studies, Applied Forensic Anthropology, Gender Studies, Sustainability Issues, and Hawaiian and Indigenous Health and Healing.

UH West Oahu also provides instructional services through tutorials, practicums, and academic advising as required by students enrolled in the University's program. Non-credit instruction is also provided by UH West Oahu's Center for Labor Education and Research (CLEAR).

In support of the institution, other major activities and services include strategic planning, academic development planning, and curriculum development; increased access to information and learning resources; improvements to the information technology infrastructure, hardware, software, and other computing resources; online and distance education services; admissions and outreach; registration and enrollment management; financial aid; student orientation, testing, tutoring support, academic advising and counseling; placement and career counseling; student government activities; and budget, accounting, cashiering, personnel, facilities management, maintenance, repair and improvement, security, parking, transportation, procurement and purchasing, dining services, and campus auxiliary services. The campus also provides long-range development planning scenarios and long-range financial forecasting models for the campus and the surrounding lands in Kapolei.

UOH800 University of Hawaii, Community Colleges

The objective of this program is to develop eligible individuals to higher levels of intellectual, personal, social, and vocational competency by providing formal vocational and technical training and general academic instruction for certificates or degrees, or in preparation for the baccalaureate; and by offering adult continuing education for both personal and vocational purposes.

The University of Hawaii Community College (UHCC) is dedicated to increasing the educational capital of the State, addressing the needs of underserved populations, and revitalizing and expanding the State's economy. UHCC provides first generation college students, educationally and economically disadvantaged individuals and under-represented groups a gateway for upward mobility, while providing a highly trained and highly skilled workforce for Hawaii industries.

UHCC offers lower division general education courses to prepare students for transfer to baccalaureate institutions and provides career and technical education degrees and certificates

to prepare students for the workforce. UHCC also offers non-credit courses to meet specific statewide workforce training needs and other enrichment courses for the general community.

UHCC provides a variety of academic and student support services. These services include library, media, computer and learning labs, academic assessment and advising, financial aid, admission services and record keeping, and special support services for disabled, minority, and second-language students.

UHCC provides administrative support services at each campus, including budgetary and financial management, personnel administration, facilities and grounds maintenance, and various auxiliary services.

UHCC continues to work closely with other post-secondary institutions, the counties, other State departments (Departments of Education; Labor and Industrial Relations; Business, Economic Development and Tourism; Human Services; etc.) and various federal agencies. UHCC also works with Hawaii businesses, professional organizations, labor unions and the community at large to ensure that the services provided are relevant to their current needs.

UOH900 University of Hawaii, Systemwide Support

The objectives of this program are:

1. To facilitate the operation of the institution as an organization providing executive management, fiscal, logistical, career and technical education, student assessment, and other related student, academic, and administrative support services across the ten-campus University of Hawaii (UH) System.
2. To plan and administer certain post-secondary education programs funded by the federal government.

This program provides:

- The vision, leadership, and stewardship to enable campuses to advance their distinctive missions through policy formulation and systemwide planning, coordination, and management of human resource, financial, capital improvement, information technology (IT), and legal counsel areas.
- Systemwide direction to meet State needs as the sole public institution of higher education in the State through three strategic initiatives: Hawaii Graduation Initiative (HGI), Hawaii Innovation Initiative (HI2), 21st Century Facilities (21CF), and High Performance Mission-Driven System (HPMS).
- Examples of strategic, academic, budget, and long-range development planning activities include, but are not limited to, the establishment of strategic outcomes goals, tuition setting, financial assistance, articulation and transfer, distance education, budget funding models, technology transfer and capital improvement projects.
- Centralized services maintaining systemwide databases to meet operational and reporting needs in the student, human resource, and financial areas.
- Other activities include fostering State interagency partnerships with early childhood, K-12, and workforce and labor through the Hawaii P-20 Partnerships for Education; statewide planning and implementation of career/technical education services pursuant to the Carl D. Perkins Career and Technical Education Act of 2006; and participation in

the Western Interstate Commission on Higher Education (WICHE) which provides admissions preference for Hawaii students in other participating States' programs which are not available in Hawaii.

The significant relationships between this program and non-State programs are those with the private colleges which provide supplemental services; the federal government which provides categorical aid to this program; business and labor which provide career and employment opportunities in support of vocational education; and business partnerships as we develop entrepreneurial alternatives to revenue generation.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Formal Education program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 07

PROGRAM LEVEL: I. 07 FORMAL EDUCATION

OBJECTIVE: TO MAXIMIZE THE REALIZATION OF EACH INDIVIDUAL'S INTELLECTUAL POTENTIAL, TO CONTRIBUTE TO PERSONAL DEVELOPMENT, ENHANCE SOCIAL EFFECTIVENESS, AND PROVIDE THE BASIS FOR SATISFYING VOCATIONS BY MAKING AVAILABLE A GRADUATED AND INTEGRATED SERIES OF HIGH QUALITY FORMAL EDUCATION PROGRAMS; TO ADD TO THE SUM OF HUMAN KNOWLEDGE BY CONDUCTING BASIC AND APPLIED RESEARCH; AND TO ENHANCE THE WELFARE OF THE COMMUNITY BY OFFERING INSTRUCTION AND OTHER SERVICES OF BENEFIT TO THE GENERAL PUBLIC.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
07	1. NO. DEGREES & CERTIFICATES OF ACHIEVEMENT EARNED		11702	12241	10669	11157	11668	12203	12763	13350
	2. EXTRAMURAL FUND SUPPORT (\$ MILLIONS)		556.8	584.6	678.8	712.7	748.4	785.8	825.1	866.4
	3. NO. OF DEGREES IN STEM FIELDS		1911	1995	1868	1950	2036	2125	2219	2317

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
0701	LOWER EDUCATION	-	4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006
	TOTAL		4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006
<u>OPERATING EXPENDITURES</u>										
0701	LOWER EDUCATION	-	2,147,483	2,147,483	2,147,483	2,147,483	4,425,727	4,495,548	4,547,083	4,575,927
0703	HIGHER EDUCATION	-	1,499,936	1,792,568	1,829,002	1,863,621	1,892,585	1,918,647	1,937,944	1,948,848
	TOTAL		3,647,419	3,940,051	3,976,485	4,011,104	6,318,312	6,414,195	6,485,027	6,524,775
<u>TOTAL OPERATING EXPENDITURES</u>										
0701	LOWER EDUCATION		2,151,489	2,151,489	2,151,489	2,151,489	4,429,733	4,499,554	4,551,089	4,579,933
0703	HIGHER EDUCATION		1,499,936	1,792,568	1,829,002	1,863,621	1,892,585	1,918,647	1,937,944	1,948,848
	TOTAL		3,651,425	3,944,057	3,980,491	4,015,110	6,322,318	6,418,201	6,489,033	6,528,781
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0701	LOWER EDUCATION	-	525,961	692,680	688,000	185,000				
0703	HIGHER EDUCATION	-	143,250	102,000	95,500	64,500				
	TOTAL		669,211	794,680	783,500	249,500				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Lower Education

Department of Education Programs: School-Based Budgeting (EDN100), Special Education and Student Support Services (EDN 150), Instructional Support (EDN 200), State Administration (EDN 300), School Support (EDN 400), and School Community Services (EDN500)

Hawaii's public school system is governed by a nine-member Board of Education that is empowered by the State Constitution and Section 26-12, Hawaii Revised Statutes, to formulate policy and exercise control over the school system through its chief executive officer, the Superintendent of Education.

The Superintendent is supported by three Deputy Superintendents and seven Assistant Superintendents, each of whom is responsible for a major staff division (Talent Management; Fiscal Services; Student Support Services; Information Technology Services; Facilities and Operations; Strategy, innovation and Performance; and Curriculum and Instructional Design). The Superintendent is assisted by 15 Complex Area Superintendents who are responsible for supervising schools in each complex area.

For school year 2024-25, Hawaii's 258 DOE schools are serving 152,270 students across all eight islands including Niihau.

School Facilities Authority (EDN 450)

The Authority is led by a five-member board appointed by the governor and an Executive Director appointed by the board. There are eight staff members currently. This number is anticipated to grow as projects are defined and executed, and resources are maximized. Operating costs include personal services, equipment, and other current expenses.

Program costs associated with the Authority's focus areas - preschool, school modernization, workforce housing, and statewide planning – include the planning, design, and construction of State facilities for agencies such as DOE, the EOEL, the State Public Charter School Commission, the Hawaii State Public Library System, and the University of Hawaii.

Charter Schools (EDN 600)

Projected program costs are based on 37 charter schools.

Charter Schools Commission and Administration (EDN 612)

Budgeted program costs provide resources to support the Commission's mission.

Early Learning (EDN 700)

Key measures of effectiveness for the EOEL include:

- Percentages of 4-year-old children enrolled in EOEL Public Pre-K Programs;
- attendance rates of students in EOEL Public Pre-K Programs;
- Percentages of students showing growth in student developmental assessment dimensions, and

- Workforce metrics, including completed coursework and hours of training, and the percentage of classrooms demonstrating improvement in positive teacher-child interactions from the beginning to the end of the school year.

Retirement Benefits – DOE (BUF 745)

None.

Health Premium Payments – DOE (BUF 765)

None.

Debt Service Payments – DOE (BUF 725)

None.

School Repair and Maintenance, Neighbor Island Districts (AGS 807)

Costs are controlled through price lists and competitive pricing as much as practicable. The use of internal staff in lieu of private contractors helps to minimize repair costs. The program is measured by the number of school facilities serviced and the number of work orders completed.

Public Libraries (EDN 407)

For a library system of 51 branches, HSPLS has worked diligently to manage the limited resources provided to ensure access to technology, internet, physical collections, digital collections and programs in communities across the State. Unfortunately, as our system has grown to serve the public and the costs to run a library system have increased, our budget has not. We have had challenges over the years to fill vacancies due to budget restrictions and cost of living issues. We have also had challenges with having a small budget for collections, which mostly relies on Special Fines and Fees. With decreases in revenue and national trends to eliminate fines on books to support populations that need access the most, there must be new forms of support to ensure access to physical and digital collections. We are also challenged with maintaining connectivity and technology, which requires ongoing updates to software and equipment.

We have deployed a wide array of strategies to address these challenges, including:

1. Reorganizing positions to alleviate staffing issues at smaller locations.
2. Realigning purchasing to increase access to ebooks, which can be downloaded from anywhere.
3. Restructuring our Integrated Library System to be more efficient in the distribution of library holds on items to decrease the cost of transporting materials across islands.
4. Being a part of the Hawaii Library Consortium to leverage better pricing on access to databases that support education, research, health and more.
5. Applying for Universal Service Administrative Company eRate funding to take advantage of an 80% discount to upgrade our network equipment and internet access for the public.

Hawaii National Guard Youth Challenge Academy (DEF 114)

Based on the past performance of previous class graduates and percentage of completion, the Kalaeloa Program was approved to increase the "target graduate" goal from 100 to 125 cadets per class cycle.

In order to meet the total target graduate goal for both programs in Hawaii, the program would have to enroll in excess of 240 candidates per class. This is due to the dropout rate of approximately 18% per class cycle. The program provides all meals, uniforms and school supplies to all candidates at the beginning of every cycle. These excess costs are absorbed into the program's budget which was based on 200 graduates per class cycle.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0701

PROGRAM LEVEL: I. 07 FORMAL EDUCATION
 II. 01 LOWER EDUCATION

OBJECTIVE: TO ASSURE THAT ALL CHILDREN IN PRESCRIBED SCHOOL AGE GROUPS LEARN FUNDAMENTAL FACTS, CONCEPTS, AND REASONING PROCESSES; DEVELOP APPROPRIATE PHYSICAL, SOCIAL, AESTHETIC, AND BASIC OCCUPATIONAL SKILLS; ACQUIRE ATTITUDES AND VALUES NECESSARY FOR SUCCESSFUL FUNCTIONING IN SOCIETY BY PROVIDING GUIDANCE, INSTRUCTION, TRAINING, EXPOSURE TO LEARNING EXPERIENCES, AND OPPORTUNITIES TO MATURE; AND, IN ADDITION, TO ENHANCE THE WELFARE OF THE COMMUNITY BY OFFERING INSTRUCTION AND OTHER SERVICES OF BENEFIT TO THE GENERAL PUBLIC.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0701	1. ATTENDANCE RATE		94	94	86	86	86	86	86	86
	2. ON-TIME HIGH SCHOOL GRADUATION RATE		82.7	82.7	86.3	87	87.8	88.5	89.2	90

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
070101	DEPARTMENT OF EDUCATION	-	4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006
	TOTAL		4,006	4,006	4,006	4,006	4,006	4,006	4,006	4,006
OPERATING EXPENDITURES										
070101	DEPARTMENT OF EDUCATION	-	2,147,483	2,147,483	2,147,483	2,147,483	4,353,115	4,422,936	4,474,471	4,503,315
070102	SCHOOL REPAIR AND MAINTENANCE, NEIGHBOR ISLAND DISTRICTS	AGS-807	7,767	8,993	9,319	9,298	9,299	9,299	9,299	9,299
070103	PUBLIC LIBRARIES	EDN-407	40,988	51,536	53,850	53,632	52,946	52,946	52,946	52,946
070104	HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY	DEF-114	7,207	8,134	10,367	10,367	10,367	10,367	10,367	10,367
	TOTAL		2,203,445	2,216,146	2,221,019	2,220,780	4,425,727	4,495,548	4,547,083	4,575,927
TOTAL OPERATING EXPENDITURES										
070101	DEPARTMENT OF EDUCATION	-	2,151,489	2,151,489	2,151,489	2,151,489	4,357,121	4,426,942	4,478,477	4,507,321
070102	SCHOOL REPAIR AND MAINTENANCE, NEIGHBOR ISLAND DISTRICTS	AGS807	7,767	8,993	9,319	9,298	9,299	9,299	9,299	9,299
070103	PUBLIC LIBRARIES	EDN407	40,988	51,536	53,850	53,632	52,946	52,946	52,946	52,946
070104	HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY	DEF114	7,207	8,134	10,367	10,367	10,367	10,367	10,367	10,367
	TOTAL		2,207,451	2,220,152	2,225,025	2,224,786	4,429,733	4,499,554	4,551,089	4,579,933
CAPITAL INVESTMENT EXPENDITURES										
070101	DEPARTMENT OF EDUCATION	-	486,961	678,680	646,000	158,000				
070103	PUBLIC LIBRARIES	EDN-407	36,000	14,000	27,000	27,000				
070104	HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY	DEF-114	3,000		15,000					
	TOTAL		525,961	692,680	688,000	185,000				

Higher Education

UOH100 University of Hawaii, Manoa

The measures of effectiveness for higher education programs are difficult to identify, let alone quantify. Many institutions have used degrees granted, number of majors enrolled, and student credit hours as output indicators. Others have attempted to gauge program effectiveness in terms of economic values by measuring the income earning capacity of college-degree holders. Others have tried to use the concept of "value added," which would involve measuring aspects of the student's knowledge and skills upon college entry and again upon graduation. But no one has fully defined what precisely should be measured or how it could be measured. Even if it were possible, the "value added" evaluation could not be attributed entirely to the student's experience in college.

Another problem is that no single program in higher education produces a unique output. A graduate is a product of many different academic departments and profits from many different programs within the institution. How to measure directly and precisely the effectiveness of each program's output, therefore, is beyond the state-of-the-art of program evaluation today.

As a substitute, therefore, various proxies and indices have been used as rough indicators. Course completion and credits earned ratios and proportion of graduates successful in securing graduate school placements are some of these indices; however, they must be supplemented by other types of program evaluation, such as accreditation reviews, which take into account quality as well as quantity.

Program size, or level of activities, can be measured in terms of enrollment, student semester hours, and number of courses and classes. Projected levels of program activity are based on the assumption that there will be no drastic changes in the basic structure of the curriculum.

By its very nature, the value of basic research often cannot be quantified or judged at the time of discovery. Applied research, if designed to develop specific hardware or to solve a concrete problem, is more easily judged, but even here, its true value cannot be directly measured.

Attempts have been made to find yardsticks which may shed light on the productivity of research activities. Statistics such as the number and dollar value of extramural grants have been used. Manoa's best research units have been able to obtain \$5 of federal funding for every State dollar.

Criteria which will determine the effectiveness of our research programs include:

- The social, intellectual, and physical enrichment and improvement provided by the research to society generally, with special emphasis on State concerns.
- The continued academic improvement of students and staff.
- The availability of higher quality libraries, instruments, and other research facilities.
- The increased dissemination of knowledge through publications, invited participation in local, national and international events, and State and federal funding.

The cost of Public Service programs to the State is considered to be relatively inexpensive since federal and special fund income is used to supplement State general fund support.

UOH110 University of Hawaii, John A. Burns School of Medicine

From FY 14 through FY 19, the number of admissions and MD degrees bestowed gradually increased. Starting in FY 20, the entering MD class size has been 77, with more than 2,200 annual applications for these coveted slots. At least 80% of the matriculating class are Hawaii residents. To expand the medical school class size further, new clinical sites with the breadth and volume of patients required for core clinical clerkships, as well as adequate faculty and resource support, need to be developed. Opportunities with the larger neighbor island health systems and hospitals are being developed or explored. JABSOM is working with our affiliated Oahu health systems to expand capacity for additional clinical sites gradually.

This present enrollment data will drive most of the other performance measures in the future. Because our on-campus space availability, faculty resources, and clinical learning sites limit the School's nearer-term growth in enrollment, there should be little volatility in the forecasted measures.

UOH115 University of Hawaii, Cancer Center

The following Costs, Measures of Effectiveness (MOE) and Program Size are being tracked for this newly budgeted Program.

MOE:

- Extramural Research Fund Support (\$ millions per fiscal year (FY))
- Extramural Educational Support (\$ millions per FY)
- No. of Clinical Trials Active
- No. of Peer-reviewed Publications Program Size Indicators
- Total State Population (in thousands)
- No. of Cancer Center Members (as defined by NCI-designation)
- No. of Collaborating Members
- No. of Clinical Members (Physicians at clinical sites involved in clinical research)
- No. of Graduate and Professional Trainees
- No. of Undergraduate Trainees
- No. of Postdoc Trainees

UOH210 University of Hawaii, Hilo

The high quality and effectiveness of instructional and support services will be maintained during this budget period. Because programs rely heavily on tuition and fees collected, the program size is dependent upon the amount of revenue generated through tuition.

Alternative sources of revenues come from federal, State and county governments and special grant funding. These optional funding resources are continually sought.

Within this budget period, cost effectiveness is projected to be maintained at its current level without adjustment to anticipated inflation increase in costs.

UOH220 Small Business Development

The high quality and effectiveness of program service delivery will be maintained during this budget period. Within this funding period, cost effectiveness and program size are projected to be maintained at its current level without adjustment for inflation increases in costs.

The program is dependent upon federal and State funds. Federal law prohibits charging fees for counseling. The need for program services for Hawaii small businesses far exceeds program resources.

UOH700 University of Hawaii, West Oahu

The University continues to face challenges due to our low enrollment and limited number of General Funded teaching and support positions resulting in a strain on our financial and human resources.

UOH800 University of Hawaii, Community Colleges

UHCC will increase enrollment in future years through a number of action strategies, including: connecting students with essential resources; improving teaching and learning in online and hybrid environments; aligning non-credit to credit pathways to expand access to college degrees and credentials; expanding centralized admissions, recruitment and onboarding support; and utilizing Early College participation to increase college going rates and career pathway readiness.

UOH900 University of Hawaii, Systemwide Support

Delegation to the University for workers' compensation and unemployment insurance compensation costs are particularly noteworthy. The delegation has resulted in substantial additional financial burden to all programs University-wide as the University is forced to absorb these entitlement costs within current funding levels. The financial impact has the potential to compromise the University's missions of teaching, research, and community service.

The ever-increasing demand for student, personnel, fiscal, program and facility management, and IT to serve internal needs and external reporting mandates continues to strain institutional capacity. The use of technology has increased efficiency and effectiveness but must eventually be supplemented with additional analytical and technical expertise to meet the growing demand for data and analysis.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0703

PROGRAM LEVEL: I. 07 FORMAL EDUCATION
 II. 03 HIGHER EDUCATION

OBJECTIVE: TO DEVELOP ELIGIBLE INDIVIDUALS TO THE HIGHEST LEVELS OF INTELLECTUAL, PERSONAL, SOCIAL, AND VOCATIONAL COMPETENCY COMMENSURATE WITH THEIR ABILITIES AND DESIRES; TO ADD TO THE SUM OF HUMAN KNOWLEDGE BY CONDUCTING BASIC AND APPLIED RESEARCH; AND TO ENHANCE THE WELFARE OF THE COMMUNITY BY OFFERING INSTRUCTION AND OTHER SERVICES OF BENEFIT TO THE GENERAL PUBLIC.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0703	1. NO. DEGREES & CERTIFICATES OF ACHIEVEMENT EARNED		11702	12241	10699	11157	11668	12203	12763	13350
	2. DEGREE ATTAINMENT OF NATIVE HAWAIIANS		2636	2762	2321	2432	2548	2671	2799	2933
	3. NO. OF PELL GRANT RECIPIENTS		11409	11409	11541	11541	11541	11541	11541	11541

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
070301	UNIVERSITY OF HAWAII, MANOA	UOH-100	614,522	723,236	723,759	723,959	723,958	723,958	723,958	723,958
070302	UNIVERSITY OF HAWAII, JOHN A. BURNS SCHOOL OF MEDICINE	UOH-110	50,677	63,698	65,649	66,074	66,075	66,075	66,075	66,075
070303	UNIVERSITY OF HAWAII, HILO	UOH-210	85,194	105,103	105,777	105,895	105,897	105,897	105,897	105,897
070304	SMALL BUSINESS DEVELOPMENT	UOH-220	235	978	978	978	979	979	979	979
070305	UNIVERSITY OF HAWAII, WEST OAHU	UOH-700	33,458	47,610	48,011	48,224	48,224	48,224	48,224	48,224
070306	UNIVERSITY OF HAWAII, COMMUNITY COLLEGES	UOH-800	213,292	301,243	302,805	302,805	302,801	302,801	302,801	302,801
070307	UNIVERSITY OF HAWAII, SYSTEMWIDE SUPPORT	UOH-900	108,599	110,118	114,909	114,909	114,909	114,909	114,909	114,909
070308	UNIVERSITY OF HAWAII, PAYMENTS	-	388,981	436,874	453,835	487,534	516,502	542,564	561,861	572,765
070309	UNIVERSITY OF HAWAII, CANCER CENTER	UOH-115	4,974	3,703	13,274	13,239	13,240	13,240	13,240	13,240
	TOTAL		1,499,932	1,792,563	1,828,997	1,863,617	1,892,585	1,918,647	1,937,944	1,948,848
CAPITAL INVESTMENT EXPENDITURES										
070301	UNIVERSITY OF HAWAII, MANOA	UOH-100	23,500	7,000	39,000	25,000				
070303	UNIVERSITY OF HAWAII, HILO	UOH-210	16,500	21,000	15,000	15,000				
070305	UNIVERSITY OF HAWAII, WEST OAHU	UOH-700		5,000	6,500	4,500				
070306	UNIVERSITY OF HAWAII, COMMUNITY COLLEGES	UOH-800	103,250	69,000	35,000	20,000				
	TOTAL		143,250	102,000	95,500	64,500				

III. PROGRAM CHANGE RECOMMENDATIONS

Lower Education

Department of Education Programs: School-Based Budgeting (EDN 100), Special Education and Student Support Services (EDN 150), Instructional Support (EDN 200), State Administration (EDN 300), School Support (EDN 400)

The basic objective of the Lower Education program is to assure that all children in prescribed school age groups learn fundamental facts, concepts, and reasoning processes; develop appropriate physical, social, aesthetic, and basic occupational skills; and acquire attitudes and values necessary for successful functioning in society by providing guidance, instruction, training, exposure to learning experiences, and opportunities to mature. In addition, a supplementary objective of the program is to enhance the welfare of the community by offering instruction and other services of benefit to the general public. While most of the activities of the Lower Education program deal with children and adolescents from kindergarten to high school, standards-based instructional programs are also offered to people who want to continue their education after high school, but who are unable to take or uninterested in taking college- or university-level courses.

Hawai'i has the only single, statewide public school system in the nation. It is governed by a nine-member Board of Education (BOE) that is empowered by the State Constitution and Hawai'i Revised Statute Section 26-12 to formulate policy and exercise control over the school system through its chief executive officer, the Superintendent of Education. The Superintendent is supported by three Deputy Superintendents and seven Assistant Superintendents, each of whom is responsible for a major staff division (Talent Management; Fiscal Services; Student Support Services; Information Technology Systems; Facilities and Operation; Strategy, Innovation and Performance; and Curriculum and Instructional Design). In addition, the Superintendent is assisted by 15 Complex Area Superintendents who are responsible for supervising standards implementation at schools in each geographic complex area.

Hawai'i's public school system is among the largest in the nation with a student enrollment of 165,340 in School Year 2024-25. It includes 255 regular, 2 immersion, 1 special, and 38 charter schools; 296 schools in all. The organization of schools by elementary, middle/intermediate, and high school generally follows the pattern used by school districts across the country. The core curriculum is organized around subject matter areas such as language arts, mathematics, social studies and science. Individualized supports are provided to the deaf, blind, orthopedically handicapped, emotionally disturbed, learning disabled and hospital-bound students. Alternative classroom arrangements are provided to students who have difficulty learning in a regular classroom, and specialized assistance is provided to students who primarily speak a language other than English and to students who are educationally disadvantaged by virtue of their families' economic condition.

The Federal Every Student Succeeds Act (ESSA) was signed by President Obama on December 10, 2015 (Public Law 114-95).

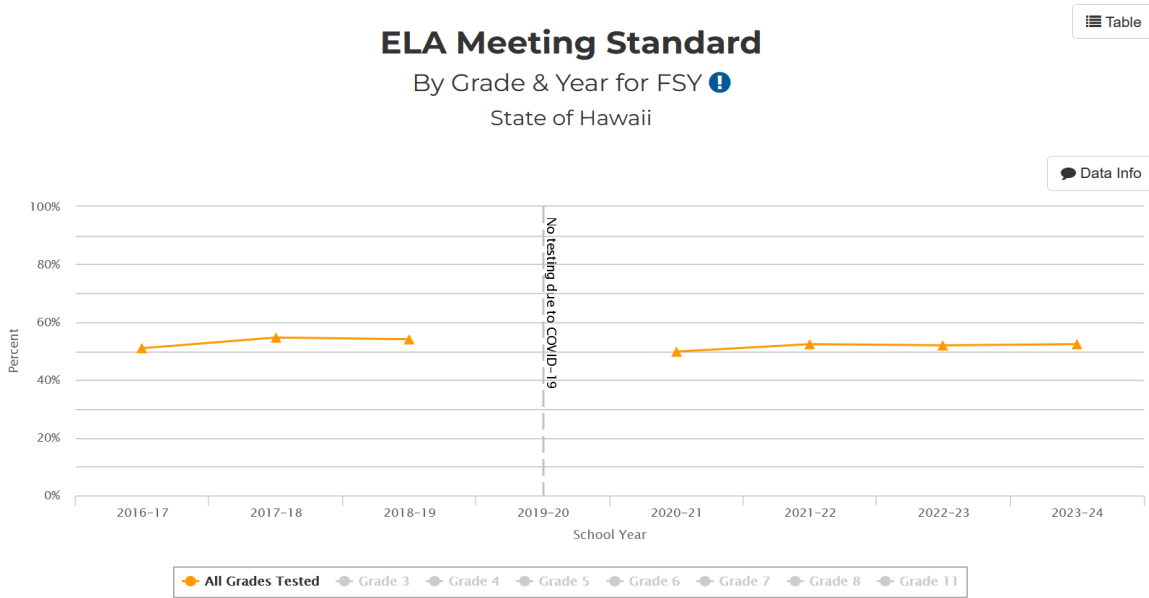
ESSA includes provisions that will help to ensure success for students and schools. Below are just a few. The law:

- Advances equity by upholding critical protections for America's disadvantaged and high-need students;
- Requires that all students in America be taught to high academic standards that will prepare them to succeed in college and careers;
- Ensures that vital information is provided to educators, families, students, and communities through annual statewide assessments that measure students' progress toward those high standards;
- Helps to support and grow local innovations—including evidence-based and place-based interventions developed by local leaders and educators;
- Increases access to high-quality preschool; and
- Maintains an expectation that there will be accountability and action to effect positive change in our lowest-performing schools, where groups of students are not making progress, and where graduation rates are low over extended periods of time.

Since the DOE first received federal approval in May of 2013, the DOE has been using the [Strive Hi Performance System](#) as an accountability and improvement system to ensure all students graduate college- and career-ready. This system was developed after more than a year of collaboration with Hawai'i educators, parents, community groups, and higher education stakeholders.

In September 2024, the Department released Strive HI Performance System results for School Year 2023-24, the 12th year under the state-designed school improvement and accountability system and requirements of federal law.

Student achievement in English Language Arts (ELA) and math since the implementation of new assessments can be seen in the graphs below:

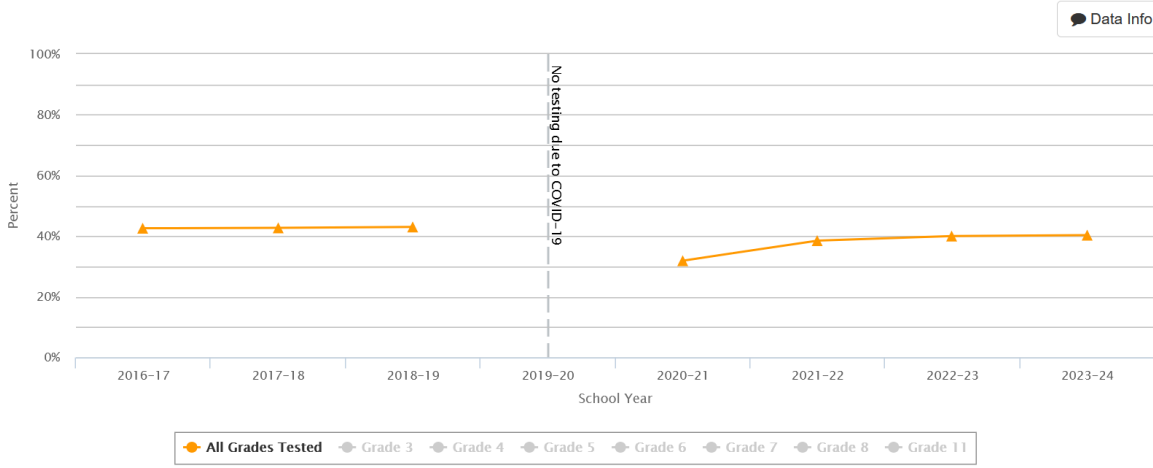


Math Meeting Standard

By Grade & Year for FSY ⓘ

State of Hawaii

Table



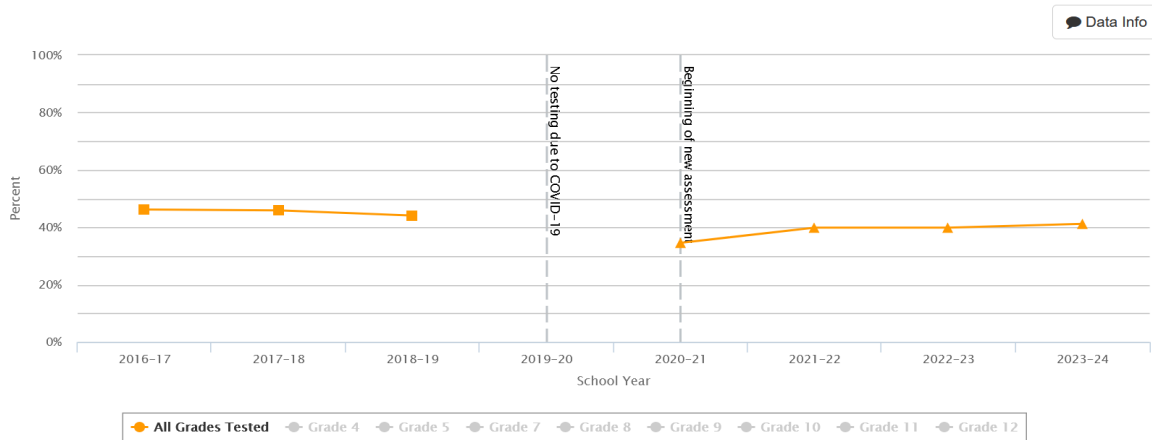
Additionally, science proficiency for the same time frame starting in 2014 can be seen below:

Science Proficiency

By Grade & Year for FSY ⓘ

State of Hawaii

Table



It is important to note that due to the COVID-19 pandemic, statewide summative assessments were waived by the U.S. Department of Education and as a result no test results are reported in School Years 2019-20 and 2020-21.

For FB 2025-27, the operating budget requests include the following:

1. \$20,990,000 in general funds for FY 26 and FY 27 to sustain the summer learning programs for School-Based Budgeting (EDN 100).

2. \$15,000,000 in general funds for FY 26 and FY 27 for increased electricity costs for School Support (EDN 400).
3. \$10,000,000 in general funds for FY 26 and FY 27 for contracted skilled nursing services provided to over 500 students at 200 schools statewide for Special Education and Student Support Services (EDN 150).
4. \$5,000,000 in general funds for FY 26 and FY 27 to enhance school security provided by the Department of Law Enforcement through their SaferWatch Program for School Support (EDN 400).
5. \$3,925,000 for FY 26 and \$3,625,000 for FY 27 in general funds for workforce readiness learning opportunities for students for School-Based Budgeting (EDN 100).

For FB 2025-27, the CIP budget requests for School-Based Budgeted (EDN 100) include the following:

1. \$300,000,000 (\$60,000,000 in general obligation bond funds and \$240,000,000 in federal funds) for FY 26 and \$150,000,000 (\$30,000,000 in general obligation bond funds and \$120,000,000 in federal funds) for FY 27 for Lump Sum CIP – Federal Grants, Statewide.
2. \$131,000,000 in general obligation bond funds for FY 26 for Lahaina Elementary School, Maui.
3. \$23,000,000 in general obligation bond funds for FY 26 for Lump Sum CIP – Health and Safety, Statewide.
4. \$20,000,000 in general obligation bond funds for FY 26 for Lump Sum CIP – Deferred Maintenance Projects, Statewide.
5. \$20,000,000 in general obligation bond funds for FY 26 for Lump Sum CIP – Compliance, Statewide.
6. \$20,000,000 in general obligation bond funds for FY 26 for Lump Sum CIP – Project Completion, Statewide.

School Facilities Authority (EDN 450)

For FB 2025-27, the CIP budget requests for School Facilities Authority (EDN 450) include the following:

1. \$100,000,000 in general obligation bond funds for FY 26 for Lump Sum CIP – Central Maui School, Capacity, Maui.
2. \$12,000,000 for FY 26 and \$8,000,000 for FY 27 in general obligation bond funds for Education Workforce Housing, Various, Statewide.

School Community Services (EDN 500)

Community School for Adults (CSA)

The DOE identifies the following characteristics of those individuals who are in most need of adult education services to include: adults who lack a high school diploma, disadvantaged and low-skilled adults with multiple barriers to educational attainment, employment and economic self-sufficiency, adults who are or have been low-income, incarcerated, single parents, and displaced homemakers, adults with limited English proficiency, and adults with disabilities.

The Hawai'i Community School for Adults (McKinley CSA and Waipahu CSA) are fully accredited by the Western Association of Schools and Colleges (WASC) and provide a

comprehensive program for individuals in need. McKinley CSA has a total of five campuses (McKinley, Farrington, Moanalua, Kaua‘i, and Maui to include Lāna‘i and Molokai, and educational programs in the Correctional Facilities statewide. Waipahu CSA has five campuses (Waipahu, Wahiawā, Windward, Hilo, and Kona). Satellite sites as well as partnering organizations within the community extends the reach of both schools in delivering required programs.

Through the Workforce Innovation and Opportunity Act (WIOA), Section 203 and in partnership with the Hawai‘i Department of Labor and Hawai‘i Division of Vocational Rehabilitation, the Community School for Adults provides workforce preparation activities, which are those services that are designed to help an individual acquire the combination of basic academic skills, critical thinking, digital literacy, job training and self-management skills. While adult education has traditionally supported the development of basic academic skills, workforce preparation is now required under the WIOA to include developing competencies and obtaining skills necessary to successfully transition to and complete postsecondary education, advanced job training and employment thereby ensuring that all students have increased opportunities to thrive in the workplace, career, or college within our Hawai‘i community.

The CSAs are included in the DOE’s Workforce Pathway System as a major program that reflects rigorous academics, career advising & counseling, and work-based learning. CSAs continue to contribute as a key component of the Workforce Pathway System that increases alignment, integration, and consistent coordination to ensure a clear and coherent path for students.

The CSAs also offer adult learners who have not graduated with a high school diploma the option to pursue obtaining a High School Equivalency Credential and/or Hawai‘i Adult Community School Diploma. Two recognized High School Equivalency Tests, the General Educational Development and the High School Equivalency Test, are available. Both are aligned to national Common Core State Standards (CCSS) and College and Career Readiness Standards (CCRS).

General Educational Development (GED)

The GED test provides a valid means of measuring the educational achievement of adults who have not graduated high school and of comparing their academic competence with that of high school graduates. Individuals who successfully complete the test battery will receive an official GED transcript and may qualify for the Hawai‘i Adult Community School Diploma. The diploma may provide graduates the opportunity to enter the military service, gain college admission, increase income, increase job qualifications or assist in obtaining work advancement. This program is also offered in our Correctional Facilities statewide through the Department of Public Safety (DPS). In an effort to reduce recidivism, McKinley CSA in coordination with the DPS offer incarcerated and formerly incarcerated individuals access to career pathway opportunities through innovative approaches that support academic achievement and the ability to complete a high school equivalency through GED or HiSET. The credentials also provide further opportunities for the inmate to transition to postsecondary training upon release.

High School Equivalency Test (HiSET)

The purpose of the HiSET is to certify a candidate's attainment of academic knowledge and skills equivalent to those of a high school graduate. HiSET scores will identify those candidates who have performed at a level consistent with high school equivalency. Individuals who successfully complete the test battery will receive an official HiSET transcript and may qualify for the Hawai'i Adult Community School Diploma. The diploma may provide graduates the opportunity to enter the military service, gain college admission, increase income, increase job qualifications or assist in obtaining work advancement.

Workforce Development Diploma and Career Foundations Certificate Program

The CSAs added the Workforce Development Diploma Program to the options available to students. Assessment results and counseling sessions will help direct students to: Adult Basic Education, High School Equivalency Preparation or the Workforce Development Diploma Program (WDDP). WDDP provides an opportunity for adults to gain the knowledge, skills and abilities needed for employment and/or job training. Students must complete the Academic (reading and work skills—active listening and situational judgment) and Career goals (100 hours of volunteer work or employment; and completion of the iCan program, or one credit at an accredited post-secondary institution) modules in order to earn the Diploma.

The Workforce Development Diploma (WDD) and Career Foundations Certificate Program was designed to meet the needs of those students entering the workforce with job entry that do not require a high school diploma. The WDD Program prepares students with the necessary basic education and access to job training programs. To be eligible, a student must be 18 years and older or 16- to 17-year-old students who are released from school through the 4140 process. All enrolled students who complete the requirements of the program will earn a Workforce Development Diploma or Career Foundations Certificate from McKinley or Waipahu CSA.

One of the significant program measures assess the success of the adult education program to retain enrollees in their course through the courses' completion. The two schools have found that once students attain the level of achievement necessary for employment, they leave the program and move on to the job they were preparing for. The student's early departure affects

For FB 2025-27, the operating budget requests for School Community Services (EDN 500) include the following:

1. \$300,000 in other federal funds for FY 26 and FY 27 to establish the ceiling for the HI Digital Work Skills grant.
2. Reduce one full-time equivalent (FTE) permanent Program Specialist III and \$114,376 in special funds for FY 26 and FY 27 to delete the Private Trade, Vocational & Technical School Licensure special fund ceiling.

Charter Schools (EDN 600)

For FB 2025-27, the operating budget requests for Charter Schools include the following:

1. \$9,935,491 for FY 26 and \$9,872,364 for FY 27 in general funds for per pupil funding to account for adjustments to DOE Program IDs EDN 100, EDN 200, EDN 300 and EDN 400.
2. Transfer out of \$2,000,000 in general funds for FY 26 and FY 27 to the Charter Schools Commission and Administration (EDN 612) for the Hard-to-Staff and Hawaiian Immersion teacher differential funding.

Charter Schools Commission and Administration (EDN 612)

For FB 2025-27, the operating budget requests include the following:

1. Transfer in of \$2,000,000 in general funds for FY 26 and FY 27 from Charter Schools (EDN 600) and add \$465,000 in general funds for FY 26 and FY 27 for the Hard-to-Staff and Hawaiian Immersion teacher differential funding.
2. \$1,050,000 in general funds for FY 26 and FY 27 for Hawaii Keiki Program expansion.

Early Learning (EDN 700)

For FB 2025-27, the operating budget requests include the following:

1. \$250,000 in other federal funds for FY 26 and FY 27 to increase the ceiling for Preschool Development Grants Birth to Five.
2. 58.00 full-time equivalent (FTE) permanent positions and \$5,027,927 in general funds for FY 26 and 108.00 FTE permanent positions and \$8,236,302 in general funds for FY 27 for the Executive Office on Early Learning, Public Pre-Kindergarten Expansion.

Retirement Benefits – DOE (BUF 745)

Total adjustments to employer contribution requirements for pension accumulation and Social Security/Medicare for State employees in the DOE, including Charter Schools, are increases of \$23,439,747 in FY 26 and \$43,538,281 in FY 27.

Health Premium Payments – DOE (BUF 765)

Total adjustments to employer contribution requirements health benefit premiums for State employees in the DOE, including Charter Schools, are increases of \$41,213,399 in FY 26 and \$44,968,516 in FY 27.

Debt Service Payments – DOE (BUF 725)

The request reflects an increase of \$9,775,178 (principal increase of \$6,384,204 and interest increase of \$3,390,974) in debt service costs in FY 26 and an increase of \$85,233,922 (principal decrease of \$50,329,875 and interest increase of \$34,904,047) in debt service costs in FY 27 over the established FY 25 budget ceiling. Increased debt service requirements are to provide funding for debt service for the DOE and are based on projections updated November 2022 (currently authorized in the State Bond Bill - House Bill No. 1801, S.D. 1, C.D. 1, SLH 2024).

Assumption: projected interest rate of 7.50% and bond sales of \$1.6 billion in FY 25; \$1.5 billion in FY 26; \$1.4 billion in FY 27; and \$1.3 billion in FY 28.

School Repair and Maintenance, Neighbor Island Districts (AGS 807)

FB 2025-27 Executive Budget Requests (general funds unless noted):

1. Add \$138,858 in FY 26 and FY 27 for full-year funding for 5.00 permanent full-time equivalents (FTE) for the West Hawaii District Office.
2. Add \$33,948 in FY 26 and FY 27 for full-year funding for 1.00 permanent FTE for the East Hawaii District Office. Adds \$140,000 in FY 26 and FY 27 for interdepartmental fund ceiling for fringe benefit adjustments for the Department of Education (DOE).

Public Libraries (EDN 407)

For FB2025-27, the operating budget for Public Libraries includes the following:

1. Transfer 0.50 FTE permanent position and \$25,320 in general funds for FY 26 and FY 27 from EDN 407/QD, West Oahu Public Libraries to EDN 407/QG, Maui Public Libraries, and trade-off two 0.50 FTE permanent Janitor IIs to one FTE permanent Janitor II and \$50,640 in general funds for FY 26 and FY 27 for Hāna Public and School Library.
2. \$1,200,000 in general funds for FY 26 and FY 27 for Security Guards to meet the expected increase in the cost of security guard services, which had doubled in the past year. This funding will ensure that we can afford to have qualified guards available.
3. \$434,000 in general funds for FY 26 and FY 27 for Temporary Service Locations for the upcoming construction projects that will temporarily close libraries in high-usage areas: \$200,000 for Wahiawa Public Library; \$150,000 for Pearl City Library and \$84,000 for Makawao Public library.
4. 1.00 FTE permanent Librarian IV and \$31,548 in general funds for FY 27 for six month's salary for the new Waikoloa Public Library. Hiring a new branch manager in FY 27 will help with the building design process, including the ordering of furniture and fixtures and building a new library collection.
5. \$500,000 in general funds for FY 26 and FY 27 for additional funding for repairs and maintenance. The increase is needed for an increase in large repair costs for issues such as elevators, as well as funding for new furniture and fixtures for recently renovated libraries.
6. \$500,000 for FY 26 and \$250,000 for FY 27 in general funds for the Automated Material Handling System (AMHS) which will allow for the sorting materials more quickly and efficiently for delivery.
7. \$634,756 in federal funds for FY 26 and FY 27 for an increased grant award from the Institute of Museum and Library Services.

For FB 2025-27, the Capital Improvements Program (CIP) budget includes the following:

1. \$25,000,000 in general obligation bonds for FY 26 and FY 27 for Hawaii State Public Library System, Health and Safety, Statewide.
2. \$2,000,000 in general obligation bond funds for FY 26 and FY 27 for Kapaa Library, Kauai.

Hawaii National Guard Youth Challenge Academy (DEF 114)

The program's operating requests include (general funds, unless noted otherwise):

1. Add \$1,997,384 in FY 26 and FY 27 for all federal payroll fringe expenditures.
2. Add \$39,812 in general funds and \$195,867 in other federal funds in FY 26 and FY 27 for salary increases and fringe expenses for all Cadre positions.

3. Delete 1.00 temporary long-term vacancy FTE count (0.25 in general funds and 0.75 in other federal funds) in FY 26 and FY 27.

The program's capital improvement program request includes (general obligation bond funds, unless noted otherwise):

1. Add \$15,000,000 in FY 26 for Youth Challenge Academy (YCA) Buildings 1786 and 1787 Upgrades and Improvements, Oahu.

Higher Education

UOH100 University of Hawaii, Manoa

UHM has the following budget requests:

1. Request to restore \$3,200,00 in general funds for Manoa Intercollegiate Athletics.
2. Request to permanentize 3.00 full-time equivalents (FTE) and \$246,118 in general funds for Hawaii Institute of Marine Biology (HIMB) staff positions that were appropriated in Act 181, SLH 2023.
3. Request 1.00 FTE and \$85,500 in general funds for staff position to support the Pamantasan Council that was appropriated in Act 64, SLH 2023.
4. Request 6.00 FTEs and \$199,440 (FY 26) and \$398,880 (FY 27) in general funds for Financial Aid Counselors in Financial Aid Services and Veterans Affairs.
5. Request 4.00 FTEs and \$447,936 in general funds for the UHM, UH West Oahu (UHWO) Nursing Collaboration Phase III.
6. Request 4.00 FTEs and \$320,000 in general funds for the Manoa Athletics Mental Health Professional and Athletics Trainers.
7. Transfer 1.00 FTE and \$80,000 in general funds from UH System to UH Manoa for Mental Health Counselor position.
8. Transfer 1.00 FTE and \$110,004 in general funds from UH Hilo to UHM College of Social Sciences, Department of Geography and Environment.

UOH110 University of Hawaii, John A. Burns School of Medicine

JABSOM has the following operating budget requests:

1. Request \$1,108,019 (FY 26) and \$1,533,463 (FY 27) in general funds for Sustaining Medical School's Kakaako Health and Wellness Campus Debt Service.
2. Request \$955,000 special fund ceiling increase for the special fund research recharge center (SRRC), conferences/workshop courses, and Physician Workforce Assessment.

UOH115 University of Hawaii, Cancer Center

UHCC has the following operating budget request: \$9,476,352 (FY 26) and \$9,441,861 (FY 27) in general funds (MOF A) for Sustaining UHCC's Debt Service and Operations.

UOH210 University of Hawaii, Hilo

For the general fund operating budget, the following requests are being submitted: 1) Full-year funding of \$142,500 for the teacher education positions that were appropriated in Act 230, SLH 2024; 2) \$500,000 for the continuation of current level funding for athletics travel costs; 3) 5.00 FTEs in FY 26 and FY 27 and \$357,500 in FY 26 and \$475,000 in FY 27 for the School of

Nursing to increase the cohort size; and 4) transfer 1.00 FTE and \$110,004 to the UHM where the employee is currently employed.

The capital improvement program budget includes a request for \$15.0 million in general obligation (G.O.) bond funds for FY 26 and FY 27 to Renew, Improve and Modernize (RIM) UH Hilo facilities.

UOH220 Small Business Development

None.

UOH700 University of Hawaii, West Oahu

For the operating budget, the following requests are being submitted: 1) Transfer in 1.00 FTE and \$90,000 in funding from UOH 900 for Mental Health Support for both FY 26 and FY 27; 2) Add 2.00 FTEs and \$107,776 in general funds for FY 26, and \$215,552 in general funds in FY 27 for the Pre-Nursing Pathway; 3) Add 1.00 FTE and \$37,650 in general funds for FY 26, and \$75,300 in general funds in FY 27 for Admissions and Financial Aid; 4) Add 2.00 FTEs and \$66,888 in general funds for FY 26, and \$133,776 in general funds in FY 27 for the Academy for Creative Media (ACM) Facilities and Core Services.

For the capital improvement program budget, a request is being submitted for \$6,500,000 in general obligation (G.O.) bond funds in FY 26 and \$4,500,000 in G.O. bond funds in FY 27 for renew, improve, and modernize projects at UH West Oahu.

UOH800 University of Hawaii, Community Colleges

The following was approved for the operating budget for FY 26 and FY 27: 1) The transfer of 3.00 FTEs and \$265,000 in general funds from UOH 900 for Mental Health positions, which were previously appropriated through Act 230, SLH 2024; 2) The addition of 2.00 FTEs and \$210,150 in general funds for the Windward Community College Mental Health Technician Certificate of Competence Program, which was previously appropriated through Act 107, SLH 2024; 3) The addition of \$330,000 in general funds for the Practical Nursing Bridge Program, which was previously appropriated through Act 74, SLH2023; and 4) The addition of 2.00 positions and \$196,000 in general funds for the Pamantasan Council, which was previously appropriated through Act 64, SLH 2023.

The following was approved for the Capital Improvement Program (CIP) budget: an additional \$20,000,000 in general obligation bonds for Capital Renewal, Deferred Maintenance, and Minor CIP for the UH Community College System for FY 26 and FY 27, as well as an additional \$15,000,000 in general obligation bonds for Honolulu Community College, 8805 Repurpose and Renovate Building Technology Renovations, Phase 2, for FY 26.

UOH900 University of Hawaii, Systemwide Support

For the operating budget, requests are being submitted to: 1) Transfer 5.00 FTE Mental Health positions and funding of \$435,000 to UOH 100, UOH 700 and UOH 800 and 2) Add \$6,000,000 in federal funds for Career Technical Education Grant Ceiling increase.

For the capital improvement program budget, a request is being submitted for \$50,000,000 in general obligation bond funds in both FY 26 and FY 27 to renew, improve, and modernize UH facilities.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Lower Education

Department of Education Programs: School-Based Budgeting (EDN100), Special Education and Student Support Services (EDN 150), Instructional Support (EDN 200), State Administration (EDN 300), and School Support (EDN 400)

Although lower, inflationary pressures will continue to have impacts on our existing resources in the upcoming year. As costs for basic services rise, the DOE's ability to invest in opportunities for students are diminished. Adding to these rising costs is the shortage of labor ranging from teaching staff to bus drivers who are essential to bringing our students to school. Finally, less robust State revenues, due in part to changes in tax laws, will also have impacts on available resources.

In addition to these macroeconomic factors, we are aware of the decline in student enrollment that is a trend both locally and nationally.

In 2023, the BOE approved the State of Hawai'i Public Education 2023-2029 strategic plan. The strategic plan includes the mission, vision and core values, and new goals and desired outcomes for the state's K-12 public education system (scope does not include public charter schools). The DOE envisions a K-12 public education system that prepares all graduates to be globally competitive and locally committed. This vision will only be accomplished through a kākou effort between the DOE, BOE, government agencies, elected officials, families, community organizations, employers, higher education and training partners. Preparing our graduates for Hawai'i's future depends on a united, collective effort — ne'epapa — grounded in Nā Hopena A'ō and embraced by our communities, dedicated educators and support teams. The DOE continues to track accountability and improvement through the Strive HI performance system. This system is aligned with the strategic plan and key state education policies and initiatives to measure progress and target resources.

The DOE ensures that eligible students learn fundamental skills, concepts, and learning processes; develop appropriate social and basic occupational skills; and acquire attitudes and values necessary for successful functioning in society. The DOE strives to prepare students for post-high school success by providing intentional and age-appropriate experiences to explore and engage in careers and in community and civic responsibilities.

The significant conditions, trends and issues are as follows:

Responsive School Repairs and Maintenance Services

The Capital Improvements Program (CIP) pays for renovations, repairs and major maintenance to existing facilities, landscape improvements, new construction, land acquisition, and utility modifications. The CIP budget is set by the state as part of a comprehensive program to manage state facilities, and is handled separately from the DOE's operating budget. Facilities staff work with principals directly to prioritize school-level needs.

The DOE has implemented the use of Facilities Asset Management (FAM) to support compliance with the BOE Policy 301-10, Equitable Allocation of Facilities Resources. FAM is

used to determine the needs and priorities for the repair and maintenance (R&M) of DOE schools.

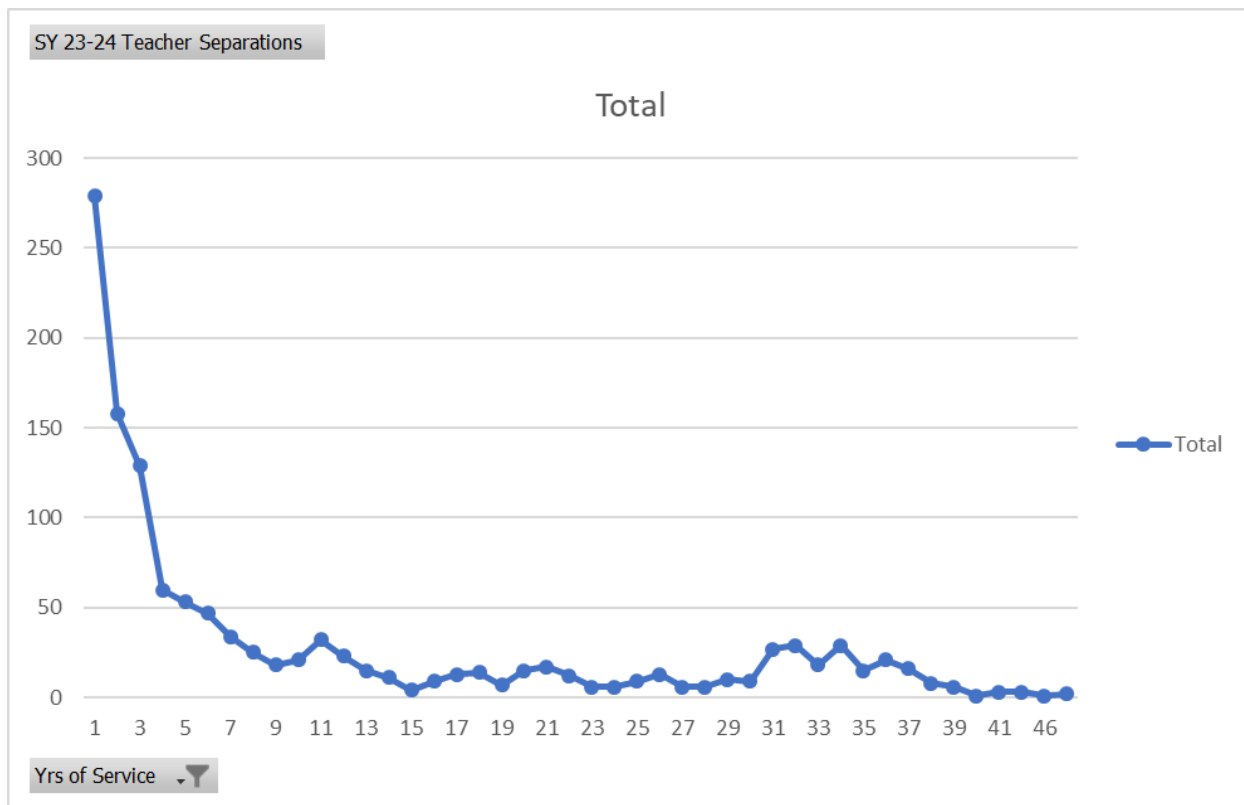
FAM encompasses “integrated, multidisciplinary strategies to sustain school infrastructure assets such as roofs, fire alarms, air conditioners, water and sewer lines, and building structures.” The FAM initiative follows industry standards and best practices for the equitable allocation of R&M resources utilizing an equitable allocation framework based upon the landmark American Civil Liberties Union lawsuit of *Williams v. State of California*. FAM includes facility inspections, assessments and projects, a database of projects and critical assets, and a deferred maintenance program.

The DOE implemented the FAM initiative by ramping up the pilot Job Order Contracting (JOC) program in 2018, followed by Prequalified Small Contractors (PSC). Both JOC and PSC allow the DOE to contract several vendors through competitive requests for proposals for commonly encountered projects over the life of a multiyear contract rather than having to bid out individual jobs for repairs. This has expedited work on repairing school roofs, the largest category on the DOE’s R&M backlog.

Recruitment and Retention of Highly Qualified Teachers

Identifying, hiring, and retaining highly qualified teachers continues to be a priority. The need for licensed teachers is more critical in isolated, hard-to-staff geographic areas. Traditionally, shortages have been experienced for particular subject matter fields of special education, mathematics, science, English, Career and Technical Education, Hawaiian immersion, Hawaiian language, world languages, and Teaching English to Speakers of Other Languages. However, current data indicate that elementary education is also becoming a shortage area. Therefore, the DOE has initiated a position-specific recruiting methodology and intensified recruiting efforts to identify and hire for these positions.

In addition, retention of teachers in the initial five years has been challenging. As depicted in the chart below, significant numbers of teachers exit the Hawai‘i public school system within the first five years of service:



The loss of teachers in those first five years are costly due to the investments in training and professional development made in those individuals before their departure. The DOE is developing strategies to assist in retaining teachers so that they stay on a longer career path.

Detailed information on other topics including enrollment and demography and student outcomes and behavior can be seen in greater detail through the DOE’s [Longitudinal Education Information \(LEI\) System](https://hidoedata.org) (hidoedata.org).

School Facilities Authority (EDN 450)

External trends that may impact the program include national, State, and local economic, legal, policy, and regulatory changes and shifts in local population demographics.

School Community Services (EDN 500)

Although lower, inflationary pressures will continue to have impacts on our existing resources in the upcoming year. As costs for basic services rise, DOE's ability to invest in opportunities for students are diminished. Adding to these rising costs is the shortage of labor ranging from teaching staff to bus drivers who are essential to bringing our students to school. Finally, less robust State revenues, due in part to changes in tax laws, will also have impacts on available resources.

In addition to these macroeconomic factors, we are aware of the decline in student enrollment that is a trend both locally and nationally.

In 2023, the BOE approved the State of Hawaii Public Education 2023- 2029 strategic plan. The strategic plan includes the mission, vision and core values, and new goals and desired outcomes for the State's K-12 public education system (scope does not include public charter schools). DOE envisions a K-12 public education system that prepares all graduates to be globally competitive and locally committed. This vision will only be accomplished through a kakou effort between DOE, the BOE, government agencies, elected officials, families, community organizations, employers, higher education and training partners. Preparing our graduates for Hawaii's future depends on a united, collective effort - neepapa - grounded in Na Hopena Ao and embraced by our communities, dedicated educators and support teams. DOE continues to track accountability and improvement through the Strive HI performance system. This system is aligned with the strategic plan and key State education policies and initiatives to measure progress and target resources.

DOE ensures that eligible students learn fundamental skills, concepts, and learning processes; develop appropriate social and basic occupational skills; and acquire attitudes and values necessary for successful functioning in society. DOE strives to prepare students for post-high school success by providing intentional and age-appropriate experiences to explore and engage in careers and in community and civic responsibilities.

Charter Schools (EDN 600)

Trends include the national and local economic crisis brought on by the COVID-19 pandemic, federal fiscal support to the State and population demographics across the State.

Charter Schools Commission and Administration (EDN 612)

Trends include national and local economic crises, federal fiscal support to the State, and population demographics across the State.

Early Learning (EDN 700)

To support these efforts, EOEL, in partnership with the University of Hawaii, has implemented the Early Childhood Educator Stipend program to address workforce and retention issues in the early learning field. The EOEL also looks forward to continuing the expansion of the EOEL Public Pre-K Program and family child interaction learning programs, which provide multigenerational and culturally relevant services to develop and enhance a young child's families' knowledge on how to support their child's growth and development.

The COVID-19 pandemic has impacted enrollment in the EOEL Public Pre-K Program as well as exacerbated the workforce shortfalls plaguing the field. As such, workforce development and support continue to be priority focal areas for the EOEL.

EOEL anticipates it will continue to see expansion of early learning options, enrollment in the EOEL Public Pre-K Program, and positive outcomes related to childhood development and learning in the future to support the Formal Education program in significant aspects.

Retirement Benefits – DOE (BUF 745)

The employer contribution rates for pension accumulation do not reflect the market turmoil that global investment assets have experienced. While the actuarial methodology recognizes some year-to-year market volatility, future program requirements may be adversely impacted by future investment experience.

Health Premium Payments – DOE (BUF 765)

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and setting of employer contributions for active employees at a fixed dollar amount.

Debt Service Payments – DOE (BUF 725)

Financing costs are impacted directly by the overall financial markets, on a local, national, and international level. Specifically, the impacts of these markets on the U.S. municipal bond markets affect the interest rates incurred in the sale of G.O. bonds. In addition, the condition of Hawaii's economy and management of the State's budget affect bond ratings, which in turn have an impact on interest rates paid on the bonds.

School Repair and Maintenance, Neighbor Island Districts (AGS 807)

Due to the enactment of Act 51, SLH 2004, funding for staff and service maintenance contracts was transferred to DOE. The current state of the economy requires adjustments to the expenditures to remain fiscally viable.

Public Libraries (EDN 407)

HSPLS is evolving to meet the ever-changing needs of each of the communities that it serves. As knowledge and creativity become even stronger drivers of the economy, HSPLS will continue to be uniquely positioned to ensure that everyone in Hawaii's diverse communities has access to information and the tools they need to be successful.

HSPLS staffing must be addressed to increase public service hours

Like other State departments and agencies, HSPLS faces marketplace and procedural challenges when hiring at all levels. To address these issues, HSPLS is undertaking an array of concurrent strategies and is slowly recovering from the impacts of the hiring freeze and budget restrictions imposed during the COVID-19 emergency.

Those emergency measures resulted in a reduction of public service hours, and HSPLS seeks to restore hours that were lost due to lack of budget for all staff positions. This will be a lengthy process that must include consultation with Hawaii's public worker unions and communities across the State.

Meeting Changing Community Needs

HSPLS regularly spends between \$3 to \$3.5 million for its collection of materials, which includes ebooks, databases, DVDs, etc. HSPLS' General Fund base budget for books and materials is \$1.5 million; the difference in spending is made up from fines and fees and vacancy savings. Current spending on the collection for our population size creates challenges for providing equitable access to materials because we cannot purchase all of the materials and number of copies needed to support our communities.

Public library patrons are using both physical and digital copies of books. In FY2022, the HSPLS circulated 1,181,418 digital books (i.e., ebooks and digital audiobooks). To adequately meet the

needs of our communities from keiki to kupuna we need to purchase multiple formats of the most popular items, whereas in the past, we only purchased one format (physical book).

Each year, HSPLS expresses concern about the significant spike in cost to provide digital content (ebook and audio books) to library patrons. The models created by the publishers have been prohibitive and not sustainable for public libraries.

For example, one physical book may cost \$25 for the copy. There would be no limit to the number of uses, and the book would remain in the HSPLS collection. In contrast, the digital version could cost well over \$55 - \$100 for only 25 uses, and it would not remain in the collection. If additional library patrons wanted to read the material, HSPLS would then need to pay the publisher another \$55 - \$100 for 25 uses. Ultimately, this limits the ability to create diverse collections and restricts opportunities for personal and community growth.

HSPLS must have a minimum budget of \$4M to fully provide the physical and digital resources that support our community's literacy, education and connections to our collective stories.

Rebuilding the Lahaina Public Library

Following the tragic fire that destroyed Lahaina in August 2023, our staff used the Holoholo Bookmobile to provide library services to residents in the area. HSPLS is working with community, county and state planning representatives to identify a location for a temporary portable library that will provide the recovering community with additional and consistent access to library materials and services. Longer term, HSPLS will continue to work with the community and government planners to identify a permanent location for a new Lahaina Public Library because the current location is on the Moku'ula, which will be restored.

Hawaii National Guard Youth Challenge Academy (DEF 114)

Major external trends impacting the Veterans' Services program include:

1. The budget meets the minimum level required to provide basic information and services as prescribed by the Legislature and the Governor.
2. The federal budget deficit is expected to limit or slow growth of veterans' benefits and services, placing a greater burden on states to address the needs of veterans.
3. The aging veteran population will continue to place added pressure and demand for burial space which is reaching its limit due to the eventual closing of National Federal Cemetery space.
4. New worldwide conflicts have increased the number of people that are eligible for veterans' services, and present staffing will be challenged to provide timely services.

Higher Education

UOH100 University of Hawaii, Manoa

President-elect Donald Trump is promoting an agenda that could have multiple impacts on higher education. First, he has stated that he intends to eliminate the U.S. Department of Education. This could cause a major disruption in student access to federal financial aid, including Pell grants and federal student loans. Fewer resources to support students in attending the University would impact both student enrollment and tuition revenue. Any

significant decrease in tuition revenue would have a serious impact on Manoa's overall budget to support operations.

Another possible area of impact is a reduction in federal research funding in multiple areas, including funding for climate science, renewable energy, and health and biomedical sciences. Such actions could lead to a decrease in the amount of federal research funding awarded to Manoa, ultimately impacting the State economy due to reduced employment and procurement supported by federal research funding.

The incoming President has also voiced his intention to change immigration policies. Changes in this area could impact recruitment of international students and faculty, as well as international student exchange programs. Such changes could decrease tuition revenues.

Other trends affecting this program include:

- Technological and scientific advances which require that changes be made in the curriculum in order to provide up-to-date educational experiences and state-of-the-art training;
- Changes in emphases and decline in availability of federal funds for support of training programs and fellowships; and
- Conditions of the local, national, and international job markets.

UOH110 University of Hawaii, John a. Burns School of Medicine

The following trends could affect this program:

1. Technological advancements that necessitate changes to our curriculum to provide up-to-date educational experiences and training.
2. The State economy impacts the budget allocations received by JABSOM and, in turn, affects the hiring of new faculty and staff.
3. Reduced availability of federal funds to support training programs, fellowships, and research grants.
4. Growing Hawaii physician shortages and maldistribution are necessitating the growth of the school's educational programs, especially on neighbor islands.

UOH115 University of Hawaii, Cancer Center

Cigarette Tax Funding. Cigarette Tax allocation which funds the Cancer Research Special Fund is derived from 2 cents of the current 16 cents State tax on each cigarette sold in Hawaii. The Legislature initiated this funding source allocation in 2006, primarily to build the Cancer Center building and fund strategic initiatives. At the time, this tax generated \$20 million in the first year. As the Cancer Center, along with other advocates, were successful in smoking cessation programs, this source of funding has declined each year thereafter, resulting in less than \$9 million allocated last fiscal year, a decline of 13% over the previous year. This revenue will likely continue to reduce around 9% per year as long as there is no other source of funding found, such as increasing the per-cigarette tax allocation to this fund. Regardless, this funding is a structurally diminishing source of funding, and alternative resources should be obtained in order to maintain into the future the essential operations of the State's only academic cancer center.

Federal Research Funding. With a new US President taking office in January 2025, there is a possibility of a reduction in federal research funding in areas, including health and biomedical sciences. This could lead to a future decrease in the amount of federal research funding awarded to Cancer Research Center faculty.

UOH210 University of Hawaii, Hilo

Economic conditions in the world, nation, and the State strongly impact the program. UH Hilo relies on both State general funds and revenue collected for tuition and fees.

The State's Council on Revenues forecasted solid economic growth for the current and subsequent fiscal years. Anticipated cuts to the U. S. Federal Reserve's rates will stimulate economic growth in the coming years. Tourism and visitor spending has increased above 2019, pre-pandemic levels. General fund tax revenue growth is forecasted.

UH Hilo programs rely heavily on tuition and fees collected. Clients' ability to participate is heavily contingent upon their economic resources. Significant tax relief legislation relating to income tax and exemption of the general excise tax (GET) from medical and dental services provided by health care providers to patients who receive Medicaid, Medicare, or TRICARE benefits will provide direct relief for working families in Hawaii.

UOH220 Small Business Development

The program is affected by the growth and integration of the global marketplace and new technology as it affects small businesses and the economy of Hawaii.

UOH700 University of Hawaii, West Oahu

The following reflect the internal and external constraints and opportunities expected during the biennium:

- Population growth in the Leeward and Central areas of Oahu and on the neighbor islands will exceed population growth in other geographic areas of the State. Given that these are UH West Oahu's service areas, increasing program and service needs must be accommodated.
- Differentiated needs of an expanding constituency, including distance learners and on-campus students, non-traditional and traditional students, and alternative modes of instructional delivery require on-going monitoring and updating to balance the varying academic and service demands.
- UH West Oahu's number of general fund instructional and staff positions will continue to limit the range of institutional programs and curricula and the ability to maintain and expand the campus. Thoughtful need-based planning to increase academic diversity and breadth is required to ensure efficient and cost-effective deployment of resources as they become available.
- Full articulation of instructional offerings, both innovative and traditional, with other UH campuses is expected to continue.

UOH800 University of Hawaii, Community Colleges

UHCC enrollment declined, though not as severely as community colleges nationally. The pandemic disproportionately impacted vulnerable populations who experienced challenges with childcare, finances, navigating online learning environments, unclear job opportunities, and overall stress and uncertainty.

UOH900 University of Hawaii, Systemwide Support

The declining educational attainment of Americans, particularly young adults between the ages of 25 to 34, relative to our international counterparts, is of national concern. There is a growing consensus that the country's economic recovery is being hindered by a lack of workers with the advanced skills and knowledge demanded in today's global marketplace (A Stronger Nation through Higher Education, Lumina Foundation, September 2010). Policymakers at the national, State, and institutional levels are seeking ways to increase the proportions of adults with two- or four-year postsecondary degrees and certificates.

National organizations such as Complete College America, Access to Success, and Achieving the Dream are dedicated to increasing completion rates and closing participation and attainment gaps for underrepresented populations (minority, low income) and returning adults. These organizations provide UH's HGI with planning and implementation support. Support includes access to national experts that share best practices from across the nation. HGI employs a combination of campus and system strategies to increase retention and reduce time to degree.

While institutions are focusing their strategies on serving a diverse range of students (i.e., different race/ethnicity, ages, economic and social backgrounds), they face increasing financial challenges, including those associated with higher salaries and healthcare, greater campus security requirements, more remedial help for struggling students, and declining enrollments, particularly at two-year institutions, due to a stronger economy attracting young adults directly into the workforce.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Education may be found at the following web address: <https://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/Pages/home.aspx>.

Reports and studies by the Department of Accounting and General Services may be found at the following web address: <https://ags.hawaii.gov/reports/>.

Reports and studies by the Department of Budget and Finance may be found at the following web address: <https://budget.hawaii.gov/budget/reports-to-the-legislature/>.

Reports and studies by the Department of Defense may be found at the following web address: <https://dod.hawaii.gov/department-info/>.

Reports and studies by the University of Hawaii system may be found at the following web address: <https://www.hawaii.edu/offices/government-relations/2025-legislative-reports/>.

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Culture and Recreation

CULTURE AND RECREATION

I. OVERVIEW

The Culture and Recreation program's overall objective is to enrich the lives of people of all ages by providing and preserving opportunities and facilities for cultural and recreational activities.

The program consists of two Level II programs: Cultural Activities and Recreational Activities. These programs are contained within the University of Hawaii (UOH), and the Departments of Accounting and General Services (AGS), Land and Natural Resources (LNR), and Business, Economic Development, and Tourism (BED).

Cultural Activities

The objective of this program is to enrich the lives of people of all ages by displaying and making available for appreciation and study significant elements of our cultural heritage (such as plant and animal life, unique natural features, places and things of historical and scientific interest, literature, and works of art) and by presenting cultural and artistic events.

UOH881 Aquaria

The objective of this program is to enrich the lives of residents and visitors by displaying fishes and other marine life for appreciation, education, and research.

The Waikiki Aquarium's Education Program presents and interprets the aquatic environment to students to increase their interest in ocean-related subjects and careers, and to meet State Department of Education performance and content standards for science. The Aquarium seeks to increase visitors' awareness and understanding of ocean research, especially that undertaken at the University of Hawaii (UH) at Manoa, the unique and special nature of Hawaiian marine life, and basic biological topics, such as ecology, ethology, and evolution. These programs include:

Education programs:

- School Support Program.
- Docent-assisted school visits, gallery interpretation and outreach presentations.
- Shoreline fieldtrip planning services.
- In-service teacher workshops.
- Laboratory experiences and workshops for students and/or teachers.
- Community Enrichment Programs, Spring, Summer and Fall semesters.
- Special lectures and services, on-site and outreach activities.
- Interpretive Services: Edge of the Reef and Gallery Exhibit Interpretive Programs.
- Educational Video Programs.
- Information Services for students, teachers, the general public and professional colleagues.
- Interactive classes for preschoolers and their parents, and overnight discovery events for older children.
- Free educational seminars by professional biologists.

The success of these education programs is evidenced by their high popularity, and the federal Coastal America Program having selected the Waikiki Aquarium as a Coastal Ecosystem Learning Center.

Exhibits:

The Waikiki Aquarium exhibits are designed to provide a realistic simulation of natural ecosystems. Emphasis is given to ecology, evolution, natural history, biodiversity, and behavior and conservation perspectives of South Pacific marine life, especially that of Hawaii.

Exhibits are arranged in several indoor galleries and outdoor locations:

- **South Pacific Marine Communities:** Showcases the diversity of marine life of the tropical Pacific. Includes video presentations and a visitor-activated informational touch screens.
- **Hawaiian Marine Communities:** Displays communities of marine life characteristic of a diverse array of Hawaiian reef and shore environments.
- **Hunters on the Reef:** Explains the role of sharks, jacks and other predators on Hawaiian and Pacific Reefs. Includes an educational video presentation and display of shark anatomy and adaptations.
- **Ocean Drifters:** Showcases jellyfish biology, and species found around Hawaii and elsewhere in the Pacific.
- **Conservation:** Exhibits highlight marine protected areas and the Northwestern Hawaiian Islands, threatened species and habitats, and positive steps for preserving the natural environment.
- **Freshwater Fishes:** Is underpinned by a strong conservation and stewardship message. Exhibits inform about the negative effects that introduced freshwater fishes and invertebrates have had on Hawaii's native stream faunas. A display of native Hawaiian stream fishes and invertebrates is also included.
- **Amazing Adaptions:** Highlights the extraordinary diversity and evolutionary adaptations within one family of fishes, the Seahorses, Seadragons, and Pipefishes.
- **Edge of the Reef:** This outdoor exhibit recreates a Hawaiian shoreline from coastal to reef environments. Trained staff or volunteers may be available for supervised hands-on experience and up-close observations of reef life. This exhibit is being decommissioned due to the space requirements of the injection well project.
- **Hawaiian Cultural Gardens:** Our gardens contain many examples of native Hawaiian flora, especially plants uniquely adapted to life near the sea and those with a marine animal connection in their name.
- **Monk Seal Habitat:** The Hawaiian monk seal is an endangered species found only in the Hawaiian Islands. Less than 1,400 remain in the wild. Seals are protected by federal law and are in residence at the Aquarium by special permit.
- **The Coral Farm:** This exhibit of South Pacific reef species is also a working research facility for propagation of reef corals and giant clams.
- **Mullet Exhibit:** We are able to display this culturally important fish thanks to techniques newly developed in Hawaii for the aquaculture of this popular food fish.

Research Programs:

The Hawaii Revised Statutes stipulate that the University maintains a research laboratory at the Waikiki Aquarium. Research in marine life husbandry, propagation, conservation and other fields is an essential component of the Waikiki Aquarium's activities. The proximity of the Aquarium to the Manoa campus provides easy accessibility for UH researchers in need of running seawater and large tanks for research. The Aquarium staff provide husbandry expertise for both researchers and the general public. The following projects are underway at this time:

- Plankton Culture
- Monk Seal Research and Husbandry
- Reef Fish Aquaculture
- Jellyfish Research and Husbandry
- Coral Propagation and Conservation
- Seahorse and Seadragon Breeding

In addition to these projects, university undergraduate and graduate students and staff utilize Aquarium facilities for individual research projects. The results of Aquarium research are reported at professional conferences and in peer-reviewed journals. The Aquarium's public seawater supply is accessed regularly by several university programs on a weekly basis for their research projects on campus. Each year, the seawater is also freely dispensed to thousands of home-aquarists.

AGS881 State Foundation on Culture and the Arts (including the King Kamehameha Commission)

The mission of the State Foundation on Culture and the Arts (SFCA) is to promote, perpetuate, preserve and encourage culture and the arts as central to the quality of life of the people of Hawaii and commemorate the legacy of King Kamehameha I statewide.

Activities performed include developing and maintaining the Art in Public Places Collection; operating the Hawaii State Art Museum (HiSAM); purchasing and displaying visual art; administering the Biennium Grants Program that provides statewide community funding for arts programming; and conducting programs and initiatives in cultural preservation, arts education, and community development.

SFCA maintains important relationships with the National Endowment for the Arts, its federal funding resource, and many agencies, notably the Department of Education; Department of Human Services; Department of Business, Economic Development and Tourism; and Hawaii Tourism Authority. Strong partnerships also include the Hawaii Community Foundation, the Hawaii Arts Alliance, the University of Hawaii and other community and cultural organizations.

LNR802 Historic Preservation

The State Historic Preservation Division (SHPD) engages and collaborates with various agencies, as well as the public and historic preservation partners to provide leadership in preserving, restoring, and maintaining historic and cultural properties; to ensure historic preservation is conducted in a spirit of stewardship and trusteeship for future generations in accordance with HRS §6E-3(8). As leaders in the field of historic preservation, SHPD will continue to expand its existing coordination initiatives with counties, state, and federal agencies,

as well as other preservation partners regarding sharing resources among agencies, the development of agreement documents, the development of county-led historic preservation programs, and ongoing training opportunities.

Recreational Activities

The objective of this program is to enrich the lives of people of all ages by providing opportunities and facilities for recreational activities (such as acquisition and exercise of artistic skills and crafts, participation in organized and informal sports, and attendance at spectator events).

LNR804 Forest And Outdoor Recreation

The Department of Land and Natural Resource's Division of Forestry and Wildlife (LNR 804) mission is to protect and manage natural and cultural resources and provide outdoor recreation. The division maintains access roads, check stations, boundary fences, gates, waterlines, signage, shelters, and trails.

There are two core programs under LNR 804:

1. The State of Hawaii Trails and Access Program (Na Ala Hele). The program manages trail access and conducts maintenance to provide important public services, including recreational opportunities, experiences related to cultural history and historic trails, and economic opportunities where possible for commercial trail vendors. Nā Ala Hele trails are also crucial for access to natural areas for management, research, hunting, and wildfire response.
2. Hunting Program. Hawaii's game management program provides opportunities for the recreational hunting of game birds and game mammals. However, game species currently hunted in Hawaii are not native, and game mammal species can have negative impacts on sensitive native species and ecosystems. Federal law precludes the use of federal funds in a manner that jeopardizes the continued existence of listed, proposed, or candidate threatened and endangered species. Because a large percentage of Hawaii's game program is funded by the Federal Wildlife Restoration Program (Pittman-Robertson or PR Program), game management decisions made for this program greatly influence management policy for public hunting areas in general. Maintaining a recreational public hunting program that does not threaten the persistence of native species and ecosystems in Hawaii is a complex endeavor. Public hunting can provide a useful tool in controlling game mammals on public and private lands where control is needed, and funds are scarce. The Hawaii Division of Forestry and Wildlife (DOFAW) public hunting program supports and facilitates hunting on public and private lands by providing a structured program that promotes and encourages participation. The program aims to direct hunting toward less ecologically sensitive areas, while at the same providing structured hunter access to more remote/pristine sites where recreational hunting can help to control game mammal populations.

LNR 806 Parks Administration and Operations

The Division of State Parks (DSP) manages, protects, and provides public access to experience specific natural, cultural, and scenic resources for current residents, visitors, and future generations. In doing so, DSP seeks to provide high-quality outdoor recreational and educational opportunities and promotes both safe recreational access and authentic cultural site experiences, while managing and permitting public access in a manner to minimize potential impacts and use conflicts at these sensitive natural and cultural resources.

To accomplish this, DSP maintains and implements park infrastructure and operations, while creating management partnerships, opportunities, and programs on five major islands. The State Parks system includes 54 park units that are actively managed, and other areas of responsibility that encompass nearly 34,000 acres that range from landscaped grounds with paved parking areas, restrooms, and other structures and developed facilities - to scenic or remote wildland areas with only trails and primitive facilities, along with significant historic and cultural sites that require specific protocols and site-specific management.

LNR 801 Ocean-Based Recreation

Public participation in the services provided by the program is expected to increase during the planning period. Factors influencing this demand would be general population increases, a greater desire to engage in cultural activities resulting from prior exposure to, and experience with, the arts, and a greater desire for more diversified choices in recreational activities. For most of the recreational activities conducted by the program, participation will not be influenced greatly by economic status because low to no user fees are charged with the exception of small boats, stadium activities, and park cabin rentals.

BED180 Spectator Events and Shows – Aloha Stadium

The objective of this Level III program is to provide people of all ages with the opportunity to enrich their lives through attendance at spectator events and shows.

Aloha Stadium performs the following activities:

1. Participates and provides input, recommendations, and feedback on the requirements for building a new stadium facility.
2. Provides leadership and managerial and administrative direction to stadium staff.
3. Provides recommendations on vision, direction, and requirements to address major projects involving the Aloha Stadium and its property.
4. Conducts ongoing promotional programs to enhance, expand, and market the facility as a viable and multi-functional facility that can cater and accommodate a range of events and target groups.
5. Provides ticket-selling services.
6. Provides public safety and security.
7. Repairs, maintains, and constructs improvements to stadium and related facilities.
8. Provides parking and maintains traffic controls within stadium premises.

Aloha Stadium directs, controls, and coordinates support activities relating to all events and shows. The Stadium has a long-standing professional relationship with the University of Hawaii (UH) and has required that the future stadium developer or operator allow UH to use the new stadium facility rent-free, along with offering additional revenue-generating opportunities.

Additionally, the Stadium requires the future developer or operator to permit up to 10 rent-free events per year for the Department of Education, including events like high school football games, graduations, and marching band performances.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Culture and Recreation program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 08

PROGRAM LEVEL: I. 08 CULTURE AND RECREATION

OBJECTIVE: TO ENRICH THE LIVES OF PEOPLE OF ALL AGES BY PROVIDING AND PRESERVING OPPORTUNITIES AND FACILITIES FOR CULTURAL AND RECREATIONAL ACTIVITIES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
08	1. NUMBER OF CAMPING AND CABIN USERS		53786	53786	53786	53786	53786	53786	53786	53786
	2. # OF PROJ BENEFIT NI, RURAL & UNDERSERV RESIDENTS		100	102	104	106	108	110	112	114

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
0801	CULTURAL ACTIVITIES	-	23,509	32,282	30,773	30,773	30,773	30,773	30,773	30,773
0802	RECREATIONAL ACTIVITIES	-	87,960	114,185	159,156	109,656	107,655	107,655	107,655	107,655
	TOTAL		111,469	146,467	189,929	140,429	138,428	138,428	138,428	138,428
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0801	CULTURAL ACTIVITIES	-			1,700					
0802	RECREATIONAL ACTIVITIES	-	39,501	29,102	16,150					
	TOTAL		39,501	29,102	17,850					

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Cultural Activities

UOH881 Aquaria

The best measures of program effectiveness for the Waikiki Aquarium is obtained by examining university and community participation in Aquarium offerings.

During FY 2023-24 the Aquarium facilities were used by the following number of people, including:

1. Special Events: Severely reduced events due to lack of funding.
2. Facility Rentals: Eleven facility rentals during FY 2023-24. Five facility rentals occurred so far in FY 2024-25. These may be suspended in early December 2024 due to the injection well project limiting the available lawn space.
3. Free Salt-Water: Over 2,200 home aquarists and university faculty took advantage of this free resource for an estimated total of 80,000 gallons.
4. Meeting Space: A variety of government and community groups utilized the Aquarium classroom for meetings during and after-hours.
5. Educational Programs: In FY 24, the Aquarium served over 2,000 participants in our Community Education and School Support Programs.

The clientele served by the Waikiki Aquarium includes the entire resident population of Oahu, neighbor island residents, and a large number of tourists from around the world.

Visitor satisfaction in FY 24 remained stable showing an average rating of 80%. Upcoming increased financial investment in facilities upgrades will result in even greater visitor comfort and visitor satisfaction.

Despite its small size, productivity of the Waikiki Aquarium is very high, even when compared to larger institutions on the mainland U.S. The Aquarium now offers more kinds of programs to more people on a per capita basis than any of the mainland U.S. Aquariums. There is no other aquarium in the U.S. with the same diversity of educational programs and offerings, none with the same impact in the development of unique new displays of marine life, and few which can boast the same degree of success in research programs or publications. This is particularly significant when it is realized that the Waikiki Aquarium is the second oldest and one of the smallest public aquariums in the United States.

LNR 802 Historic Preservation

A. Review and Compliance

1. The SHPD dedicates considerable effort aimed at identification and preservation of significant historic properties and to providing more timely reviews of materials submitted to the division to meet compliance requirements with state and federal regulations for historic preservation. Responsibilities include (1) interpreting and implementing programs, laws, and implementing regulations regarding historic preservation and historic properties; (2) serving as representatives of the state

regulatory agency for National Historic Preservation Act (NHPA) Section 106 and Hawai'i Administrative Rules Chapter 6E consultation among county, state, and federal agencies, project proponents (for private projects), Native Hawaiian Organizations, the general public, and local historic preservation partners; (3) partnering in the development of Agreement Documents to address long-term and strategic programmatic challenges as well as agency needs and requirements under the NHPA and/or the Chapter 6E processes for the evaluation, protection, preservation, mitigation, and management of historic properties; and (4) assisting in the preservation and management of historic properties and other significant cultural resources in accordance with legislation, regulations, and accepted theories and professional standards, guidelines, and practices.

2. Although approximately 60% of SHPD's personnel expenditures support the review and compliance program, it fulfills federal and state statutory mandates that results in the administrative review of various agency funded projects. This enables the projects to move forward in the process to expend the funding.

B. Survey and Inventory

1. The SHPD recognizes that regulatory-driven archaeological surveys will continue to be the dominant type of archaeological survey undertaken in the state and, as such, the SHPD needs to ensure these surveys are carried out in accord with current professional standards and active and effective community and historic preservation partner participation throughout the preservation process.
2. A Geographic Information System (GIS) is important to the preservation of historic properties and cultural resources because it allows one to visualize intangible cultural landscapes and analyze the locations and attributes of cultural resources with a known degree of accuracy and reliability. The SHPD GIS has been mostly used as an asset management tool to assign new State Inventory of Historic Places (SIHP) numbers, to digitize legacy and incoming site data, and to report on the statistics of historic properties and surveys to the National Park Service (NPS) every year. The potential use of GIS data at SHPD includes data integration with other digital systems, site suitability analyses for classifying culturally sensitive areas and predicting the potential locations of unknown cultural complexes, providing reliable data and information for academic research projects, and allowing the public to identify, view, and comment on historic properties and related projects.

C. State and National Register Programs

1. The SHPD maintains the list of nominated properties, properties listed in the Hawaii Register of Historic Places, and Hawaii properties listed in the National Register of Historic Places.

D. Burial Treatment Program

1. The SHPD in accordance with Chapter 6E, HRS, is required to: a. determine the proper treatment of Hawaiian burials, b. provide administrative support to the Island Burial Councils who decide upon the proper treatment of previously identified burials, and c. maintain a statewide inventory of unmarked Hawaiian burial sites, as well as issue penalties for violations.

This program enables development and private building projects to move forward toward completion once the proper burial treatment has been determined and completed.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0801

PROGRAM LEVEL: I. 08 CULTURE AND RECREATION
 II. 01 CULTURAL ACTIVITIES

OBJECTIVE: TO ENRICH THE LIVES OF PEOPLE OF ALL AGES BY DISPLAYING AND MAKING AVAILABLE FOR APPRECIATION AND STUDY SIGNIFICANT ELEMENTS OF OUR CULTURAL HERITAGE (SUCH AS PLANT AND ANIMAL LIFE, UNIQUE NATURAL FEATURES, PLACES AND THINGS OF HISTORICAL AND SCIENTIFIC INTEREST, LITERATURE, AND WORKS OF ART) AND BY PRESENTING CULTURAL AND ARTISTIC EVENTS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0801	1. # OF PROJ BENEFIT NI, RURAL & UNDERSERV RESIDENTS		100	102	104	106	108	110	112	114

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
080101	AQUARIA	UOH-881	4,085	5,429	5,434	5,434	5,434	5,434	5,434	5,434
080103	STATE FOUNDATION ON CULT. & THE ARTS INCL. KKC COMMISSION	AGS-881	15,906	20,780	19,143	19,143	19,144	19,144	19,144	19,144
080105	HISTORIC PRESERVATION	LNR-802	3,517	6,072	6,195	6,195	6,195	6,195	6,195	6,195
	TOTAL		23,508	32,281	30,772	30,772	30,773	30,773	30,773	30,773
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
080103	STATE FOUNDATION ON CULT. & THE ARTS INCL. KKC COMMISSION	AGS-881			1,000					
080105	HISTORIC PRESERVATION	LNR-802			700					

Recreational Activities

LNR 804 Forest and Outdoor Recreation

The Forest and Outdoor Recreation Level III Program (LNR 804) objectives are to (1) provide managed opportunities and facilities for the public to engage in multiple-use outdoor recreation activities (hiking, biking, equestrian riding, off-highway vehicle use, hunting, and camping) while also providing access for resource management; (2) maintain, and enhance a public hunting program to provide a source of food and outdoor recreation for the public and as a means to control introduced game animals in watershed areas; and (3) inventory, document ownership and restore specific historic trails and non-vehicular old government roads for public use where it is feasible and culturally appropriate.

This Program typically cooperates with the following State Departments on technical matters and for field implementation of program objectives: Agriculture, Business, Economic Development and Tourism, Education, Health, and Transportation. It also coordinates with federal agencies, including the Department of Defense, Fish and Wildlife Service, National Park Service, and Department of Transportation. Cooperation with County agencies and personnel includes coordination with the county water departments, county permitting and planning agencies, and county park departments.

Significant activities include (1) Evaluating, constructing, and maintaining recreational trails and access roads; (2) Maintaining ancillary recreational facilities (campgrounds, hunter check-in stations, shelters, arboreta, picnic areas); (3) Install, monitoring, and maintaining informational and warning signage; 4) Inventory and conduct surveys of game birds and mammals; 5) Evaluate hunter harvest and participation for setting seasons and establishing rules; (6) Enhance game bird habitat areas through fencing, planting, predator control management, and construction of necessary management facilities; (7) Manage, regulate and monitor commercial trail and access road tour activity; (8) Research title to ancient and historic trails, and determine feasibility of restoring for managed public use; (9) Develop new public hunting areas for management; and (10) Administer and manage citizen advisory and volunteer groups.

Important relationships include (1) cooperation with private landowners to manage recreation and hunting access; (2) implementation of federal programs for wildlife restoration program and the national recreational trails program; (3) coordination with federal, state, and county agencies and private organizations for acquisition of land or conservation easements for hunting and hiking; (4) cooperation with hunting, hiking and off-road vehicle clubs; and (5) cooperation with federal and county agencies for hiking and off-road vehicle programs.

LNR 806 Parks Administration and Operations

Parks and Operations: The Parks Administration and Operation Level III program (LNR 806) enhances the park program for the public by providing statewide administrative, maintenance, planning and interpretive services, formulating overall policies and plans, and determining future needs for ensuring the quality of management for current and future state parks and collaborating with the 4 Counties on the expenditure of the Land and Water Conservation Fund.

Also, provides safe and enjoyable recreational opportunities for the public by developing and operating state parks and preserving Hawaii's cultural history and traditional and cultural practices in park units that contain revered cultural assets or are part of Hawaii's cultural landscape.

Estimates vary on the millions of visitors that have and will visit State Parks. In 2019 it was estimated that over 10 million visitors (comprised of both residents and out of state visitors) patronized Hawaii State Parks. Due to emerging technology and establishing park vendors at 10 heavily patronized parks, data is now being compiled with greater accuracy on the fee-based parks.

State Parks has increased revenue by implementing a parking reservation program during 2020 and while the parks were closed due to the pandemic. Additional revenue sources are being created, and the State Parks operating budget will be able to address decades of deferred maintenance rather than exclusively using CIP, and enhance the operation, maintenance, and implementation of park programs.

- Managing, developing, sustaining, and planning for outdoor recreation areas and experiences.
- Management of parks comprised of historical and archaeological sites, and recreational, scenic, and natural resources.
- Operation, restoration, maintenance, interpretation of parks under the jurisdiction of the Division.

Cultural Resources: State Parks manages a wide variety of Hawaii's most venerated and historic Hawaiian cultural and archeologic resources. These cultural assets include Iolani Palace State Monument - the only royal palace in the United States, and the Royal Mausoleum State Monument – Mauna 'Ala, which is the final resting place for a majority of Hawaii's monarchy. The Kohala Historic Sites State Monument include the birthplace of Kamehameha I and Mo'okini Heiau, one the oldest and most famous luakini heiau in the State. Kealahou Bay State Historic Park is where Captain Cook landed in Hawaii and where he perished.

Across the island chain State Parks manages a variety of heiau, historic and archeologic sites, leina-a-ke-akua a (the places where spirits leaped into the nether world) burial sites and park units that host recreation but are also cultural landscapes of intrinsic natural beauty. This requires a balance between managed recreation and sensitivity to the values of Hawaiian culture. Some of the cultural assets have parking and comfort stations and infrastructure while others are in remote open space with no amenities whatsoever.

Management includes the necessity to consult with cultural practitioners and lineal descendants of these spaces on a wide variety of subjects related to public use of these areas. In addition, many of these sites are co-managed through partnerships with both lineal descent and staunch advocates of cultural preservation – ranging from general leases to curatorship agreements. This collaboration is essential and is of intrinsic value to both the stewards and of the place itself.

Recreational Activities: Major services of this program include construction and maintenance of inland picnic shelters, pavilions, cabins, comfort stations, paved and unpaved access roads, parking areas, and trails to enable access for hiking, running, biking, hunting, nature walks, viewing and experiencing cultural sites and activities, plus access and facilities at coastal areas to enable beach use, such as picnicking, coastal camping, ocean fishing, numerous types of ocean recreation such as surfing, kayaking, stand up paddle boarding, canoe paddling, and boating, and development and operation of areas adjacent to the ocean for beach park, ad facilities and shoreline fishing areas; and maintenance and interpretive programs in State Parks.

LNR 801 Ocean-Based Recreation

The management structure that DOBOR inherited from DOT is not the most effective for management of the small boat harbor program and does not allow adequate allocation of staff to DOBOR's ocean recreation management mandates. Under the current management structure Boating and Ocean Recreation Harbor Agents are responsible for performing management tasks of both the small boat harbor and ocean recreation programs. The Department has continued to recommend implementing the 2019 DOBOR Strategic Plan, which proposes the public-private partnership (P3) model for small boat harbor management. Under the P3 model, a private partner would handle day-to-day tasks, such as clerical and other menial office tasks, so that DOBOR staff would be able to monitor and manage recreational and commercial activities and interact with ocean users. To date, the State Legislature has not passed legislation to implement a P3 model for small boat harbors.

DOBOR will continue to seek legislative authorization to utilize the Public Private Partnership (P3) model for managing certain small boat harbors. In addition, DOBOR would investigate revising its organizational chart to create two separate programs under its jurisdiction: (1) a Small Boat Harbors Program which would handle the management/maintenance of the small boat harbors & boat launch ramps; and (2) an Ocean-Based Recreational and Coastal Areas (OBRCA) Program to address the ocean activities occurring in Hawaii waters. DOBOR require new positions to staff the OBRCA section because, as mentioned above, current staff are assigned to both the small boat harbor and ocean recreation programs, but staff time is almost always focused on the small boat harbor program.

There are approximately 13,000 registered vessels in the State, and less than 2,000 of those vessels are moored in the state small boat harbors. The remaining approximately 11,000 or so registered vessels are using state ocean waters on a regular basis and accessing waters from boat launch ramps, but DOBOR does not have any designated staff to address the user conflicts between boaters and all other ocean recreation users. By creating a new OBRCA section, DOBOR would be better equipped to meet to focus on addressing ocean user conflicts and protection and preservation of marine and natural resources.

Spectator Events & Shows – Aloha Stadium (BED 180)

For 49 years, the Aloha Stadium has been the gathering site on Oahu for hosting major events. The mission of Aloha Stadium is to meet the challenge of providing a first-class arena where the dreams of our young people can be realized through participation in sporting and other special events, where the spirit of achievement can be nourished by the thrill of competition, where families can gather to share their cultural diversity with pride and a feeling of Aloha.

The Stadium Authority (BED180) is now in a transitional period as work is in progress to redevelop the stadium site to include a new multi-use stadium as the centerpiece of a mixed-use district, termed the New Aloha Stadium Entertainment District (NASED). Although efforts were initiated long ago, work began in earnest in 2019 with Act 268, SLH 2019 that stated,

“Redeveloping, renovating, or improving these public lands in a manner that will provide suitable recreational, residential, educational, and commercial areas, where the public can live, congregate, recreate, attend schools, and shop, as part of a thoughtfully integrated experience, is in the best interests of the State and its people.”

Funding for this project is via Act 220, SLH 2022 which appropriated \$350 million in General Obligation Bonds and an additional \$50 million in General Funds.

Currently the evaluation of a proposal is underway, and it is expected that the developer selection process will be complete by late fall of 2024 with a contract executed by the end of June 2025.

Parallel to the site redevelopment plan, the Stadium Authority made the decision to close the stadium facility to public use in late 2021 due to unfunded deferred maintenance and safety concerns with the stadium structure. Stadium management underwent a workforce restructuring plan with a focus on limited operations of the site (rental of parking lots, parking lot events, and the Swap Meet) while implementing a paradigm shift from a service-delivery model to a land management agency capable of overseeing the large NASED development. (See Section IV below).

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0802

PROGRAM LEVEL: I. 08 CULTURE AND RECREATION
 II. 02 RECREATIONAL ACTIVITIES

OBJECTIVE: TO ENRICH THE LIVES OF PEOPLE OF ALL AGES BY PROVIDING OPPORTUNITIES AND FACILITIES FOR RECREATIONAL ACTIVITIES (SUCH AS ACQUISITION AND EXERCISE OF ARTISTIC SKILLS AND CRAFTS, PARTICIPATION IN ORGANIZED AND INFORMAL SPORTS, AND ATTENDANCE AT SPECTATOR EVENTS).

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0802	1. NUMBER OF CAMPING AND CABIN USERS		53786	53786	53786	53786	53786	53786	53786	53786

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
080201	FOREST AND OUTDOOR RECREATION	LNR-804	7,605	11,980	11,959	11,959	11,959	11,959	11,959	11,959
080202	DISTRICT RESOURCE MANAGEMENT (HISTORICAL)	LNR-805	2,250	2,324						
080203	PARKS ADMINISTRATION AND OPERATION	LNR-806	43,521	45,945	43,980	43,980	41,981	41,981	41,981	41,981
080204	OCEAN-BASED RECREATION	LNR-801	29,070	45,134	44,943	44,943	44,943	44,943	44,943	44,943
080206	SPECTATOR EVENTS & SHOWS - ALOHA STADIUM	BED-180	5,512	8,600	58,272	8,772	8,772	8,772	8,772	8,772
	TOTAL		87,958	114,183	159,154	109,654	107,655	107,655	107,655	107,655
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
080201	FOREST AND OUTDOOR RECREATION	LNR-804	200	2,500						
080203	PARKS ADMINISTRATION AND OPERATION	LNR-806	9,350	18,002	3,150					
080204	OCEAN-BASED RECREATION	LNR-801	29,951	8,600	13,000					
	TOTAL		39,501	29,102	16,150					

III. PROGRAM CHANGE RECOMMENDATIONS

Cultural Activities

UOH881 Aquaria

None.

AGS881 State Foundation on Culture and the Arts

This program has the following operating budget requests:

1. Add \$2,000,000 in special funds in FY 26 and FY 27 to increase special fund ceiling for Works of Art special fund.
2. Reduce 1.00 temporary FTE and \$70,175 in trust funds in FY 26 and FY 27 to delete long term vacant position for King Kamehameha Celebration Commission.
3. Reduce 0.75 permanent FTE and \$28,404 in special funds and 0.25 permanent FTE and \$7,560 in federal funds in FY 26 and FY 27 to delete long term vacant position.
4. Add \$28,404 in special funds in FY 26 and FY 27 to add back long-term vacancy funds.
5. Add \$7,560 in federal funds in FY 26 and FY 27 to add back long-term vacancy funds.
6. Add \$70,175 in trust funds in FY 26 and FY 27 to add back long-term vacancy funds.

This program has a capital improvement program (CIP) request to add \$1,000,000 in general obligation bond funds for No. 1 Capitol District Building, Site & Accessibility Improvements, O'ahu.

LNR802 Historic Preservation

A. Review and Compliance

1. The SHPD dedicates considerable effort aimed at identification and preservation of significant historic properties and to providing more timely reviews of materials submitted to the division to meet compliance requirements with state and federal regulations for historic preservation. Responsibilities include (1) interpreting and implementing programs, laws, and implementing regulations regarding historic preservation and historic properties; (2) serving as representatives of the state regulatory agency for National Historic Preservation Act (NHPA) Section 106 and Hawai'i Administrative Rules Chapter 6E consultation among county, state, and federal agencies, project proponents (for private projects), Native Hawaiian Organizations, the general public, and local historic preservation partners; (3) partnering in the development of Agreement Documents to address long-term and strategic programmatic challenges as well as agency needs and requirements under the NHPA and/or the Chapter 6E, HRS processes for the evaluation, protection, preservation, mitigation, and management of historic properties; and (4) assisting in the preservation and management of historic properties and other significant cultural resources in accordance with legislation, regulations, and accepted theories and professional standards, guidelines, and practices.
2. Overall, the GIS and SIHP development of the last 5 years has focused on making data collection reliable to meet the goals of providing accurate geospatial data to a greater audience. The development and adoption of new standards, new data formats, ArcGIS Online, and HICRIS has made it possible for SHPD to share geospatial data in novel ways that support historic preservation and hasten the project review workflow. At the

current rate of progress, it is estimated that data entry and QA/QC of the legacy GIS data will be 80-90% complete in the next 5-7 years depending on data entry support and whether the gaps in the SIHP represent sites or not. With that degree of reliability, the data will be able to support many different types of spatial and statistical analysis and present a more realistic view of the sites identified in the SIHP.

Recreational Activities

LNR 804 Forest and Outdoor Recreation

This program has the following Operating Budget requests:

1. Change MOF for unfunded Position #12075 from MOF A (-0.5 FTE) to N (0.5 FTE, \$46,897/\$46,897 N). This position provides skilled technical assistance to Wildlife Biologists through independent performance of specialized technical wildlife and related natural resources management work under general guidance and supervision. It provides technical services to foresters and/or other professionals from time to time as assigned. Per S-261 Grant Program Manager, there are sufficient funds for the position.
2. Deletion of long-term vacant positions (-\$79,872/\$-79,872 A). Trails and Access Specialist IV, Position #45494 for Hawaii Island is currently in recruitment. The Hawaii Branch is under constant call to respond to increasing land development where historic trail issues are a major concern while also managing and developing public recreational trail opportunities. This position would provide the professional and technical expertise to resolve historic trail issues, perform day-to-day maintenance of existing trails, and perform other trail and access administrative and operational duties to serve the public. This position represents the Division of Forest and Wildlife (DOFAW) at the monthly Na Ala Hele Advisory Council meetings and shares trail management issues, development concerns, and recreation use challenges and concerns raised by the community and commercial vendors.

LNR806 Parks Administration and Operation

This program has the following Operating Budget request: \$4 million increase in the special fund ceiling (\$2 million in FY 26 and FY 27 for equipment and motor vehicles) for the final phase of the upgrade to the Division of State Parks' (DSP) vehicle and equipment fleet.

It has the following CIP request: \$2,650,000 in general obligation bond funds (MOF C) and \$500,000 in federal funds (MOF N) in FY 26 will be used to supplement shortages in current or proposed CIP projects in FY 26. Due to the current restrictions, there will be increased reliance on special fund revenue to address both repair and maintenance and if economically feasible, shortfalls in CIP.

LNR801 Ocean-Based Recreation

This program has the following Operating Budget requests:

1. \$162,351 in special funds in FY 24 and FY 25 for fringe benefit adjustment.
2. Deletion of three long-term vacant positions (FTE 3.00, \$141,012 MOF A) and add three new Boating and Ocean Recreation Harbor Agent II positions (FTE 3.00, \$231,260 MOF B).

It has the following CIP requests:

1. Lahaina Small Boat Harbor maintenance dredging, Maui (\$5,000,000 in FY 26 in general obligation bond funds).
2. Lahaina Small Boat Harbor construction of outer marginal wharf (\$8,000,000 in FY 26 in general obligation bond funds).

Spectator Events & Shows – Aloha Stadium (BED 180)

This program has the following Operating Budget requests:

1. Adds \$49,500,000 in FY 26 in special funds for Stadium Development Special Fund.
2. Reduce 0.5 permanent scoreboard supervisor in FY 26 and FY 27 to delete long term vacancy.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Cultural Activities

UOH881 Aquaria

State-implemented cuts in positions and budget restrictions have limited the Aquarium's general fund allotment to merely meet the needs of nine staff salaries. The balance of the funds used in the daily operations of the Aquarium are almost exclusively derived from special funds and other earned revenue sources. Aquarium attendance is comprised of approximately 80% tourists and 20% from the local community. Attendance figures for the fiscal year ending June 30, 2024, indicated around 250,000 total visitors. Gate revenue remained unchanged from last year (about \$1.9 million).

We continue to create programs to increase our membership revenue and are preparing other fundraising efforts to generate additional funds. We are pursuing increases in facility rentals, educational offerings and research grant awards to generate additional income.

Although the COVID-19 pandemic severely curtailed efforts in this direction, it is hoped that revenue flow via donations and other cooperative ventures will eventually show a significant increase, and ultimately allow the Waikiki Aquarium to attain its plans for renewal, improvement and diversification of exhibits.

LNR 802 Historic Preservation

Climate change continues to have a significant impact on the State. Many historic sites are located along coastlines and could potentially be lost due to rising ocean levels and increasing coastal erosion. Pressure on coastal lands also pushes development inland, which can also affect existing historic and cultural properties. The challenge will be to capture knowledge and cultural practices associated with a site before that site is lost.

Another challenge for the historic preservation community is how best to prepare for natural disaster emergencies. Identifying and planning to protect, recover and rebuild historic properties after hurricanes, earthquakes, tsunamis, lava flows, floods, fire, military attack, and other disasters is an important but unrealized goal. SHPD recognizes that security, health, and

safety come first; and repairs and recovery are a later stage, but one that requires sufficient resources and planning to accomplish. A contingency plan should be in place that outlines the steps to be taken regarding historic properties on State and County land. The DLNR Continuity of Operations Plan has been developed by the State, however it is our understanding that more needs to be addressed at this time.

Recreational Activities

LNR 804 Forest and Outdoor Recreation

Land development is driving the State Trail and Access Program abstracting activities, researching land titles, and negotiating with developers for the protection and public use of ancient and historic trails. The program responds to legal issues where historic trails intersect with private property, community access, and cultural concerns while identifying the quality and value of historic features from a cultural and recreational basis.

With the housing boom, urbanization and development of previously rural areas are occurring at an accelerated pace. This can have a negative effect by increasing the number of wildlife nuisance problems in residential areas, leading to conflicts between homeowners and game animals. Directing public and private hunters to problem areas can relieve some conflicts but requires the cooperation of the entire community to allow greater hunting activity and access. Public hunting is also needed to help control feral mammal numbers in watersheds and important native ecosystems.

The continued public recreational interest in access to trails on or across both public and private lands and the associated liability and public safety concerns are creating the continued need to expand the ability to improve public access and better manage and maintain authorized trails and access routes. The continued interest in global ecotourism activities maintains the need to monitor, regulate, and collect fees from authorized commercial trail tour operators. Recent national surveys indicate an increased support and acceptance of wildlife activities nationally, including hunting, fishing, and other wildlife activities.

LNR 806 Parks Administration and Operations

The increasing State population and robust visitation through tourism has placed greater demands on recreational facilities, natural resources, and cultural and historic sites. The successful marketing and branding of Hawaii as a unique and popular visitor destination has further stimulated visitor interests and awareness of Hawaii's natural and cultural resources, and visitors continue to seek wilderness and cultural experiences and accessing areas formerly used mostly by residents (such as hunters, hikers, and cultural practitioners) in greater numbers. Specifically, the scenic beauty and cultural history of State Parks is becoming a more sought-after destination by the global visitors. This trend has been exacerbated by the proliferation of mobile phone technology that allows users to navigate more readily into remote areas and then transmit photos to social media and friends, stimulating greater demand.

In response, rural communities adjacent these highly visited and popular State Parks patronized by out of state visitors are now engaged in advocating for limits. In recognition of these impacts - some of which has been for decades, four (4) State Parks: Ha'ena State Park on Kauai, Wai'anapanapa State Park and Iao Valley State Monument on Maui, and Diamond Head State Monument on Oahu now have advanced reservation systems to reduce congestion and over

tourism, thus supporting the adjacent communities and improving the quality of experience and reducing resource impacts.

Currently, there are ten (10) State Park units collecting parking and entry fees, and there are specific additional parks that may qualify for future advanced reservations systems pending evaluation of the cost–benefit of fee collection. This trend requires visitors to plan more in advance prior to visiting State Parks in Hawaii. Residents are exempt from the reservations and fees and time slots are designed in a manner to ensure a certain quantity of resident access is available. In addition to visitor management and revenue, the goal is to restore access to park units previously subject to over tourism. This strategy requires careful observation by the contracted parking vendors.

Within the four (4) park units that require advanced reservations, the reservation and parking management is now being conducted by a parking visitor management company and in one by a community nonprofit, creating jobs and empowering the community to help manage visitors, a basic tenant of the concept “regenerative tourism.”

LNR 801 Ocean-Based Recreation

DOBOR has the responsibility of facilitating ocean recreation activities in the State’s ocean waters. This includes activities such as surf schools, tow-in surfing, surf contests, ocean tourism, and recreational thrill craft recreation areas. These activities, as well as all other ocean recreation activities taking place in State waters, are part of a growing trend of ecotourism that DOBOR plans to address through the ORMA program. There is a growing trend of ocean activities not associated with state small boat harbors, originating from other harbors, from private property, or from beaches. The funding of these programs, however, would be funded from harbor and user fees.

DOBOR is working to address the proliferation of commercial maritime activities occurring across the State. An exponential growth in these activities is in large part due to social media and an increase in visitors to the State. DOBOR is currently in the process of implementing regulations to address user conflicts and over-commercialization in high use areas across the State. Two examples of high-use areas are Manta Ray viewing sites on Hawaii Island and surf school operations, also on Hawaii Island. DOBOR is in the process of finalizing regulatory structures for these areas and is investigating other areas around the State that will potentially become high-use areas as well.

BED180 Spectator Events and Shows – Aloha Stadium

Parallel to the stadium site redevelopment plan, the Stadium Authority made the decision to close the stadium facility to public use in late 2021 due to unfunded deferred maintenance and safety concerns with the stadium structure. Stadium management underwent a workforce restructuring plan with a focus on limited operations of the site (parking Lots, etc.).

One program that remains a priority for the Stadium Authority, and generates significant revenue, is the Swap Meet. The Authority intends to keep the Swap Meet fully operational during and after the redevelopment of the stadium site. The current Swap Meet relies on existing stadium infrastructure to operate (restrooms, office spaces, etc.). With the existing stadium slated for demolition, the Swap Meet will be relocated on the property and a new layout

will be established in the Upper Halawa parking lot that includes locations for vendor stalls, restroom trailers, office trailers and a food court.

Utility connections (sewer, water, power) will be established for each site amenity and asphalt repairs and restriping must be completed prior to the relocation.

Other priorities for the Stadium Authority during this transitional period include:

1. Inventory Management

The Authority has completed the transfer of unneeded inventory to other State entities, in particular to the athletic department at the University of Hawaii. Further, the Authority received State Procurement Exception to Hawaii Administrative Rule §3-130-12, Excess State Property and §3-130-10, Regarding Disposal and Restrictions Relating to State Property. With these exemptions, the Authority has contracted with an auction company and has held several on-line auctions to sell items to the public beginning late in 2022. Periodic on-line auctions will continue through 2024.

2. Temporary Office Space and Storage

The Authority is in progress on establishing temporary office trailers and storage trailers on the stadium property.

3. Staffing

Given that the NASED project is expected to last 20-30 years, the Authority is working on a staffing plan that includes redesigning existing positions that will be better suited to manage the development activities.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Accounting and General Services may be found at the following web address: <https://ags.hawaii.gov/reports/>.

Reports and studies by the Department of Business, Economic Development and Tourism may be found at the following web address: <https://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Reports and studies by the Department of Land and Natural Resources may be found at the following web address: <https://dlnr.hawaii.gov/reports/>.

Reports and studies by the University of Hawaii system may be found at the following web address: <https://www.hawaii.edu/offices/government-relations/2025-legislative-reports/>.

LNR 802 Historic Preservation

Review and Compliance

1. The SHPD continues to review the option of legislatively mandating the counties the authority to review projects for determination under HRS, Chapter 6E. This would help with a timelier review of the 6E submittals at the county level.
2. Adaptive Reuse of historic properties is a viable option for helping families in need of affordable housing. Existing state and federal programs and incentives could be utilized to adapt vacant commercial and light industrial structures into affordable housing while revitalizing under-utilized properties and giving existing buildings a second life.

LNR 804 Forest and Outdoor Recreation

Reliance upon federal funds has increased over time, and federal funds now provide a significant portion of the operating funds for program activities such as statewide trail and access and hunting program materials, supplies, and equipment. While federal funds are helpful for basic field operations, state funds are needed to maintain the ability to adapt to rapidly changing circumstances. New funding sources may be available for natural resource management to fund activities that do not qualify for federal grants and to meet the match requirement for high-priority activities such as the maintenance of trails and accesses for watershed management, outdoor recreation, and emergency response.

LNR 806 Parks Administration and Operations

There is a proliferation of unauthorized commercial uses that target new and emerging experiences by out of state visitors who seek unique recreational activities, such as commercially offered camping, picnicking, guided tours, camper vans rental, and other similar experiences. There are two approaches to address this 1) create new commercial permits and determine authorized locations and establish limits if these activities are appropriate and should be regulated, and 2) increased law enforcement to cite and fine these operators. There are both pros and cons associated with this trend, and it merits further examination. In 2023 State Parks created Civil Resource Violation System (CRVS) to decriminalize violations and provide better tools for law enforcement to deter these illegal uses. This process is now being tested for its efficacy to deter illegal uses.

There is a concerning and increasing impact due to the proliferation of social media encouraging and enticing the public – both out of state visitors and residents - to access natural and cultural resource locations that are out of bounds, restricted and either dangerous or environmentally or culturally sensitive locations. A subset of this is social media promoting large after-hours parties and gathering in State Parks where a multitude of prohibited activity then occurs. This activity is dominated by residents. The boundaries established by both public and private land managers are now largely ignored as social media provides detailed information on the value of the location and how to access the sites. The CRVS system is intended to also address this issue.

There is an alarming increase and sustained occupation of several Oahu State Park units, with some neighbor islands, by the homeless population. This trend engages social services, law enforcement, DLNR staff, and contractors to periodically provide notice to the homeless campers that a sweep is imminent. This action requires operational funding to conduct the

cleanup. Concerns include impact to public health due to human waste and the associated rubbish and debris that is left by the homeless campers and desecration and pollution of natural and cultural sites. This situation has prompted State Parks in FY24 to budget for homeless cleanup costs. This is a re-occurring cost until a solution to the homeless issue is determined.

Due to years of an inadequate operating budget, creating a backlog of deferred maintenance, State Park has historically relied on CIP for what should be repair and maintenance (R&M) projects. Now with increased revenue, State Park is creating a Preferred Contractor Contract (PCC) procurement model, like the State DOE, to address R&M via service contracts each FY for tradesmen and contractors to streamline and increase the flexibility of procuring these services. This method of contracting is still being crafted but has been approved by State Procurement and may include other DLNR Divisions, such as DOBOR, also under Culture and Recreation.

09
Public Safety

PUBLIC SAFETY

I. OVERVIEW

The Public Safety program's overall objective is to protect the individual and property from injury and loss caused by criminal actions, accidents, physical hazards, and natural and man-made disasters.

The program consists of two Level II programs: Safety from Criminal Actions, and Safety from Physical Disasters. These programs are contained within the Departments of Corrections (DCR), Law Enforcement (LAW), the Attorney General (ATG), Land and Natural Resources (LNR), and Defense (DEF).

Safety From Criminal Actions

The objective of this program is to protect the individual and property from injury and loss caused by criminal actions by providing and coordinating services, facilities, security and legislation to preserve the peace; to prevent and deter crimes; to detect, apprehend, detain and rehabilitate criminals; and , where appropriate, to compensate victims of crime.

PSD402 Halawa Correctional Facility

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in high/medium/closed/minimum security facilities. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community.

The program provides for the care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided for include, but are not limited to: good security, health care, work programs, counseling and treatment programs, social development, education programs, religious programs, recreation, food service program, community service programs, furlough/reintegration programs, and the appropriate use of our contract bed facilities on the mainland.

Major cooperative working relationships with various State agencies, the Hawaii Federal Detention Center and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

PSD403 Kulani Correctional Facility

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in a minimum security facility. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and

work/training programs designed to prepare these inmates for reintegration into the community.

The program provides for the care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided for include good security, health care, work programs, vocational training, counseling and treatment programs, social development, education programs, religious programs, recreation, food service program, community service programs, and furlough and reintegration programs.

Major cooperative working relationships with various State agencies and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

PSD404 Waiawa Correctional Facility

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in a minimum security facility. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community, and to offer specialized treatment programs.

The program provides for the care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided for include good security, health care, work programs, counseling and treatment programs, social development, education programs, religious programs, recreation, food service program, community service programs, furlough and reintegration programs.

Major cooperative working relationships with various State agencies, the Hawaii Federal Detention Center and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

PSD405 Hawaii Community Correctional Center

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in high/medium/closed/minimum security facilities. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community. To offer furlough or specialized treatment programs at the Hawaii Community Correctional Center (HCCC) and/or reintegration back into the community through residential interventions that are least restrictive.

The facility provides for the care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided for include, but are not limited to, good security, health care, work programs, counseling and treatment programs, social development, education programs, religious programs, recreation, food service programs, community service programs, furlough/reintegration programs and the appropriate use of our contract bed facilities on the mainland.

Major cooperative working relationships with various State agencies and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

PSD406 Maui Community Correctional Center

The objective of this program is to protect the public from criminal offenders by providing assessment, supervision, custodial, and related individualized services for offenders incarcerated in high, medium and minimum security facilities. To provide for the basic needs of offenders by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reentry into the community. To offer reentry back into the community through the furlough or specialized treatment programs offered at the community correctional centers or alternatively, reentry back into the community through residential in-community programs and services.

The Maui Community Correctional Center (MCCC) provides for the care and custody of detainees and offenders placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities that are provided include security, health care, work programs, counseling and treatment programs, social development, education and vocational training programs, religious programs, recreation, food service programs, community service programs, furlough/reintegration programs and the appropriate use of our contract bed facilities on the mainland. Residential components of the Maui Drug Court (MDC) program for men and women are implemented as best practice.

Major cooperative working relationships with various State agencies, the Hawaii Federal Detention Center and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

The MDC is a unique collaboration between the Judiciary and MCCC.

PSD407 Oahu Community Correctional Center

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in high/medium/closed/minimum security facilities. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in

academic and work/training programs designed to prepare these inmates for reintegration into the community.

Major cooperative working relationships with various State agencies, the Hawaii Federal Detention Center and contract bed facilities on the mainland. Close working relationships have been developed with community organizations and non-profit groups.

PSD408 Kauai Community Correctional Center

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in a minimum security facility. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community.

The division provides for the care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided for include good security, health care, work programs, counseling and treatment programs, social development, education programs, religious programs, recreation, food service programs, community service programs, furlough/reintegration programs, and the appropriate use of our contract bed facilities on the mainland.

Major cooperative working relationships with various State agencies and contract bed facilities on the mainland. Close working relationships have also been developed with community organizations and non-profit groups.

PSD409 Women's Community Correctional Center

The objective of this program is to protect society by providing assessment, supervision, custodial, and related individualized services for inmates in a minimum security facility. To provide for the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment. To facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community.

The program provides care and custody of detainees and inmates placed in our custody by the Judiciary. This is performed in a humane, constitutional, secure and healthy environment with provisions made for those who need special medical, mental health or protective custody services.

The program activities provided include security, health care, work programs, counseling treatment programs, social development, education programs, religious programs, recreation, food service programs, community service programs, furlough/reintegration programs, and the appropriate use of our contract bed facilities on the mainland.

Major cooperative working relationships with contract bed facilities on the mainland and various State and federal agencies. Close working relationships have also been developed with community organizations and non-profit groups.

PSD410 Intake Service Centers

The objective of this program is to assist in the coordination and facilitation of public safety programs by implementing assessment, evaluation and supervision programs throughout the criminal justice system.

Currently, the Intake Service Centers Division (ISCD) provides pre-trial services and other related functions in accordance with Chapter 353-10, HRS, and the Prison Rape Elimination Act. ISCD is required to: conduct the initial interview on all new admissions into the community correctional centers (CCC), screen offenders for medical and mental health services (e.g., suicide critical within the first 48 hours of incarceration); conduct a pre-trial risk assessment on each pre-trial offender entering at a CCC within three working days; and complete the jail classification instrument to ensure appropriate housing designation for the health and safety of both inmate and staff.

Other tasks include: providing pre-trial bail reports for defendants to assist the courts in rendering dispositions for supervised release; providing evaluations to identify sentenced inmates eligible for alternatives to incarceration; and providing supervision and monitoring when offenders of the above programs are released into the community.

Another major responsibility of ISCD is developing, adapting and implementing new programs and services similar to other programs in other jurisdictions which have proven to be successful in reducing the incarcerated offender population. ISCD was the first agency in the State to use electronic surveillance equipment as a tool to monitor offenders in a community that needed intensive supervision. Currently, ISCD is participating with the Department of Health in the Mental Health Jail Diversion Project to divert mentally ill offenders from CCCs.

ISCD performs a significant portion of its functions in coordinating the processes and activities of the criminal justice system. Components include the county police and prosecutors, courts (judges), the Office of the Public Defender, probation and parole officers and vendors that provide treatment and housing needs in the community.

PSD420 Corrections Program Services

The objective of this program is to facilitate the safety of the public by providing statutory and constitutionally mandated evidence-based correctional programs that provide cognitive and behavioral rehabilitative services for the successful re-entry of the incarcerated to the community. These services include: individualized assessment; counseling and treatment services; academic, social skills and vocational education; meaningful on-the-job training and work opportunities; adequate and nutritious meals; opportunities for constructive recreational and leisure time activities; adequate access to the courts; and opportunities for worship in the religion of their choice.

Activities performed include: assessment and treatment of inmates who are sex offenders and/or dependent on drug or alcohol; cognitive behavioral thinking changes and educational services, such as literacy training, general educational services, and vocational training; job

development and social skills development; opportunity to conduct legal research; meaningful leisure library activities; spiritual and cultural guidance and counseling; and provision of healthy meals consistent with recommended nutritional dietary allowances.

The effective delivery of services requires close coordination with all administrators in the correctional system. In addition, program managers maintain cooperative relationships with other State and federal agencies. Program managers also use volunteer and/or religious organizations within the community. The program also coordinates services provided by private providers and community organizations that assist with the transition of inmates into the general community.

PSD421 Health Care

Working in conjunction with security, the Health Care Division (HCD) develops and maintains health care programs involving both in-house and community resources (public health, contract, and volunteer) for all correctional institutions. HCD also oversees the operations of these programs, ensuring adherence to contemporary community standards and those set forth by the National Commission on Correctional Health Care (NCCHC). NCCHC provides for the uniformity of quality of health care delivery, integration and coordination among health care providers while remaining fiscally responsible.

Medical services include: reviews of intake screening; periodic medical histories and comprehensive physical examinations; medication management and administration; emergency care; sick calls; medical clinics and chronic disease management to include diabetes, cancer, hepatitis C, human immunodeficiency virus (HIV), respiratory disease, renal dialysis and other chronic and terminal disease care; pre-natal care and female reproductive health care; infirmary care to include skilled nursing and end of life care; communicable disease management through annual tuberculosis screening and control measures; HIV and hepatitis C testing; other disease screenings; adult immunizations; laboratory testing; nutritional counseling; health education; and referral to outside specialty providers, as necessary. Dental services include: dental screenings, comprehensive dental examinations and dental clinics. Mental health services include: mental health assessments, seriously mentally ill treatment programs, crisis intervention, mental health therapy, psychotropic medication management and psychiatric care.

The effective delivery of health services requires close coordination with other programs. Externally, there are cooperative relationships with other State agencies and partners, such as the John A. Burns School of Medicine (JABSOM). HCD provides training opportunities and experience for the University of Hawaii health professional students and JABSOM medical and psychiatric residents.

PSD422 Hawaii Correctional Industries

Hawaii Correctional Industries (HCI) operates as a self-sustaining State entity that provides all able-bodied inmates with real-world work opportunities in various trades and develops work ethics that strengthen their ability to be productive citizens upon release.

HCI provides able-bodied inmates, under the care and custody of the Department of Corrections and Rehabilitation, work and job skill training. The work opportunities include: modular unit installation, moving, sewing and embroidery, warehouse and commissary, landscaping, light construction, painting, disinfection and sanitation services and product delivery.

Major cooperative working relationships are within the department, primarily with the Institutions Division. HCI has developed close working relationships with State agencies and non-profit organizations, which purchase finished goods and services.

HCI has developed close working relationships with vendors, both local and out-of-state, by providing necessary services, equipment, supplies, and raw materials needed to produce goods and services. HCI is also in contact with current and potential private sector partners.

PSD808 Non-State Facilities

The objectives of this program are to protect society by providing assessment, supervision, custodial, and related individualized services for inmates housed in out-of-state facilities and the Hawaii Federal Detention Center (HFDC), provide the basic needs of inmates by developing and maintaining a secure, safe, healthy and humane social and physical environment, and facilitate participation in academic and work/training programs designed to prepare these inmates for reintegration into the community.

This program provides adequate and secure housing and services for the out-of-state inmate population housed in Arizona, to include: health care services, workline opportunities, recreational activities, religious services, educational services, substance abuse programs, visitation opportunities, vocational training, food service, law library service, recreational library service, commissary, and access to courts. It ensures contract compliance for privately managed out-of-state facilities and HFDC in Honolulu's contracted State beds.

The success in keeping the contracted vendors accountable requires close monitoring, coordination and open communication with all administrators/program managers in the eight statewide correctional systems, private prison staff in Arizona and BOP staff. In addition, due to the tremendous fiscal responsibility of these contracts, it is imperative to work with the State Departments of the Attorney General, Accounting and General Services and Budget and Finance, and with various legal divisions and local counties of the private prisons and federal government.

LAW502 Narcotics Enforcement Division

The objective of this program is to protect the public through the enforcement of laws relating to controlled substances and regulated chemicals.

The Narcotics Enforcement Division (NED) is responsible for the administration of a statewide program of enforcement, investigation and the custodial care of Chapter 329, Hawaii Revised Statutes (HRS), Uniform Controlled Substance Act (UCSA).

Chapter 226 of the Hawaii State Plan requires that the State provide services that protect individuals from criminal acts and unfair practices to foster a safe and secure environment; support law enforcement programs aimed at curtailing criminal activities; and provide necessary services not assumed by the private sector. NED is essential in meeting the State Plan mandate to protect the health and safety of the people.

LAW503 Sheriff

The objective of this program is to serve and protect the public, government officials, and State personnel and property under State jurisdiction by providing law enforcement services which

incorporate patrols, surveillance and law enforcement tactical activities. To protect State judges and judicial proceedings, secure judicial facilities and safely handle detained persons. To provide secure transport for persons in custody and execute arrest warrants for the Judiciary and the Hawaii Paroling Authority (HPA). To provide law enforcement support to federal, State, and county agencies.

The Sheriff Division's (SD) primary responsibilities and activities are:

1. Providing security for all persons and property within and on the premises controlled by the Judiciary, including the secure movement of custodies to and from the courtrooms. This also includes responding to disturbances inside and outside court facilities and taking appropriate action to maintain public order.
2. Serving criminal documents (Grand Jury warrants, parole revocation warrants, traffic warrants, and restraining orders upon request).
3. Processing persons arrested by SD and other State law enforcement agencies.
4. Investigating complaints and arrest for criminal prosecution.
5. Responding to requests for assistance in matters concerning public safety.
6. Maintaining radio dispatch communication for public safety law enforcement and providing patrol backup when needed.
7. Providing safe, efficient, and effective transport for persons in custody.
8. Providing law enforcement services at the Honolulu International Airport.
9. Providing law enforcement services for the Downtown Civic Center and Kakaako area.
10. Serving as the lead agency for the Department of Law Enforcement, Law Enforcement Division, under the State Law Enforcement Coalition.
11. Providing law enforcement services at all the harbors surrounding the State.

Program relationships between the SD, the Judiciary, the HPA, and other federal, State and county law enforcement agencies are maintained in an effort to coordinate program objectives and share resources and information.

LAW504 Criminal Investigation Division

The Criminal Investigation Division (CID), formerly the law enforcement branch of the Department of the Attorney General, is now an Investigations Division for the Department of Law Enforcement (LAW). CID conducts a broad range of investigations involving suspected or actual violations of criminal, civil, and administrative laws, rules, regulations, or other legal requirements.

This program conducts special investigations dealing with confidential matters such as crime, subversive activities, public employees and officers, malfeasance and other sensitive matters. It provides investigative services in accordance with the Uniform Criminal Extradition Act. It conducts investigations of municipal and State agencies for non-conformance to policies or regulations.

Close coordination and working relationships with all criminal justice and public safety entities on the State, federal and county levels are critical to enforce the State's constitution and laws and to facilitate the enforcement of federal law, and to assist and coordinate statewide programs and activities that improve the criminal justice system and law enforcement.

LAW505 Law Enforcement Training Division

Under the general direction of the Deputy Director for Law Enforcement, the Law Enforcement Training Division (LETD) manages training and staff development functions and needs, developing overall plans and strategies, and designing curricula, course content and examinations for law enforcement training needs; coordinates and conducts training courses, including the training of trainers; and monitors adherence to training programs, schedules, and other requirements.

Due to the unique needs of a newly created department, the phases of the training will evolve as the project matures. The activities of a startup versus a mature organization are different; however, every phase will focus on ensuring all Department of Law Enforcement (LAW) Law Enforcement officers are suitably qualified by focusing on employee competence and safety.

LETD shall focus on all LAW Law Enforcement officers possessing their specific competence requirements before performing their roles and responsibilities. These competence requirements are used to determine a roadmap for employees to achieve competence indicating the training required for the position.

As the LAW Training Facility is still in the planning process, LETD will continue to utilize Department of Public Safety Training and Staff Development facilities until 2025. In collaborative efforts to engage with partner law enforcement agencies, LAW has conducted active shooter training for the Honolulu Prosecutors' Office.

LAW900 General Administration

The objective of this program is to assist the Department of Law Enforcement (LAW) in achieving its mission by planning, evaluating, and monitoring expenditures; managing the procurement of goods and services; administering a statewide training program for employees; administering policies and procedures; providing personnel services, fiscal services, management information, public relations; and administering internal investigative programs to ensure proper execution and compliance of laws, rules, regulations and standards of conduct.

Program activities include:

1. Researches and plans programs and systems and organizes and coordinates activities and resources to achieve departmental objectives.
2. Provides administrative, managerial, personnel or human resources services, and technical support services to field operations and provides fiscal control of expenditures.
3. Assesses departmental training needs with reference to health, safety, and security, as well as compliance with mandates, policies, and professional guidelines.
4. Maintains coordinated and cooperative relationship with other public and private agencies to integrate and continually improve the criminal justice system.

Close coordination and working relationships with all State, federal and county criminal justice and public safety entities are critical to the operations of LAW functions.

LAW901 Office of Homeland Security

The objective of this program is to start by strengthening the State of Hawaii's homeland security governance, codifying the process, partnerships and systems for information and

intelligence analysis and dissemination, grow a cadre of homeland security experts, and develop functional core programs to cultivate a state of readiness for the State of Hawaii.

The Office of Homeland Security (OHS) will manage the homeland security threats facing the State by setting the State's goals and objectives and provide a foundation for supporting an implementation plan.

No single agency possesses the authority and the expertise to act unilaterally on the many complex issues that could arrive in response to homeland security threats. Action requires open communication and coordination between and among OHS and various public and private partners, especially law enforcement, public safety, public health and emergency management.

PSD611 Adult Parole Determinations

The objective of this program is to protect the community and facilitate the rehabilitation of persons sentenced to confinement by making determinations regarding their readiness for release prior to the expiration of their full sentence.

Program activities performed include:

1. Statutory requirements for administrative hearings are met to determine minimum term(s) of imprisonment, determine readiness for parole and decide whether parole should or should not be revoked.
2. Review and decision-making on administrative matters to include: applications for reduction of minimum term(s) of imprisonment, requests for intrastate transfer of parole, requests for early parole hearings, suspensions of parole due to absconding and early discharge considerations, etc.
3. Application review for gubernatorial pardon and makes recommendations to the Governor.
4. Recommendations to staff for conceptual and philosophical direction as to parolee supervision.
5. Recommendation and review of sound parole legislation to the Legislature and sound parole administration to the public.

The program works cooperatively with all criminal justice agencies, coordinates efforts with correctional, law enforcement, and health (mental health) agencies, and coordinates with community residential programs and housing.

PSD612 Adult Parole Supervision and Counseling

The objective of this program is to supervise the activities of persons granted parole so as to assure their behavior conforms to the standards set down. To provide such guidance, counseling and assistance as may be required to aid their rehabilitation.

Under Parole Preparation Assistance, the activities include:

1. Interviewing prisoners and reviews prison records and all available information on the prisoners' parole plans.
2. Conducting investigations to determine validity and suitability of prisoners' parole plans prior to submittal to the Hawaii Paroling Authority (HPA).

3. Evaluation and assessment of prisoners' readiness for parole release and community supervision.
4. Serving legal notice on prisoners, informing them of due process rights, explaining as necessary what the hearing entails, options available, what is permissible, etc.

Under Parole Supervision, the activities include:

1. Explaining the terms and conditions of parole to paroled prisoners.
2. Providing counseling, guidance, and community supervision.
3. Assisting in job seeking, placement, and maintenance.
4. Consulting with and coordinating public and private agency resources with paroled prisoners.
5. Investigating all complaints made against paroled prisoners.
6. Ensuring compliance with the terms and conditions of parole.
7. Taking initial action based on investigation to address alleged parole violations and moving to re-imprison parole violators when appropriate.
8. Maintaining accurate records, files, etc., and submitting the required reports, etc.
9. Evaluating adjustment of paroled prisoners to determine possible reversion to crime.
10. Testifying before any appropriate body.
11. Conducting preliminary hearings for parole violators.

Under Pardon Investigations, the activities include:

1. Providing direct assistance to petitioners for gubernatorial pardon.
2. Conducting investigation of an applicant's submittal and overall background.
3. Preparing a written report of findings and recommendation to HPA.

Under Management and Administrative, the activities include:

1. Maintaining accurate records on parolees.
2. Compiling and maintaining statistics.

Important program relationships include cooperation with all criminal justice agencies and coordination of efforts with correctional, law enforcement, and health (mental health) agencies.

PSD900 General Administration

The objective of this program is to assist the Department of Corrections and Rehabilitation (DCR) in achieving its mission by planning, evaluating, and monitoring expenditures; managing the procurement of goods and services; administering a statewide training program for employees; administering policies and procedures; providing personnel services, fiscal services, management information, and public relations; and administering internal investigative programs to ensure proper execution and compliance of laws, rules, regulations and standards of conduct.

Program activities include:

1. Researching and planning programs and systems and organizes and coordinates activities and resources to achieve departmental objectives.

2. Providing administrative, managerial, personnel or human resources services, and technical support services to field operations and providing fiscal control of expenditures.
3. Assessing departmental training needs with reference to health, safety, and security, as well as compliance with mandates, policies, and professional guidelines.
4. Maintaining coordinated and cooperative relationship with other public and private agencies to integrate and continually improve the criminal justice system.\

Close coordination and working relationships with all criminal justice and public safety entities of the State, federal and county are critical to the maintenance and operations of DCR's functions.

ATG231 State Criminal Justice Information and Identification

The Hawaii Criminal Justice Data Center (HCJDC) provides complete, accurate, and timely criminal justice information for use by all criminal justice and certain authorized non-criminal justice agencies throughout the State, and provides a statewide system of civil and criminal identification based on fingerprints, demographics, and photos.

Criminal Justice Information System (CJIS-Hawaii): Operation of the automated statewide information system that collects, maintains, and disseminates criminal history record information for those arrested, fingerprinted, and photographed. CJIS-Hawaii also includes a statewide database of temporary restraining orders and protection orders, and a DNA tracking application.

Criminal Identification: Management of the Automated Biometric Identification System (ABIS) of adult and certain juvenile offenders arrested, including crime scene fingerprints (latents). A statewide mugphoto and facial recognition system is also maintained, which includes mugphotos received from law enforcement and custodial agencies in the State.

Criminal Records Clearance: Conducting criminal history record checks mandated by law for specific programs or services, as well as checks administratively required for civil service employment, and other public or private agencies or individuals in response to specific clearance requests.

Sex Offender Registration: Registration of convicted sex offenders and the maintenance of this information on a statewide registry pursuant to the requirements of federal and State legislation. Includes the 90-day mail-in and annual in-person verification requirements for registration information.

Hawaii Integrated Justice Information Sharing Program: Coordination of services and resources, leveraging national information sharing standards and best practices, to provide statewide information sharing capabilities across the justice and public safety enterprise and to facilitate information exchange amongst them. Includes a subscription/notification service and a query of CJIS-Hawaii, bench warrants, and firearms registration information.

Point of contact for the State regarding the access to and support of the Federal Bureau of Investigation's (FBI) National Crime Information Center (NCIC) program, which includes

maintaining the statewide connectivity to the FBI on a 24/7 basis, training and certifying users, auditing, and ensuring the State complies with the security policies as defined by the FBI.

Expungement of Arrest Records: Research of an applicant's criminal history, evaluation of expungement criteria, the issuance of orders and certificates, and the sealing of records.

The HCJDC coordinates the ABIS, sex offender registration, and criminal history record (CJIS-Hawaii) functions for Hawaii's criminal justice agencies at both the State and county levels. As the point of contact for the FBI's NCIC, the HCJDC provides the oversight for the connectivity to the federal crime information system, and to other law enforcement and criminal justice systems in the other 49 states.

Safety From Physical Disasters

The objective of this program is to minimize death, injury, disability and property damage and the economic losses therefrom by preventing potentially hazardous phenomena from occurring, reducing the severity of the harmful forces involved, removing or reducing the number and susceptibility of people and property subject to injury or damage, helping the victims of and restoring property damaged by accidents and disasters, and preventing secondary injury and damage from occurring.

LNR810 Prevention of Natural Disasters

The Prevention of Natural Disasters Level III program objective is to minimize death, injury, disability, property damage, and economic losses resulting from flooding disasters through flood risk management and dam safety activities. However, the program's contributions toward the reduction of losses are contingent on the inspection of dams and land treatment measures, use of land in flood hazard areas, and flood control works installed, operated, and maintained by others.

DEF110 Amelioration of Physical Disasters

The objective of this program is to minimize deaths, injuries, property damage and economic losses in the event of physical disasters, mass casualty situations, or man-made disasters by providing Administration (ADMIN), Army National Guard (HIARNG), Air National Guard (HIANG), Hawaii Emergency Management Agency (HI-EMA), and adequate manning, training, equipment and readiness to expeditiously respond to both national and State missions and emergencies.

ADMIN performs the following functions:

1. Provides executive management and control of the department's programs and activities.
2. Provides coordination of the department's planning, programming and budgeting activities and financial and property management activities.
3. Provides State personnel support activities for the department.
4. Provides engineering services for the department's construction, repair and maintenance, real property management, and fire protection programs and activities.
5. Plans, develops, directs, and administers the department's community relations, and public and internal information programs.

The most important program relationship involves the federal-State missions and the responsibilities as well as funding support for all programs. Because of the dual federal-State mission, the federal government, through the National Guard Bureau and Federal Emergency Management Agency, retains control through the allocation of units, personnel strength and/or funds.

Other important program relationships involve the following agencies who either have primary responsibilities to assist with providing for the health, welfare, and safety of citizens or control available resources in the event of disasters.

1. Federal Government: National Oceanic and Atmospheric Administration; Army Corps of Engineers and other local military commands of the DOD; Department of Health (DOH), Education and Welfare; Department of Housing and Urban Development; Department of Agriculture (DOA); Department of Transportation (DOT); Small Business Administration; General Services Administration; and Atomic Energy Commission.
2. State Government: Departments of Land and Natural Resources; Taxation; Business, Economic Development and Tourism; Human Services; Commerce and Consumer Affairs; Labor and Industrial Relations; Attorney General; DOT; DOA; DOH; and B&F.
3. County Government: County Civil Defense/Emergency Management agencies and law enforcement agencies.
4. Private Sector: American Red Cross, Salvation Army, and church groups which provide assistance to individuals affected by a disaster.

DEF116 Hawaii Army and Air National Guard

The objective of this program is to minimize deaths, injuries, property damage and economic losses in the event of physical disasters, mass casualty situations, or man-made disasters by providing the Hawaii Army National Guard (HIARNG) and Hawaii Air National Guard (HIANG) adequate manning, training, equipment and readiness to expeditiously respond to both National and State missions and emergencies.

HIARNG and HIANG functions include:

1. Provides for the command and control of all units and activities to include total planning, formulating goals and objectives, and supervising the activities of subordinate units.
2. Provides for the operations and training of all units and activities to include development of operational and training plans, coordination of support to civil authorities, and administration of the Hawaii Military Academy.
3. Provides disaster assistance and helicopter support to State and county civil defense and law enforcement agencies for disaster emergencies and drug reduction and prevention efforts.
4. Provides military units to support our Nation's wars.

The most important program relationship involves the federal-State missions and the responsibilities as well as funding support for all programs. Because of the dual federal-State mission, the federal government, through the National Guard Bureau (NGB) and Federal Emergency Management Agency, retains control through the allocation of units, personnel strength and/or funds.

Other important program relationships involve the following agencies who either have primary responsibilities to assist with providing for the health, welfare, and safety of citizens or control available resources in the event of disasters.

1. Federal Government: National Oceanic and Atmospheric Administration; Army Corps of Engineers and other local military commands of the Department of Defense; Department of Health and Human Services (DHHS), Department of Housing and Urban Development; Department of Agriculture (DOA); Department of Transportation (DOT); Small Business Administration; General Services Administration; and Atomic Energy Commission.
2. State Government: Departments of Land and Natural Resources; Taxation; Business, Economic Development and Tourism; Budget and Finance; Human Services; Commerce and Consumer Affairs; Labor and Industrial Relations; Attorney General; and DOT; DOA; and DOH.
3. County Government: County Civil Defense/Emergency Management agencies and law enforcement agencies.
4. Private Sector: American Red Cross, Salvation Army, and church groups which provide assistance to individuals affected by a disaster.

DEF118 Hawaii Emergency Management Agency

The objective of this program is to minimize deaths, injuries, property damage and economic losses in the event of physical disasters, mass casualty situations, or human-made disasters through State and countywide planning, preparedness, training, exercises, and mitigation.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Public Safety program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 09

PROGRAM LEVEL: I. 09 PUBLIC SAFETY

OBJECTIVE: TO PROTECT THE INDIVIDUAL AND PROPERTY FROM INJURY AND LOSS CAUSED BY CRIMINAL ACTIONS, ACCIDENTS, PHYSICAL HAZARDS, AND NATURAL AND MAN-MADE DISASTERS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
09	1. NO. ARRESTS MADE BY DEPT'L LAW ENFORCMENT OFFICERS		4200	4200	4200	4200	4200	4200	4200	4200
	2. NO. OF ESCAPES AS DEFINED BY SEC. 710-1020, HRS		0	0	0	0	0	0	0	0
	3. NUMBER OF PAROLE VIOLATORS RETURNED TO PRISON		390	390	390	390	390	390	390	390

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
0901	SAFETY FROM CRIMINAL ACTIONS	-	2,378	1,856	1,856	1,856	1,856	1,856	1,856	1,856
	TOTAL		2,378	1,856	1,856	1,856	1,856	1,856	1,856	1,856
<u>OPERATING EXPENDITURES</u>										
0901	SAFETY FROM CRIMINAL ACTIONS	-	382,940	420,775	432,880	430,421	430,422	430,422	430,422	430,422
0902	SAFETY FROM PHYSICAL DISASTERS	-	647,583	133,271	121,283	112,981	112,982	112,982	112,982	112,982
	TOTAL		1,030,523	554,046	554,163	543,402	543,404	543,404	543,404	543,404
<u>TOTAL OPERATING EXPENDITURES</u>										
0901	SAFETY FROM CRIMINAL ACTIONS		385,318	422,631	434,736	432,277	432,278	432,278	432,278	432,278
0902	SAFETY FROM PHYSICAL DISASTERS		647,583	133,271	121,283	112,981	112,982	112,982	112,982	112,982
	TOTAL		1,032,901	555,902	556,019	545,258	545,260	545,260	545,260	545,260
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
0901	SAFETY FROM CRIMINAL ACTIONS	-	29,000	101,000	132,500	5,000				
0902	SAFETY FROM PHYSICAL DISASTERS	-	19,420	14,337	16,621	37,310				
	TOTAL		48,420	115,337	149,121	42,310				

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Safety From Criminal Actions

PSD402 Halawa Correctional Facility

The already high and growing inmate population creates overcrowded conditions making it difficult to provide the necessary treatment programs for those who need it. Mainland facilities are better equipped in providing such programs and resources.

PSD403 Kulani Correctional Facility

None.

PSD404 Waiawa Correctional Facility

The high and growing inmate population creates overcrowded conditions making it difficult to provide necessary treatment programs. Mainland facilities are better equipped in providing such programs and resources.

PSD405 Hawaii Community Correctional Center

The high, growing population makes it difficult to provide necessary treatment programs. The facility is endeavoring to provide a wide range of programs to satisfy the individual needs of the inmate population.

PSD406 Maui Community Correctional Center

The growing population makes it difficult to provide the necessary treatment programs, because the physical space available is limited. Currently, contracted mainland facilities are better equipped to provide such programs and work activities because they have contracts and resources.

The jail inmate population continues to utilize between 65% and 70% of the available bed space and resources.

PSD407 Oahu Community Correctional Center

The growing population makes it difficult to provide the necessary treatment programs. Mainland facilities are better equipped to provide such programs and work activities, given their resources and space capacity.

PSD408 Kauai Community Correctional Center

The growing pre-trial population makes it difficult to provide necessary treatment programs for those who actually need it.

PSD409 Women's Community Correctional Center

None.

PSD410 Intake Service Centers

The effectiveness of the ISCD program can be measured by the number of bed days saved through the diversion of pre-trial offenders, revocation rate of the offenders, percent of pre-trial supervision offenders not appearing in court as scheduled and percent of supervised release offenders charged with a new offense.

PSD420 Corrections Program Services

The Corrections Program Services (CPS) affects every person incarcerated in correctional facilities in Hawaii. Some enable the Department of Corrections and Rehabilitation to meet constitutional and legal mandates, such as access to legal materials and religious expression. Other activities within CPS provide inmates with skills necessary for successful reintegration into the community by promoting public safety and reducing recidivism.

PSD421 Health Care

The cost of health services rises as the inmate population increases in age and as community standards for care broadens. Failure to meet the health care needs of inmates creates serious litigation liability to the State.

PSD422 Hawaii Correctional Industries

HCI is self-supporting and is required by statute to generate revenue. With proper fiscal management, funds can be properly allocated to cover costs and invest in expanding work opportunities.

PSD808 Non-State Facilities

The cost to deliver services to house Hawaii inmates as specified in the State's contractual agreements for out-of-state facilities is approximately \$37 million dollars, inclusive of: daily per diem, medical costs, workline costs, transportation costs, and administrative costs.

LAW502 Narcotics Enforcement Division

None.

LAW503 Sheriff

Increasing demands for law enforcement services have added to the responsibilities of SD. Additional resources are required to maintain the effectiveness of the program. Current requests for law enforcement services from the Judiciary and other agencies have strained available personnel and equipment.

LAW504 Criminal Investigation Division

The effectiveness of the program in meeting its primary objectives is directly related to adequate levels of positions and funding.

LAW505 Law Enforcement Training Division

The effectiveness of the training program in meeting its primary objective is directly related to adequate levels of funding and positions.

LAW900 General Administration

The effectiveness of the program in meeting its primary objective is directly related to adequate levels of funding and positions.

LAW901 Office of Homeland Security

The effectiveness of the OHS program in meeting its primary objective is directly related to adequate levels of positions and funding.

PSD611 Adult Parole Determinations

The cost to supervise paroled prisoners decreases as caseload increases. When this happens, the effectiveness of parole supervision is adversely affected and the number of parole violators returning to prison escalates. As a result, prison overcrowding and overall cost to the State goes up.

PSD612 Adult Parole Supervision and Counseling

The cost to supervise paroled prisoners decreases as caseload increases. As such, the effectiveness of parole supervision is adversely affected and the number of parole violators returning to prison escalates. As a result, prison overcrowding and overall cost goes up.

PSD900 General Administration

The effectiveness of the program in meeting its primary objective is directly related to adequate levels of funding and positions.

ATG231 State Criminal Justice Information and Identification

The HCJDC maintains more than 17 million records in CJIS-Hawaii. The ABIS system maintains over 764,000 automated fingerprint records and processes more than 5,700 first-time arrestees each year. Approximately 250,000 record checks were requested by non-criminal justice entities in FY 22 and we expect to continue to process at least this many in subsequent years.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0901

PROGRAM LEVEL: I. 09 PUBLIC SAFETY
 II. 01 SAFETY FROM CRIMINAL ACTIONS

OBJECTIVE: TO PROTECT THE INDIVIDUAL AND PROPERTY FROM INJURY AND LOSS CAUSED BY CRIMINAL ACTIONS BY PROVIDING AND COORDINATING SERVICES, FACILITIES, SECURITY AND LEGISLATION TO PRESERVE THE PEACE; TO PREVENT AND DETER CRIMES; TO DETECT, APPREHEND, DETAIN AND REHABILITATE CRIMINALS; AND, WHERE APPROPRIATE, TO COMPENSATE VICTIMS OF CRIME.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0901	1. NO. ARRESTS MADE BY DEPT'L LAW ENFORCEMENT OFFICERS		4200	4200	4200	4200	4200	4200	4200	4200
	2. NO. OF ESCAPES AS DEFINED BY SEC. 710-1020, HRS		0	0	0	0	0	0	0	0
	3. NUMBER OF PAROLE VIOLATORS RETURNED TO PRISON		390	390	390	390	390	390	390	390

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS</u>										
090101	CONFINEMENT AND REINTEGRATION	-	2,378	1,856	1,856	1,856	1,856	1,856	1,856	1,856
	TOTAL		2,378	1,856	1,856	1,856	1,856	1,856	1,856	1,856
<u>OPERATING EXPENDITURES</u>										
090101	CONFINEMENT AND REINTEGRATION	-	233,568	281,439	283,052	282,326	282,327	282,327	282,327	282,327
090102	ENFORCEMENT	-	91,793	96,309	105,916	104,375	104,375	104,375	104,375	104,375
090103	PAROLE SUPERVISION AND COUNSELING	-	4,834	5,762	5,781	5,781	5,781	5,781	5,781	5,781
090104	CRIME VICTIM COMPENSATION COMMISSION	PSD-613	1,554	3,169	3,170	3,170	3,171	3,171	3,171	3,171
090105	GENERAL SUPPORT - CRIMINAL ACTION	-	51,189	34,094	34,959	34,767	34,768	34,768	34,768	34,768
	TOTAL		382,938	420,773	432,878	430,419	430,422	430,422	430,422	430,422
<u>TOTAL OPERATING EXPENDITURES</u>										
090101	CONFINEMENT AND REINTEGRATION		235,946	283,295	284,908	284,182	284,183	284,183	284,183	284,183
090102	ENFORCEMENT		91,793	96,309	105,916	104,375	104,375	104,375	104,375	104,375
090103	PAROLE SUPERVISION AND COUNSELING		4,834	5,762	5,781	5,781	5,781	5,781	5,781	5,781
090104	CRIME VICTIM COMPENSATION COMMISSION	PSD613	1,554	3,169	3,170	3,170	3,171	3,171	3,171	3,171
090105	GENERAL SUPPORT - CRIMINAL ACTION		51,189	34,094	34,959	34,767	34,768	34,768	34,768	34,768
	TOTAL		385,316	422,629	434,734	432,275	432,278	432,278	432,278	432,278
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
090102	ENFORCEMENT		-	4,000						
090105	GENERAL SUPPORT - CRIMINAL ACTION		29,000	97,000	132,500	5,000				
	TOTAL		29,000	101,000	132,500	5,000				

Safety From Physical Disasters

LNR 810 Prevention of Natural Disasters

This program maintains and updates a general statewide flood control plan, inventory of dams, and coordinates dam safety regulatory activities in the State.

Flood control is essentially a local matter, as each county has the primary responsibility for flood prevention and control activities. The State and Federal governments assist the counties in carrying out their flood prevention and control responsibilities by providing technical and financial assistance.

This program continually reviews applicable legislation and laws and recommends changes or additions as required. The counties are kept apprised of any changes to or new requirements of State or Federal programs and assists them in qualifying for these programs. Owners of dams are kept apprised of their safety requirements.

This program administers a dam and appurtenance improvement or removal grant program (dam grant program) to assist private dam owners in keeping their dams properly maintained and manages the dam and appurtenance improvement or removal grant program special fund for this dam grant program.

DEF110 Amelioration of Physical Disasters

The department's budget consists of 75% in federal and other federal funds. The 25% consists of general funds for shared costs to manage and administer the National Guard, HI-EMA, maintenance of all State-owned and federal licensed facilities used by the department and administrative costs.

DEF116 Hawaii Army and Air National Guard

The effectiveness measures for the program are based on the capability and readiness of HIARNG to accomplish both federal and State missions. The measures are expressed in terms of organization and people; plans and training; and supplies and equipment required to maintain a desired readiness level of 85% for personnel, 90% for logistics, and 80% for training.

The effectiveness measures for the program are based on the capability and readiness of HIANG to accomplish both federal and State missions. The measures are expressed in terms of organization and people; plans and training; and supplies and equipment required to maintain a desired readiness level of 95% for personnel, 90% for logistics, and 90% for training.

It is at these selected levels of readiness that there is a high level of confidence that the organization will be able to fulfill their given missions and meet the readiness level as specified in the Hawaii State Plan.

DEF118 Hawaii Emergency Management Agency

The effectiveness measures for the program are based on the capability and readiness of HI-EMA to accomplish both federal and State missions. The measures are expressed in terms of organization and people; plans and training; and supplies and equipment required to maintain a desired readiness level of 75% for personnel, 82% for logistics, and 75% for training.

The program size data reflect as a target group the visit or population of the State that may be exposed to physical and health-related disasters or pandemic. Additionally, the target group includes all public, commercial businesses and private establishments and properties that are subject to losses or damages from physical disasters or health-related pandemic.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 0902

PROGRAM LEVEL: I. 09 PUBLIC SAFETY
 II. 02 SAFETY FROM PHYSICAL DISASTERS

OBJECTIVE: TO MINIMIZE DEATH, INJURY, DISABILITY AND PROPERTY DAMAGE AND THE ECONOMIC LOSSES THEREFROM BY PREVENTING POTENTIALLY HAZARDOUS PHENOMENA FROM OCCURRING, REDUCING THE SEVERITY OF THE HARMFUL FORCES INVOLVED, REMOVING OR REDUCING THE NUMBER AND SUSCEPTIBILITY OF PEOPLE AND PROPERTY SUBJECT TO INJURY OR DAMAGE, HELPING THE VICTIMS OF AND RESTORING PROPERTY DAMAGED BY ACCIDENTS AND DISASTERS, AND PREVENTING SECONDARY INJURY AND DAMAGE FROM OCCURRING.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
0902	1. DEATHS/INJ/PROP DAM DUE TO FLOODS (INCIDENTS)		4	4	4	4	4	4	4	4

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
090201	PREVENTION OF NATURAL DISASTERS	LNR-810	2,425	3,143	18,292	8,931	8,931	8,931	8,931	8,931
090202	AMELIORATION OF PHYSICAL DISASTERS	DEF-110	9,658	12,553	13,999	14,900	14,901	14,901	14,901	14,901
090203	HAWAII ARMY AND AIR NATIONAL GUARD	DEF-116	30,716	46,703	47,188	47,347	47,347	47,347	47,347	47,347
090204	HAWAII EMERGENCY MANAGEMENT AGENCY	DEF-118	604,782	70,870	41,802	41,802	41,803	41,803	41,803	41,803
	TOTAL		647,581	133,269	121,281	112,980	112,982	112,982	112,982	112,982
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
090202	AMELIORATION OF PHYSICAL DISASTERS	DEF-110	250		1,725					
090203	HAWAII ARMY AND AIR NATIONAL GUARD	DEF-116	6,170	6,337	4,396	23,310				
090204	HAWAII EMERGENCY MANAGEMENT AGENCY	DEF-118	13,000	8,000	10,500	14,000				
	TOTAL		19,420	14,337	16,621	37,310				

III. PROGRAM CHANGE RECOMMENDATIONS

Safety From Criminal Actions

PSD402 Halawa Correctional Facility

None.

PSD403 Kulani Correctional Facility

None.

PSD404 Waiawa Correctional Facility

None.

PSD405 Hawaii Community Correctional Center

None.

PSD406 Maui Community Correctional Center

None.

PSD407 Oahu Community Correctional Center

OCCC's operating budget requests include (general funds, unless noted otherwise):

1. Add \$210,494 in FY 26 and FY 27 for refuse disposal contract.
2. Add \$400,000 in FY 26 for security surveillance system.
3. Add \$125,000 in FY 26 and FY 27 for fire alarm maintenance contract.
4. Add \$180,000 in FY 26 for radio equipment.
5. Add \$146,794 in FY 26 for toilets, and toilet/sink combo replacement.

PSD408 Kauai Community Correctional Center

None.

PSD409 Women's Community Correctional Center

None.

PSD410 Intake Service Centers

None.

PSD420 Corrections Program Services

None.

PSD421 Health Care

None.

PSD422 Hawaii Correctional Industries

None.

PSD808 Non-State Facilities

None.

LAW502 Narcotics Enforcement Division

None.

LAW503 Sheriff

The Sheriff Division's operating requests include (general funds, unless noted otherwise):

1. Add \$2,585,607 for FY 26 and FY 27 to fund 30.00 permanent Deputy Sheriff positions at the Capitol that are currently funded in Department of Accounting and General Services, General Administrative Services (AGS901).
2. Add \$4,138,726 in Interdepartmental Transfer funds for FY 26 and FY 27 for fringe benefits for the Sheriffs providing law enforcement presence at the Courts (Judiciary), Statewide.
3. Add 18.00 permanent Deputy Sheriff positions and \$1,551,148 in Interdepartmental Transfer funds for FY 26 and 18.00 permanent Deputy Sheriff positions and \$2,098,933 in Interdepartmental Transfer funds for FY 27 to provide increased law enforcement presence at the Wahiawa District Court and Wahiawa Civic Center.

LAW504 Criminal Investigation Division

None.

LAW505 Law Enforcement Training Division

The program's operating request includes (general funds, unless noted otherwise): Add \$432,000 in FY 26 and FY 27 for Sheriff's equipment for newly established positions to provide increased law enforcement presence in the State of Hawaii.

LAW900 General Administration

The program's operating budget requests include (general funds, unless noted otherwise):

1. Add \$4,320,000 in FY 26 and FY 27 for security guards, security camera monitoring, and security maintenance contract. Funding for the security guards and security camera monitoring is currently funded in the Department of Accounting and General Services, General Administrative Services (AGS901).
2. Add \$1,265,000 in FY 26 for the Illegal Fireworks Task Force.
3. Add \$825,000 in FY 26 for the Gun Buyback Project.
4. Add 5.00 permanent positions and \$561,388 in FY 26 and 5.00 permanent positions and \$548,888 in FY 27 for the Commission on Accreditation for Law Enforcement Agencies positions and to support office expenditures in General Administration.
5. Add \$250,000 in FY 26 and \$264,000 in FY 27 to establish a permanent Silver Alert Program.
6. Add \$5,000,000 in Interdepartmental Transfer funds in FY 26 and FY 27 to continue funding for the Safety Program for the Department of Education public schools.
7. Add 2.00 permanent positions and \$170,000 in FY 26 and FY 27 to continue funding and request permanent positions for the operations of the Address Confidentiality Program in Chapter 801G, Hawaii Revised Statutes.
8. Add 240,000 in FY 26 and FY 27 for increased rent expenditures due to increased space needed to house Sheriffs Central Division, Fusion and Lab Centers.

LAW901 Office of Homeland Security

None.

PSD611 Adult Parole Determinations

None.

PSD612 Adult Parole Supervision and Counseling

None.

PSD900 General Administration

The program's operating budget requests include (general funds, unless noted otherwise):

1. Add \$4,000,000 in FY 26 and FY 27 to provide Community Based Services for individuals being released to the community. This includes employment assistance, temporary housing, mental health services, and other related services.
2. Add \$100,000 in FY 26 and FY 27 to provide offender reintegration services such as identification documents.
3. Add \$112,000 in FY 26 and FY 27 to fund a mental health technician certification for staff.

The program's capital improvement program (CIP) budget requests include (general obligation bond funds, unless noted otherwise):

1. Add \$30,000,000 in FY 26 for Request for Proposals for the New Oahu Community Correctional Center Facility, Oahu.
2. Add \$28,500,000 in FY 26 for Halawa Correctional Facility Consolidated Health Care Unit.
3. Add \$5,000,000 in FY 26 for Women's Community Correctional Center Kitchen Expansion and Related Improvements.
4. Add \$20,000,000 in FY 26 for Facility-Wide Security Perimeter Fencing Repairs, Upgrades and Related Improvements.
5. Adds \$7,000,000 in FY 26 for DCR, Department of Justice Architectural Barrier Removal, ADA and other Related Improvements, Statewide.
6. Adds \$23,000,000 in FY 26 for General Administration Lump Sum CIP, Statewide.
7. Adds \$5,000,000 in FY 26 and FY 27 for Facility-wide Repairs, Deferred Maintenance, Relative Support and Improvements, Statewide.
8. Adds \$10,000,000 in FY 26 for DCR 10-Year Departmental Master Plan, New Facility, and Sustainable Master Plan, Statewide.
9. Adds \$4,000,000 in FY 26 for Maui Community Correctional Center Renovation, Security Upgrade, Other Improvements including Medical and Mental Health Areas, Maui.

ATG231 State Criminal Justice Information and Identification

For the operating budget, requests are being submitted for the following:

1. Trade-off/transfer funds between various org codes within ATG231 to address negative budget entries and reconcile for actuals to correctly revise and reflect budgeted amounts.

2. Add \$472,783 for FY 26 and \$281,000 for FY 27 for HCJDC's ABIS maintenance contract, relocation of production and disaster recovery equipment, and computer room air conditioning replacement.
3. Add funding for fringe benefits to address the 64.25% rate for FY 26 and FY 27 for MOF W (\$447,000).

Safety From Physical Disasters

LNR 810 Prevention of Natural Disasters

Operating budget requests include an expenditure ceiling for FY26/FY27 for the dam grant program special fund and permanent funding for a position to administer the dam grant program.

This program has no Capital Improvements Projects requests.

DEF110 Amelioration of Physical Disasters

The program's operating requests include (general funds, unless noted otherwise):

1. Add \$1,311,407 in FY 26 and FY 27 for recurring IT operating expenditures and annual computer refresh.
2. Add \$230,000 in FY 26 to upgrade and consolidate the Distributed Antenna System departmentwide.
3. Transfer out 1.00 temporary position (Position No. (PN) 119135) and funds of \$46,476 from DEF118AD to DEF110AA to re-describe and upgrade PN 100414 in the Adjutant General's Office. The transfer-in 1.00 full-time equivalent (FTE) count will be deleted under DEF110AA.
4. Convert a Human Resources Specialist position from temporary to permanent to better support the human resource function.
5. Add \$51,306 in other federal funds in FY 26 and FY 27 for personal services costs of an Engineer position. The salary increase is for alignment with the union's new salary schedule for all Engineering positions.
6. Add 1.00 permanent FTE position in FY 26 and FY 27, \$31,548 in FY 26 and \$63,096 in FY 27 for a new Accountant position to support the fiscal function.
7. Remove no longer needed State match funds of \$746,857 and reduce federal funds of \$20,000 for Homeland Security grants. The Office of Homeland Security has transferred from the Department of Defense (DOD) to the Department of Law Enforcement since January 1, 2024, pursuant to Act 278, SLH 2022.
8. Add 2.00 permanent FTE positions and \$2,212,000 in FY 26 and FY 27 for personal service costs (\$160,248) and operating and administrative costs (\$2,051,752) to establish the State Fire Marshal in DOD.
9. Add 5.00 permanent FTE positions in FY 26 and FY 27, and \$343,896 (six-month delay in hire) for personal service cost and \$756,104 for operating and administrative costs in FY 27 to establish the Office of Recovery and Resiliency (R&R) in DOD. Currently, R&R is a special project in the Department of Budget and Finance (B&F) and has funding through December 2026 (FY 27). The budget request was put in to ensure time for positions to be created and for the recruitment process to be completed to move incumbents over when the project ends in B&F.

The program's capital improvement program requests include (general obligation (G.O.) bond funds, unless noted otherwise):

1. Add \$725,000 for FY 26 for Fort Ruger Replacement Elevator.
2. Add \$1,000,000 for FY 26 for Building 90 Complex Improvements, Oahu.

DEF116 Hawaii Army and Air National Guard

The program's operating requests include (general funds, unless noted otherwise):

1. Add \$188,864 in other federal funds for FY 26 and FY 27 to redescribe and upgrade four FTE positions to Engineer V in HIARNG's Construction and Facilities Management Office for re-alignment of functions.
2. Add 1.00 permanent FTE position in other federal funds in FY 26 and FY 27, and \$94,375 for FY 26 and \$188,751 for FY 27, to establish a new Engineer VI position under DEF116AB.
3. Add 1.00 permanent FTE position in other federal funds in FY 26 and FY 27, and \$37,077 in other federal funds for FY 26 and \$74,154 in other federal funds for FY 27, to establish a new Pest Technician IV position under DEF116AB; add \$15,000 in other federal funds for FY 26 and \$5,000 in other federal funds for FY 27 to acquire pest control equipment for this new position.
4. Add 1.00 permanent FTE position in other federal funds in FY 26 and FY 27, and \$86,908 in other federal funds for FY 26 and \$123,816 in other federal funds for FY 27, to establish a new Visitor Control Technician position under DEF116AB.
5. Delete 5.00 long-term vacancy FTE counts (4.00 permanent and 1.00 temporary) in other federal funds for FY 26 and FY 27 under DEF116AB.
6. Add \$18,927 in general funds and \$93,121 in other federal funds for FY 26 and FY 27 to fully fund the personal services costs for the new Building Maintenance Supervisor position authorized in the FY 25 Supplemental Budget under DEF116AC.
7. Delete 1.00 long-term vacancy FTE count (0.25 in general funds/0.75 in other federal funds) and reduce \$13,018 in general funds and \$39,055 in other federal funds for FY 26 and FY 27, under DEF116AC.

The program's capital improvement program request includes (G.O. bond funds, unless noted otherwise):

1. Add \$1,173,000 in G.O. bond funds and \$3,223,000 in other federal funds for FY 26, and \$7,033,000 in G.O. bond funds and \$16,277,000 in other federal funds for FY 27, for the Upgrades and Improvements to HIARNG Facilities, Statewide.

DEF118 Hawaii Emergency Management Agency

The program's operating requests include (general funds, unless noted otherwise):

1. Transfer out 1.00 temporary position (PN 119135) and funds of \$46,476 from DEF118AD to DEF110AA to re-describe and upgrade PN 100414 in the Adjutant General's Office. The transfer-in 1.00 FTE count will be deleted under DEF110AA.
2. Add 1.00 temporary FTE position and \$200,000 in FY 26 and FY 27 for the Limited English Proficiency Language Access Program (\$100,000 for personal services and \$100,000 for operating costs).

3. Delete 9.25 long-term vacancy FTE counts (3.00 permanent FTE positions in general funds, 5.25 temporary FTE positions in general funds and 1.00 temporary FTE position in other federal funds) in FY 26 and FY 27 and delete \$270,114 in general funds in FY 26 and FY 27 under DEF118AD.
4. Add 20.00 (net) temporary FTE counts (15.75 in general funds and /4.25 in other federal funds) and \$1,894,066 (\$1,406,296 in general funds and /\$487,770 in other federal funds) in FY 26 and FY 27 to remove expired positions and re-describe position titles, for alignment with current and relevant emergency management function under DEF118.
5. Add 12.00 (net) temporary FTE counts in general funds and \$763,167 (\$757,841 in general funds and /\$5,326 in other federal funds) in FY 26 and FY 27 to convert special project positions and re-describe position titles, for alignment with current and relevant emergency management function under DEF118.

The program's capital improvement program requests include (G.O. bond funds, unless noted otherwise):

1. Add \$5,000,000 to the Hawaii Emergency Management Agency (HIEMA) for FY 26 and FY 27 for Siren Maintenance and Modernization, Statewide.
2. Add \$1,500,000 in G.O. bond funds and \$1,500,000 in other federal funds for FY 26 and FY 27 to Retrofit Public Buildings with Hurricane Protective Measures, Statewide.
3. Add \$2,500,000 in FY 26 and \$6,000,000 in FY 27 to upgrade and improve the Birkhimer Emergency Operations Center, Oahu.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Safety From Criminal Actions

PSD402 Halawa Correctional Facility

Major external trends affecting the program include the rising inmate pre-trial population within the State of Hawaii. This trend affects the community correctional centers as these detainees cannot be transferred off the island after their arrest. This increase reduces the available beds for the sentenced population.

The rising number of violent pre-trial with maximum sentence that are housed at Halawa Correctional Facility (HCF) also reduces the available beds and resources for the sentenced population.

The sentenced population continues to rise beyond facility capacity. This makes it necessary to contract for beds for both the short-term sentenced population (jail beds) and the long-term sentenced felons.

The settlement agreement between the Department of Public Safety and the U.S. Department of Justice dated March 13, 2019, has caused the planning and re-designing of physical structures to provide better health care, housing, education, workline and recreational programs.

The costs of contract beds rise every year as the inmate population increases.

Challenges in recruitment and retention of employees, especially uniformed Adult Corrections Officer positions, along with attrition from retiring baby boomers, continue to hinder vacancy

reduction attempts. Despite higher costs, overtime is the only viable solution to ensure public safety, manage shifts as required and provide humane care and custody of the HCF inmates.

The introduction of synthetic cannabinoid products that are part of a group of drugs called new psychoactive substances (NPS) is another major external trend affecting the program. NPS are unregulated and contain mind-altering substances intended to produce the same effects as illegal drugs. Chemical tests show that the active ingredients are cannabinoid compounds made in laboratories. Hundreds of brands exist, including K2, Spice, Joker, Black Mamba, Kush and Kronic. Liquids can be vaporized and inhaled in e-cigarettes or similar devices or sprayed directly on plant material to be smoked as a cigarette or in a pipe. These products are also known as herbal or liquid incense, making it difficult for U.S. Food and Drug Administration regulation. NPS were popularized and are sold under false innocuous names. NPS are easy to purchase in paraphernalia shops, novelty stores, gas stations and online. NPS are addictive with severe side effects such as rapid heart rate, vomiting, violent behavior and suicidal thoughts. NPS can also raise blood pressure and cause reduced blood supply to the heart, kidney damage and seizures. NPS are associated with a rising number of deaths. Current urinalysis drug testing equipment are unable to detect the presence of NPS. Modern, up-to-date urinalysis testing equipment are required with the ability to test a panel of a minimum of 18-compounds due to the vast numbers of possible ingredients used to manufacture and disguise the NPS.

PSD403 Kulani Correctional Facility

None.

PSD404 Waiawa Correctional Facility

Major external trends affecting our program include the rising inmate pre-trial population within the State of Hawaii. This trend affects the inmate population, as these detainees cannot be transferred to the island of their arrest. This increase reduces the available beds for the sentenced population.

The sentenced population continues to rise beyond facility capacity. This makes it necessary to contract for beds for both the short-term sentenced population and long-term sentenced felons. The costs of contract beds rise every year as inmate population increases.

PSD405 Hawaii Community Correctional Center

Major external trends affecting the program include the rising inmate pre-trial population within the State of Hawaii. This trend affects HCCC as these detainees cannot be transferred off the island of their arrest. This condition reduces the available beds for the sentenced population. Since FY 08, the inmate population has grown by 3% per year.

The sentenced population continues to rise beyond the capacity that current facilities are able to house. This makes it necessary to contract for beds for both the short-term sentenced population (jail beds) and the long-term sentenced felons. The costs of contract beds rise every year.

PSD406 Maui Community Correctional Center

The rising inmate pre-trial population within the State of Hawaii affects MCCC, because these detainees that are awaiting trial cannot be released through the court's bail and supervised release mechanisms. These inmates cannot be transferred off the island after their arrest. The

increase of pre-trial inmates compresses the housing space available for holding newly sentenced pre-transfer felons, pre-revocation parole violators and the felon probationer population.

PSD407 Oahu Community Correctional Center

Major external trends affecting the program include the rising inmate pre-trial population within the State of Hawaii. This trend affects the facility as these detainees cannot be transferred off the island after their arrest. This increase reduces the available beds for the sentenced population.

The sentenced population continues to rise beyond the capacity that the Oahu Community Correctional Center (OCCC) is able to house. This makes it necessary for OCCC to contract for beds for both the short-term sentenced population (jail beds) and the long-term sentenced felons. The costs of contract beds rise every year.

PSD408 Kauai Community Correctional Center

Major external trends affecting the program include the rising inmate pre-trial population within the State of Hawaii. This trend affects the community correctional centers as these detainees cannot be transferred off the island after their arrest. This increase reduces the available beds for the sentenced population.

The sentenced population continues to rise beyond the capacity that current facilities are able to house. This makes it necessary to contract for beds for both the short-term sentenced population (jail beds) and the long-term sentenced felons. The costs of contract beds rise every year.

PSD409 Women's Community Correctional Center

None.

PSD410 Intake Service Centers

While there have been improvements in the economy, experts predict that a bad economy will increase the crime rate and subsequently increase the need for additional bed space. Defendants that do not have the financial means to pay bail could be detained at a CCC until further resolution.

There is a continued trend towards an increase of probation and parole violators. This trend will impact the agency in its attempts to reduce overcrowding in the correctional institutions.

PSD420 Corrections Program Services

The growing inmate population continues to play a major role in the increased demand for programs and services. More importantly, a large percent of offenders entering the system appear to have serious learning disabilities, addictive personalities and antisocial tendencies.

The Americans with Disabilities Act requires that the department provide accommodations and services for persons who have special needs. A growing number of offenders admitted into correctional facilities have health problems that require special attention due to long-term drug or alcohol abuse. Moreover, as the prison population ages, specialized health care, including dietary needs, will increase.

The Religious Land Use and Institutional Persons Act, enacted by the United States Congress in 2000, prohibit the imposition of burdens on the prisoner's ability to worship as they pleased. As a result, the department deals with increases in special religious meals that may be costly.

The emphasis on fiscal accountability has increased the awareness of the value of volunteer services and increased the requests for services from the community.

PSD421 Health Care

As correctional inmates increase in age, chronic diseases have increased utilization and demand for more complex and costly health care services. This has also strained the existing space and staffing resources. The department's community specialty medical care costs continue to increase. In particular, the cost of hepatitis C treatment has increased dramatically due to a new generation of effective and expensive treatment medications. In addition, federally mandated mental health treatment standards for the seriously mentally ill have increased the need to hire trained mental health staff to maintain these standards.

PSD422 Hawaii Correctional Industries

The transfer of long-term inmates to mainland contract facilities impacted HCI's ability to train and retain skilled workers. Availability of inmates with community custody status impacts HCI's ability to fulfill contracts outside of the correctional facility. HCI needs to explore other projects which will generate revenue, address sustainability, and provide work training opportunities for inmates.

PSD808 Non-State Facilities

The in-State facilities are already burdened with the structural issues of operating older facilities, so the out-of-state facilities provide an alternative in housing its longer-term sentenced felons. Further, this function is critical in protecting the general public from the emergency release of inmates into the community who are not ready to be released; protecting the safety and general welfare of correctional staff and fellow inmates in overcrowded facilities; and protecting the Department of Corrections and Rehabilitation from federal consent decree lawsuits as a direct result of overcrowded correctional facilities. In the past, the Oahu Community Correctional Center or OCCC and the Women's Community Correctional Center have been under a federal consent decree due to overcrowding issues.

LAW502 Narcotics Enforcement Division

Major external trends affecting the program include general economic conditions, need for manpower, expanded population, expanded program responsibilities, and increase in the abuse of licit and illicit drugs within the State. More recently, NED has taken over the federal funding and responsibilities of running the Domestic Cannabis Eradication and Suppression Program for the Island of Hawaii. NED has also been involved in multi-agency coordination, due to the implementation of higher security levels after the events of September 11.

LAW503 Sheriff

Major external trends affecting the program include: opening of additional court facilities throughout the State; growing backlog of unserved warrants; increasing number of domestic violence cases and temporary restraining orders; increasing number of acts of violence and threats in the courtrooms; implementation of specialty courts; more arrests being processed by the Keawe Street Receiving desk; a multi-agency approach to address legal issues in operations

involving the residentially challenged; and more multi-agency coordination to address international, national, and local events, such as the International Union for Conservation of Nature World Conservation Congress, the 75th Anniversary of Pearl Harbor, and the issues surrounding the Thirty Meter Telescope on Mauna Kea.

LAW504 Criminal Investigation Division

As the LAW training facility is still in the planning process, the recruitment of experienced and seasoned investigators will continue to come from former and/or retired investigators from other law enforcement entities. In anticipation of the future personnel needs of this division, annual and in-service training of existing LAW personnel shall begin at the Law Enforcement Training Center.

LAW505 Law Enforcement Training Division

LAW has entered a memorandum of understanding to have Department of Taxation Criminal Investigators participate and attend the Sheriffs Basic Law Enforcement Recruit Course. The training has been extended to additional Prosecutors' Office Investigators and the Harbor Police. Further, LAW has initiated planning sessions with the Department of Education to conduct Active Shooter Training exercises in the near future.

LAW900 General Administration

Major external trends impacting the program include changes in penal laws, court policies, social and economic conditions, public attitude, and crime rate that all affect the size of the State's population. Efforts to recruit and retain staff continues to be a major challenge for law enforcement programs.

LAW901 Office of Homeland Security

As OHS moves forward it will protect its residents and visitors through a robust and culturally informed Homeland Security program. It is imperative that this undertaking harnesses the skills, expertise, interests and perspectives of federal, State, county, military, private and nongovernment organization partners to develop a Hawaii Homeland Security strategy that fully represents all relevant issues affecting the people of the State.

PSD611 Adult Parole Determinations

There are two major trends that directly affect this program. The first is the public's desire for punishment and longer minimum terms. The other is prison overcrowding. In addition, the influx and availability of illicit drugs and the lack of available housing and programs poses major challenges.

PSD612 Adult Parole Supervision and Counseling

There are two major trends that directly affect this program. The first is the public's desire for punishment and longer minimum terms; the other is prison overcrowding. Additionally, the influx and availability of illicit drugs and lack of available housing and programs pose major challenges.

PSD900 General Administration

Major external trends impacting the program include changes in penal laws, court policies, social and economic conditions, public attitude, and crime rate that affect the size of the State's inmate population. Efforts to recruit and retain staff continues to be a major challenge for correctional programs.

ATG231 State Criminal Justice Information and Identification

The accelerated initiatives at the federal level for criminal history information and homeland security continue to directly impact State programs.

Safety From Physical Disasters

LNR 810 Prevention of Natural Disasters

Over 80 percent of the dams in Hawaii were constructed before 1940 to support the sugarcane plantations. Due to the age of these facilities and deferred maintenance due to demise of the sugar industry, many dams could pose risks to life and property due to dam failures. Due to the urbanization of formerly rural or agricultural areas, many residents may live in areas vulnerable to potential dam failures and may not know it. Climate change and an increase in severe storm events reiterates the need for activities performed by this program to minimize incidents or losses.

DEF110 Amelioration of Physical Disasters

None.

DEF116 Hawaii Army and Air National Guard

Military services have had to contend with recruiting hurdles, such as mental and physical health posed by the coronavirus pandemic, and now must compete in a tight labor market against private companies that often offer more alluring benefits.

DEF118 Hawaii Emergency Management Agency

Economic losses due to the worldwide pandemic and large incidents driven by climate-related hazards.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of the Attorney General may be found at the following web address: <https://ag.hawaii.gov/publications/>.

Reports and studies by the Department of Corrections and Rehabilitation may be found at the following web address: <https://dcr.hawaii.gov/publications/>.

Reports and studies by the Department of Defense may be found at the following web address: <https://dod.hawaii.gov/department-info/>.

Reports and studies by the Department of Land and Natural Resources may be found at the following web address: <https://dlnr.hawaii.gov/reports/>.

Reports and studies by the Department of Law Enforcement may be found at the following web address: <https://law.hawaii.gov/resources/reports/>.

LNR 810 Prevention of Natural Disasters

Public education is key to flood awareness and to minimize losses from flooding disasters. The program will continue its public outreach through technical assistance, publications, workshops and displays.

The dam safety program will continue to provide technical assistance and training to dam owners, conduct dam inspections, and carry out enforcement actions.

10

Individual Rights

INDIVIDUAL RIGHTS

I. OVERVIEW

The Individual Rights program's overall objective is to increase opportunities and protection of individual rights to enable individuals to fulfill their socio-economic needs and aspirations, to uphold and protect the legal rights of every individual, and to ensure equal opportunities for individual participation in society.

The program consists of three Level II programs: Protection of the Consumer; Enforcement of Information Practices; and Legal and Judicial Protection of Rights. These programs are contained within the Departments of Commerce and Consumer Affairs (CCA), Agriculture (AGR), Accounting and General Services (AGS), Budget and Finance (BUF), Land and Natural Resources (LNR), and Human Services (HMS).

Protection of the Consumer

The objective of this program is to provide effective services and activities that protect individuals from illegal acts and unfair practices and that alleviate the consequences of these acts and practices in order to foster a safe and secure environment, and to assure the access to, and availability of, legal assistance, consumer protection, and other public services which strive to attain social justice.

CCA102 Cable Television

The objective of this program is to promote responsive and reliable cable television communications services for the people of Hawaii by issuing cable franchises to qualified and suitable cable operators when it is in the public interest to do so; regulating cable television operators to ensure compliance with applicable State and federal law; expanding the statewide institutional network (INET); continuing the availability of public, educational, and governmental (PEG) cable access; and facilitating expanded and accelerated deployment of infrastructure to increase access to broadband.

Franchising is the single most important tool by which the Division of Cable Television (DCT) can determine and build requirements for quality services. This applies to new franchises, franchise renewals, and transfers of franchises. Technical inspections and reporting requirements are an important means by which quality cable communications services can be assured. The program continues to enforce and monitor compliance with applicable orders, laws, and rules.

The program engages in long-range planning to enhance DCT's ability to identify new and improved services, future community needs and interests, and enhance technologies. It monitors complaint responses and complaint resolution to ensure improved consumer service.

The program also supports PEG access to promote diversity of programming while procuring contracts for PEG services pursuant to Act 93, SLH 2014.

Pursuant to Act 199, SLH 2010 future and Act 151, SLH 2011, the program advocates for Hawaii's broadband and continues to utilize work groups to develop applicable procedures and to facilitate the expansion of broadband services and technologies throughout the State, especially in unserved and underserved areas. It also works towards expansion of the State's INET to meet the communications needs of the State in an efficient and effective manner.

In cable regulation, federal law and State laws must be applied together. Communications and working relationships with the Federal Communications Commission (FCC) and members of Congress will continue to be developed and maintained. For the broadband advisory assistance council, working relationships have been developed with various federal, State, and county agencies and representatives from the private sector.

Education and government institutions are important constituencies of cable regulation due to a federal law promoting access programming. Independent public producers and the cable advisory committee continue to provide input and advice to DCT.

Consumers continue to be a high priority in the cable regulatory program.

The incumbent cable operator in the State is large, operates multiple systems in the State, and has a national footprint. In 2011, the incumbent telephone service provider was granted a franchise to provide cable service on the island of Oahu.

CCA103 Consumer Advocate for Communications, Utilities and Transportation Services

The Consumer Advocate Program (Program) ensures that Hawaii's public utilities and regulated transportation companies deliver services to consumers at fair cost that are sustainable, reliable, safe, and of high quality through advocacy, education, and planning.

The Program advocates positions on behalf of consumers of utility and transportation services before the State of Hawaii Public Utilities Commission (PUC), the Federal Communications Commission (FCC), and other federal, State, and local agencies. The division is a party to every application before the PUC which includes, but is not limited to, applications for authority to modify or offer new services; rate and fare proposals; revenue requirements; and capital improvement projects.

It conducts compliance investigations regarding the adequacy and efficiency of utility services. It educates consumers through various mediums, such as websites, newsletters, trade shows, fairs, and community meetings.

Although the intent is to identify and pursue consistency between components of the Hawaii State Plan and Federal regulatory policies, Hawaii's uniqueness may, at times, require exemption from federal policies in selected areas and this program may need to make filings before the FCC or other federal agencies to protect Hawaii's interests.

Because PUC makes fact-based findings and determinations, the Consumer Advocate provides PUC with well-researched, fact-based recommendations consistent with initiatives and consumers' interests.

At the county level, there are occasional overlaps that require coordination with county ordinances and regulatory policies.

Various State and county agencies, such as the Departments of Health, Business and Economic Development and Tourism, and Transportation, are continually consulted.

CCA104 Financial Services Regulation

The intent of this program is to ensure the safety, soundness, and regulatory compliance of State-chartered and State-licensed financial institutions which includes banks, trusts, escrow depositories, money transmitters, mortgage servicers, mortgage loan originators, and mortgage loan originator companies, installment lenders, non-depository trust companies, by fairly administering applicable statutes and rules, in order to protect the rights and funds of depositors, borrowers, consumers, and Hawaii citizens.

The major functions of the Insurance Regulatory Services Program (Program) are to: charter, supervise, regulate, and examine all State banks and credit unions, foreign bank branches, agencies and representative offices, and intra-Pacific branches; license, supervise, regulate, and examine non-depository companies including escrow depositories, money transmitters, mortgage loan originators, mortgage loan originator companies, and mortgage loan originator branches and mortgage servicer companies; and accept and investigate complaints by consumers.

In supervising financial institutions authorized to take deposits, the Program works closely with the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank of San Francisco (FRB), Bureau of Consumer Financial Protection (BCCFP), and National Credit Union Administration (NCUA).

The Program is recognized by two accreditation organizations as providing the highest standards of training for its staff and for appropriately supervising and examining chartered and licensed companies and individuals. The Program was first accredited by the Conference of State Bank Supervisors (CSBS) in 1990 and re-accredited in 1995, 2000, 2005, 2012, and 2018. The CSBS accreditation program sets high standards for State banking regulators nationwide. 47 of the 52 states meet CSBS accreditation requirements.

In the second quarter (Q2) of FY 15, Hawaii was the 18th state in the nation to be accredited by the CSBS/American Association of Residential Mortgage Regulators (AARMR) for mortgage supervision. The CSBS/AARMR accreditation program sets high standards for state mortgage regulators nationwide. Currently, 26 of 66 mortgage regulatory agencies meet CSBS/AARMR accreditation standards. The accreditation program includes the mortgage loan originator, mortgage loan originator companies, and mortgage servicer programs. Hawaii was also recognized for its robust regulatory scheme and oversight, as well as its mature examination program.

CCA105 Professional and Vocational Licensing

The objective of this program is to ensure that the individual is provided with professional, vocational, and personal services meeting acceptable standards of quality, equity, and dependability by establishing and enforcing appropriate service standards; to regulate activities for the protection, welfare, and safety of the participants as well as the public.

The Professional and Vocational Licensing Program (Program) is responsible for the licensing and regulation of 51 different professions and vocations. It provides administrative support to 25 regulatory licensing boards and, on behalf of the director of the department, administers 26 regulatory licensing programs.

The Program's trust funds are dedicated to specific statutory purposes to educate the licensees who are the contributors to the fund, serve as a source of monetary recovery for an injured consumer, or support increased government service demands by licensees. Two funds are federally mandated to collect fees on its behalf, with revenues going to the federal agency.

The Program has equally important relationships with other State agencies, counties, federal agencies, private sector programs, and national regulatory and licensing bodies. Persons who are licensed by this program may be employees, contractors, or service providers of these private and public sector agencies. Consultation and coordination may be necessary in cases where changes in licensing and regulation could have a significant or adverse effect on said agencies.

The trust funds do not necessarily require agency relationships since the beneficiaries of the trust funds are the contributing licensees, injured consumers, or a federal agency.

CCA106 Insurance Regulatory Services

To ensure that consumers are provided with insurance services meeting acceptable standards of quality, equity, and dependability at fair rates by establishing and enforcing appropriate service standards and fairly administering the Insurance Code.

The Program is responsible for the regulatory oversight of the insurance industry. The major activities are: analysis of approval or disapproval of policies and rate filings; review of insurance entities' financial, operating and tax statements; field examinations of insurers, health maintenance organizations, rating organizations, mutual and fraternal benefit societies, advisory organizations, agencies, independent claims organizations, and guaranty associations; qualification examinations and licensing insurers, health maintenance organizations, and all categories of producers to transact insurance; administration of the Hawaii Joint Underwriting Plan, including the development and promulgation of motor vehicle insurance rates, and legal service plans; investigation of complaints by the public of alleged violations of insurance statutes and rules and other consumer requests for assistance; investigation of violations and enforcement of insurance fraud laws with the exception of workers' compensation insurance; regulatory surveillance for market conduct and financial condition of all insurers, health maintenance organizations, and mutual and fraternal benefit societies for compliance with insurance laws; and licensing, examination and regulatory oversight of the captive insurance companies and development of the captive industry in Hawaii.

The Director of the Department of Commerce and Consumer Affairs has tasked the Program to provide staff support services in the administration of Chapter 448D, HRS, Dental Service Organizations, and Chapter 488, HRS, Legal Service Plans. The Insurance Commissioner is an ex-officio member of the Hawaii Hurricane Relief Fund (HHRF).

CCA107 Post-Secondary Education Authorization

The objective of this program is to ensure the soundness of accredited degree-granting, post-secondary educational institutions by fairly administering applicable statutes and rules in order to protect students, consumers, and other members of the community.

The Department of Commerce and Consumer Affairs (DCCA) was tasked by Act 180, SLH 2013, with establishing the Hawaii Post-Secondary Education Authorization Program (HPEAP) to comply with 34 C.F.R. Section 600.9. The law, codified as Chapter 305J, HRS, requires accredited, degree-granting, post-secondary educational institutions physically present in the State to obtain State authorization to be eligible for Title IV student financial aid. To meet its objective, HPEAP performs the following functions:

1. HPEAP provides information to educational institutions seeking authorization or clarification of the law regarding its requirements and exemptions and provides information to consumers regarding the complaints process.
2. HPEAP receives and reviews applications and issues authorizations and subsequent reauthorizations on a biennial basis.
3. HPEAP monitors authorized institutions for compliance with the law and rules and receives and reviews complaints, conducts investigations, and takes legal action, if necessary, to address violations of the law or rules.
4. HPEAP receives and reviews any claims from students of closed authorized institutions and receives educational records from these institutions.
5. HPEAP issues transcripts of closed authorized institutions to former students and employment screening companies.
6. HPEAP serves as the State's portal entity for the State Authorization Reciprocity Agreement (SARA). Institutions which want to be a part of SARA must be approved by HPEAP before offering distance education courses to students in other SARA member states.

HPEAP maintains contact with the U.S. Department of Education (USDE) to monitor changes in federal regulations and to ensure that the State complies with federal requirements. Additionally, HPEAP works with USDE-recognized accrediting agencies to monitor actions taken by the accrediting agencies relevant to authorized institutions.

CCA901 Public Utilities Commission

The objective of the Public Utilities Commission Program (PUC) is to ensure that regulated utilities efficiently and safely provide their customers with adequate and reliable services at just and reasonable rates, while providing regulated utilities with a fair opportunity to earn a reasonable rate.

The PUC is engaged in legislative, judicial, and administrative regulatory activities, such as:

1. Establishing rules and regulations, which include service standards for regulated public utilities and transportation companies;
2. Rendering decisions regarding the reasonableness of rates and the efficiency in operational and service practices affecting ratepayers and the public;

3. Processing applications; reviewing requests; and conducting audits, inspections, and enforcement activities of companies under the PUC's jurisdiction, to ensure compliance with rules and regulations; and
4. Developing and administering ratepayer-focused programs pursuant to legislative/statutory directives, such as renewable energy and energy efficiency programs, the One Call Center and Telecommunications Relay Services.

Environmental and economic concerns due to public utility operations and conservation and efficient use of energy are related to the objectives of the Departments of Health; Land and Natural Resources; Labor and Industrial Relations (DLIR); Taxation; and Business, Economic Development, and Tourism. For transportation, excavator, and subsurface installation services, the Department of Transportation, county offices statewide, and the DLIR are involved in the safety of operations of regulated entities. DCA is the agency tasked with representing consumers of the State in regulatory matters before the Program.

CCA110 Office of Consumer Protection

The objective of this program is to protect consumers by investigating alleged violations of consumer protection laws, taking legal action to stop unfair or deceptive trade practices in the marketplace, and educating consumers and businesses about their respective rights and obligations in the marketplace under Hawaii consumer protection laws.

The Office of Consumer Advocacy Program (Program) performs the following activities:

1. Investigation of Complaints: Receive consumer complaints on a statewide basis; determine all facts of complaint; determine from facts the likelihood of a violation of any consumer protection law; refer cases which fall within the jurisdiction of another agency; inform the complainant of course of action to be taken, if any, by this office or another governmental agency; coordinate fact-finding functions with other governmental agencies; monitor advertisements; and subpoena witnesses for investigation of facts.
2. Landlord-Tenant Cases: Provide Residential Landlord-Tenant Code information to callers.
3. Prosecution: Determine adequacy of the evidence to prove violation prior to filing a complaint in court; negotiate Assurance of Voluntary Compliance or Consent Judgment: Prior to the filing of a complaint in court, take court action against a business entity that has violated consumer protection laws; obtain injunction, civil penalties and restitution for consumers in court actions and settlement of cases.
4. Legislation and Rulemaking: Adopt rules to protect consumers; draft consumer protection legislation; recommend consumer protection legislation to the Legislature; and offer testimony on other consumer protection legislation.

Important program relationships are maintained with the National Association of Attorneys General, the Federal Trade Commission, the Consumer Financial Protection Bureau, the U.S. Consumer Product Safety Commission, State Attorney Generals, various divisions of DCCA, the Department of the Attorney General, and various county, State, and federal law enforcement agencies.

AGR 812 Measurement Standards

The objective of this program is to minimize inaccuracy or fraudulent practices in commercial measurement, labeling, and pricing to reduce losses for sellers and consumers through a program of licensing, inspecting, testing, calibrating, and investigating complaints.

The program:

1. Inspects and tests motor fuel dispensers at wholesale and retail levels to assure accuracy and compliance with specifications.
2. Inspects and tests of scales at wholesale and retail levels to assure accuracy and compliance with the National Institute of Standards and Technology (NIST) specifications.
3. Tests taximeters and other linear measuring devices to assure accuracy and compliance with specifications.
4. Calibrates standards used by inspectors, State and private laboratories, businesses and service agents to calibrate devices susceptible to commercial usage.
5. Checks retail prices to verify that prices are posted, and the correct price is being charged at the point of sale by scanners and merchants.
6. Analyzes labels submitted for compliance with State and Federal law and checks labels on consumer packages to assure compliance with labeling laws.
7. Tests and analyzes consumer packages to assure accurate net content, statement of identity, and statement of responsibility.
8. Licenses and monitors all commercial devices, certified service agents, and measure masters, and
9. Conducts testing of retail motor fuel (gasoline) for octane and quality.

The National Institute of Standards and Technology (NIST) has a statutory responsibility for "cooperation with the States in securing uniformity of weights and measures and methods of inspection" throughout the U.S. The Metrology Laboratory must meet established criteria and resolve laboratory problems presented by NIST to receive and maintain certification. The laboratory also participates in the Western Regional Assurance Program, along with the ten western states under the auspices of NIST. The enforcement program works with NIST in developing specifications and tolerances for commercial measuring devices.

Collaboration with the U.S. Food and Drug Administration, Department of Health, Food and Drug Branch, and the Department of Land and Natural Resources to enforce federal and State package and labeling requirements for the labeling of meat and poultry products; and the Federal Trade Commission for labeling of non-food products.

Partnerships with local county motor vehicle licensing agencies, Taxi Control, and Hawaii Criminal Justice Data Center, and other State departments of motor vehicles to obtain information relating to odometer fraud investigations and the inspection of Taxi meters.

The American Petroleum Institute, government and private industry petroleum testing laboratories, American Society for Testing and Materials, and the Federal Trade Commission for setting standards developing testing methodology and enforcing labeling requirements for petroleum products.

CCA111 Business Registration and Securities Regulation

The objective of this program is to ensure that business registration information is accurately maintained for corporations, partnerships, limited liability companies, trade names, trademarks, service marks, and other entities; to run business centers to provide personalized assistance to small and startup businesses; and to ensure compliance with and enforcement of State securities and franchise laws.

The Business Regulation and Securities Regulation Program performs ministerial business registration, processing, and maintenance of business registration documents for corporations, partnerships, limited liability companies, trade names, etc. It determines that all documents are filed in compliance with applicable statutory requirements and maintain the State's business registry. It provides general registration assistance to businesses.

Regulatory oversight over the securities industry and franchises in the State in the following areas: registration of broker-dealers, agents, investment advisers, investment adviser representatives, investment companies, and securities and franchise offerings for sale in the State; field examinations of broker-dealers and investment advisers in the State; review of securities and franchise offerings for sale in the State; and enforcement of the Hawaii Uniform Securities Act and the Hawaii Franchise Investment Law. The Program also conducts statewide outreach through its Investor Education Program, which provides free presentations and resources relating to investment fraud protection.

Relationships are maintained with the United States Securities and Exchange Commission, the Financial Industry Regulatory Authority, securities divisions of the different states and provinces of Canada, the Office of Consumer Protection, the Department of the Attorney General, the Department of Taxation, the Department of Human Services, the Executive Office on Aging, county prosecutors' offices, the International Association of Corporation Administrators, the North American Securities Administrators Association, Inc., the Federal Bureau of Investigation, the U.S. Commodity Futures Trading Commission, the Honolulu Police Department, Hawaii Credit Union League, Kupuna Alert Partners, and the Institute for Native Pacific Education and Culture.

CCA112 Regulated Industries Complaints Office

The objective of this program is to assist the general public through intaking, investigating, and prosecuting probable licensing law violations by licensees and unlicensed persons; provide information to help consumers make more informed decisions about hiring a professional or vocational service provider; and help to ensure compliance by licensees.

The Regulated Industries Complaints Office performs the investigation and prosecutorial functions for the over 51 professional boards, commissions, and programs that are administratively attached to the Department of Commerce and Consumer Affairs. To meet its objective, the Office performs the following functions:

1. The Program receives complaints, conducts investigations, and prosecutes licensing law violations. Through the administrative process, the Program may seek fines, restitution, and license sanctions. The Program also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in the Circuit Courts.

2. The Program strives to enable consumers to make more informed decisions through research tools available on or through its website, including downloadable brochures, and by having a presence at industry events and consumer fairs. The Consumer Resource Center and the License Business and Information Center in the Program's Intake Section also provide real time licensing, business registration, and complaint history information to callers.
3. The Program also administers the State Certified Arbitration Program (SCAP) for "lemon" motor vehicle claims.

The Program periodically collaborates with other departments and law enforcement agencies on the federal and county levels.

CCA191 General Support

The objective of this program is to uphold fairness and public confidence in the marketplace, and promote sound consumer practices by increasing knowledge and opportunity for our businesses and citizens.

The General Support Program (Program) is organized into four divisions: the Director's Office (DO); Administrative Services Office (ASO); ISCO; and the Office of Administrative Hearings (OAH).

DO provides: general policy and administrative leadership; supervision and coordination of the various programs of the department; assistance in the direction and supervision of operating divisions; and centralized personnel management and organizational analysis support services to operating divisions.

ASO provides to the divisions of the Department of Commerce and Consumer Affairs (DCCA): centralized budgeting and accounting services; centralized clerical services; building management services; and other administrative support services.

ISCO provides to the divisions of DCCA: services to find, acquire, implement, and maintain information technology; support for telephone systems, through the Department of Accounting and General Services and the State's telephone service providers, for additions, changes, and problems to telephone services, as well as maintenance of phone directories for internal and external use; services to enhance and update DCCA's website; support for the Automated Information System, a computer driven system that contains pre-recorded DCCA contact information, consumer information, consumer alerts, and forms; and network support services, including upgrades to provide increased network performance, uptime, and additional layers of protection from malicious software.

OAH provides: specialized staff support to the divisions, as well as attached boards/commissions, by conducting pre-hearing conferences and formal hearings to resolve business disputes through impartial and informed treatment of consumer complaints; recommended decisions based on written findings of fact and conclusions of law; and administrative hearings of appeals relating to the administration of the State's Procurement Code, the Employer-Union Health Benefits Trust Fund, and the Employees' Retirement System. In addition, OAH administers the Medical Inquiry and Conciliation Panel and the Design Claims Conciliation Panel.

ASO assists and maintains contacts with compatible programs in other Executive Branch departments, most notably, the Departments of the Attorney General, Budget and Finance, Accounting and General Services, Human Resources Development, and Education.

ISCO interacts with the Office of Enterprise Technology Services (ETS) to execute ETS initiatives that are beneficial to DCCA, as well as contributing to ETS fact-finding and planning activities.

Enforcement of Information Practices

The objective of this program is to promote government transparency and accountability by providing neutral and consistent decisions and guidance to members of the public and all State, County, and independent agencies regarding access to records maintained under HRS Chapter 92F (Uniform Information Practices Act) and Access to Public Meetings Subject to Part I of chapter 92 (Sunshine Law).

AGS105 Enforcement of Information Practices

The objective of this program is to promote government transparency and accountability by providing neutral and consistent decisions and guidance to members of the public and all State, county, and independent agencies regarding access to records maintained under Chapter 92F, HRS, Uniform Information Practices Act (UIPA), and access to public meetings subject to Part I of Chapter 92 (Sunshine Law).

The Office of Information Practices (OIP) is the single statewide agency in Hawaii that provides uniform and consistent advice and training regarding both the UIPA and Sunshine Law to all State, county, and independent agencies in the Executive, Legislative, and Judicial Branches of government and most boards. OIP also assists the Office of Enterprise Technology Services (ETS) in promoting the State's Open Data policy. As a neutral third party, OIP investigates and resolves disputes concerning those laws that are typically brought by members of the public against government entities. By protecting the public's right to access government records and public meetings, OIP ensures that government remains transparent and accountable to the people.

OIP's attorneys provide to other government attorneys, agency employees, board volunteers, and the general public extensive training, advice, opinions, rules, and informal dispute resolution. OIP attorneys also prepare and present legislative testimony and proposals, and they monitor and occasionally intervene in lawsuits. Because of OIP's small size, its 2.50 full-time equivalent administrative staff assist the attorneys and perform multiple and often confidential tasks, which include accounting, budgeting, payroll, personnel, purchasing, compliance, legal assistance, and website management, as well as training and assistance to government agencies regarding the UIPA Record Request Log and the Records Report Management System.

OIP had drafted new administrative rules and training materials and will be conducting public hearings once they are approved by the Attorney General and Governor. After the rules are adopted, OIP must create new training materials and train all State and county government agencies.

All State and county Executive, Judicial, Legislative, and independent agencies and most boards are subject to one or both laws that OIP administers. Due to their extensive legal experience and special expertise regarding both the UIPA and Sunshine Law, OIP's attorneys advise, train, and resolve disputes involving other government attorneys, including the State Department of the Attorney General and county Corporation Counsel offices, as well as agency employees, board volunteers, open government organizations, the general public, and the media.

Legal and Judicial Protection of Rights

The objective of this program is to safeguard the rights of individuals by providing statutorily entitled and effective legal representation in criminal, mental commitment, and family cases in compliance with the Hawaii Rules of Professional Conduct and to prudently manage deputy public defender and support service resources and caseloads and maintain quality training program for deputy public defender staff.

Office of the Public Defender (BUF151)

The purpose of the Office of the Public Defender (OPD) to safeguard the rights of individuals by providing constitutionally and statutorily required zealous and effective legal representation in criminal, mental commitment, family and parole cases in compliance with the Hawaii Rules of Professional Conduct, prudently manage deputy public defender and support service resources and caseloads and maintain quality training program for deputy public defender staff. PD is attached to the Department of Budget and Finance for administrative purposes.

While the program is necessarily affected by the activities of key components within the criminal justice system (police, prosecution, courts, corrections, parole), the adversarial nature of the program's responsibilities precludes significant relationship with other agencies. OPD is recognized as an agency which is a critical component of the criminal justice system and has a seat on a number of judiciary committees that address issues and problems within the system.

Bureau of Conveyances (LNR111)

The program objective of the Bureau of Conveyances (BOC) is to serve and protect the public by providing for an accurate, timely and permanent system of recording, maintaining, and preserving land title recordings and related documents and maps.

Major activities include the recordation and indexing of all legal documents and maps affecting land title in the State of Hawaii, issuance of Land Court Certificates of Title, certification of copies of matters of record, processing, abstracting, and researching of Uniform Commercial Code information and providing secure public access to and public notice of our recorded information.

To effectively accomplish program objectives, a cooperative working relationship has been established with Land Court Judiciary, related departments of the State of Hawaii and respective island counties, title companies, financial institutions, the Legal community, and other private and community organizations.

The BOC daily operations, revenues and expenses are directly impacted by the volume of recordings, which is largely dependent upon real estate market conditions and the overall health of the Hawaii and national economy.

In 2023-2024, the BOC is projected to record an annual average of 257,600 documents. The program's size and activity has already been impacted by the inflation and high interest rates conditions of this period, resulting in a >20% drop in recording volumes over the previous biennium. Fluctuating market conditions are expected to continue the drag on BOC activities in the upcoming biennium.

Commission on the Status of Women (HMS888)

Under DHS, the Hawaii State Commission on the Status of Women Program (the Commission) works to attain full civil rights of women and advocating for programs that would benefit Hawaii residents.

In 2016, DHS, through the Commission, received a competitive grant from the United States Department of Labor to analyze paid family leave. With the grant, the Commission completed research including economic analysis, eligibility, and benefit modeling; a feasibility and implementation study to carefully examine how to implement a paid leave program on the state level; public polling of Hawaii residents; and focus groups of mothers, fathers, family caregivers, unions, small businesses, and large businesses.

The Commission completed the grant-funded research in September 2017 and submitted its recommendations to the Legislature.

In response to the COVID-19 pandemic in 2020, the Commission published the Hawaii Feminist Economic Recovery Plan that described the health and economic impacts of the pandemic on women and proposed an economic recovery plan that garnered national attention.

Additionally, the Legislature tasked the Commission to conduct several task forces. Act 32, SLH 2019, established the Home Birth Task Force, directing the Commission to investigate issues relating to direct entry midwives and home births. The investigation shall include but not be limited to the following:

- (1) Data collection and reporting on home births;
- (2) Education and training of direct entry midwives; and
- (3) Regulation of direct entry midwives.

The Commission submitted its report to the 2020 Legislature, and the task force dissolved on June 30, 2020.

In 2021, House Concurrent Resolution No. 11 directed the Commission to convene a task force to study missing and murdered native Hawaiian women and girls. The Office of Hawaiian Affairs and the Commission submitted the required reports to the Legislature¹.

The Commission also works with the Commission on Fatherhood; the Youth Commission; and the Hawaii State Lesbian, Gay, Bisexual, Transgender, Queer, Plus Commission.

¹ This report may be found at the following web address: <https://www.oha.org/wp-content/uploads/MMNHWG-Report-Web.pdf>

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Individual Rights program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 10

PROGRAM LEVEL: I. 10 INDIVIDUAL RIGHTS

OBJECTIVE: TO INCREASE OPPORTUNITIES AND PROTECTION OF INDIVIDUAL RIGHTS TO ENABLE INDIVIDUALS TO FULFILL THEIR SOCIO-ECONOMIC NEEDS AND ASPIRATIONS, TO UPHOLD AND PROTECT THE LEGAL RIGHTS OF EVERY INDIVIDUAL, AND TO ENSURE EQUAL OPPORTUNITIES FOR INDIVIDUAL PARTICIPATION IN SOCIETY.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
10	1. % INST EXAMND IN TIMELY MANNER PURS TO STAT RULES		93	93	93	93	93	93	93	93
	2. % INSURER'S EXAM WKLD COMPL AT LEAST ONCE IN 5 YR		100	100	100	100	100	100	100	100
	3. % LEGAL ACTIONS RESOLVED IN FAVOR OF OCP		100	100	100	100	100	100	100	100

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
1001	PROTECTION OF THE CONSUMER	-	74,906	120,305	122,579	106,837	106,837	106,837	106,837	106,837
1002	ENFORCEMENT OF INFORMATION PRACTICES	AGS-105	1,102	1,258	1,258	1,258	1,259	1,259	1,259	1,259
1003	LEGAL AND JUDICIAL PROTECTION OF RIGHTS	-	17,297	22,383	23,054	23,054	23,054	23,054	23,054	23,054
TOTAL			93,305	143,946	146,891	131,149	131,150	131,150	131,150	131,150

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Protection of the Consumer

CCA102 Cable Television

The Division of Cable Television's (DCT) workload has steadily increased with the addition of broadband responsibilities, changes to the cable market, and increased desire by others for funding from the cable franchise fees. DCT's broadband activities range from efforts to map the availability of broadband service statewide; planning efforts and conducting pilot projects to facilitate broadband infrastructure development for unserved and underserved communities; and working on partnerships with other public and private agencies to expand and expedite broadband adoption; and monitoring and participating in FCC proceedings related to reforms affecting telecommunications, cable, and broadband. The program size data does not accurately capture the increasing level of activity and the complexity of the issues with which DCT is dealing. Since broadband is driven by fast-changing technologies, keeping staff up to date in this area continues to be a priority.

CCA103 Consumer Advocate for Communications, Utilities and Transportation Services

The Program has changed its area of emphasis and the methods by which it carries out the program directives. The program has focused more on certain utility services and educational outreach. The Program has secured significant customer savings in rate proceedings and supported various alternative energy projects.

The Program has sixteen of twenty-four positions filled, and also relies upon consultant services where the size, scope, and sophistication of the problems confronting consumers require specialized expertise.

CCA104 Financial Services Regulation

The Program measures performance in two ways. The first measurement is empirical and involves financial and examination-based measurements of the fiscal health and regulatory compliance of regulated financial institutions. This measurement is critical, especially in the current climate of global turmoil in the financial services industry, and demonstrates the Program's key area of responsibility to ensure the safety and soundness of Hawaii-chartered and licensed financial institutions. The second measurement involves the Program's internal throughput, i.e., how many complaints have been answered, how many applications have been processed, etc. This measurement is difficult to quantify, since the increasing complexity of inquiries makes reviewing applications and complaints and conducting investigations time- and resource-intensive. This measurement provides the Program with insight into how companies use innovations and solutions to address financial services. The Program is mindful that these measurements do not comprehensively indicate the division's efforts or the regulatory activity occurring at the State and federal level.

Over the last five years, the Program's staffing has undergone a tremendous change, with the addition of 23 new staff members who work with technology to meet the Program's goals and objectives. The Program's goals and objectives center on the orientation, training, and effective deployment of its examiners and providing best practices to licensees in a professional manner. Federal training programs administered by the FDIC and the Federal Reserve System are regularly used for this purpose, as are web-based programs provided by CSBS, the Risk

Management Association, and the Hawaii Bankers Association. On-the-job training is also a valuable component of the training plan. The Program's goals also focus on recruiting new staff who will be able to adjust to the rapidly changing landscape of the financial services industry. New financial service products continue to be created, modified, and initiated by licensees regulated and supervised by the Program. Delivery methods have also expanded through use of the internet, cellular phones, and other mobile devices, as well as their impact upon cybersecurity. Consequently, it is challenging for examiners to stay up to date with the latest iteration of products, services, and delivery methods.

CCA105 Professional and Vocational Licensing

For the special fund, the budget is consistent with the Program's anticipated expenditures. The program's prudent spending requires it to have a fund balance at the end of the fiscal year, for carryover purposes. New regulatory programs enacted and assigned to the Program by the Legislature, as well as general increases in cost for products and services, could increase expenditures and result in an increase in program size.

For the trust funds, the budget is consistent with current workloads and anticipated expenditures.

CCA106 Insurance Regulatory Services

The Financial Surveillance and Examination Branch (FSEB) performs quarterly and annual financial analyses and evaluates the financial condition of twenty-eight domestic insurers in accordance with guidelines established by the NAIC. FSEB also conducts financial examinations of domestic insurers at least once every three to five years in accordance with the Hawaii Revised Statutes and guidelines established by the NAIC. FSEB also licenses and renews approximately 1,400 out-of-state insurers who are authorized to conduct the business of insurance in Hawaii and processed more than 9,978 premium tax returns and collected over \$211 million in premium taxes and assessments.

The Compliance and Enforcement Branch (CEB) handles an average of 400 complaints annually. CEB also reviews approximately 2,300 license applications for criminal and administrative violation background checks and fields approximately 1,400 consumer calls a year.

The Rate and Policy Analysis Branch completed 95% of forms and rate filings reviews within the statutory time requirements in the last fiscal year. Annually, approximately 4,400 forms and rate filings are analyzed.

The Licensing Branch (LB) maintains the licensing database for over 114,000 licensees. Hawaii licenses and registrations for new, renewal, late renewal, reinstatement, appointments, termination of appointments, addition of lines of authority, and address changes are submitted online. All CE providers and course approvals or renewals must be submitted online. LB continues to work with our IT provider to accept online submissions for name and designated responsible licensed producers changes and anticipates both online services will go live in 2025. The voluntary surrender of licenses will continue to be processed manually by LB until they are available for online submission.

CIB has 269 active captive insurance companies licensed at the end of last fiscal year. Hawaii continues to attract captives from Fortune 500 companies in the United States and a growing number of Japan-based corporations that normally have few business contacts in the United States. These captive insurance companies add millions of dollars in investments held in Hawaii and managed by local Hawaii banks and financial institutions. As of December 31, 2023, total investments held in Hawaii was approximately \$2.16 billion. Hawaii's captive industry also supports many specialized local professional services from the sectors of public accounting, legal, claims administration, and other insurance-related services.

The Insurance Fraud Investigations Branch (IFIB) received 517 referrals from insurance companies, various agencies, and the public. Of those accepted for prosecution, criminal indictments were obtained against 25 individuals who submitted fraudulent claims totaling \$390,000 for the fiscal year.

The Health Branch (HB) received and reviewed 108 health insurance rate and form filings all within statutory time requirements, resulting in consumer savings of over \$6.9 million. The HB reviewed 124 complaints with the resolution of complaints resulting in consumer savings of \$353,000. The branch handles about 300 information inquiries a year.

CCA107 Post-Secondary Education Authorization

The Program has attempted to minimize costs to the extent feasible because projections show the Program is not self-sufficient. At this time, the Program is operating with one staff member; however, DCCA will need to pursue adequate funding in the near future to ensure it has sufficient resources to investigate complaints, engage in enforcement activities, and respond to any sudden closures of institutions.

CCA901 Public Utilities Commission

The Program continues to transition and enhance its organizational structure to support the rapid evolution of the Commission's role and responsibilities. The Program's integral role in helping Hawaii achieve its clean energy goals by 2045, as well as in supporting the tourism and commercial business sectors, resulted in an increased volume of cases and complexity of work. As the Program's continuously strives for efficient and effective operations, it must ensure it has adequate and appropriate staff and program resources to address the Program's growing responsibilities.

CCA110 Office of Consumer Protection

As a result of the Governor's Maui wildfire tenant protections, the Program experienced significant increases in the number of inquiries to its Landlord-Tenant Information Center, with approximately 19,000 inquiries received in FY 24. The Program is an engaged participant in dozens of multi-state investigations and continues to investigate complaints received from the public and bring its own cases. As consumer counsel for the State, the Program fulfills its legislative mandate to coordinate consumer protection functions with local, State, and federal agencies. The Program's Investigations Branch has eleven employees while the Legal Branch has eight employees. The Program's small size requires it to coordinate with other agencies to address consumer protection issues wherever they arise.

AGR 812 Measurement Standards

Budgetary restrictions and reductions have required the Branch to maintain essential services to the public year to year at less expense to the general fund. Lack of inspectors on some neighbor islands have restricted the program's ability to provide essential services on those islands. Inspectors are sent to those islands to follow up on complaints and to provide essential services.

CCA111 Business Registration and Securities Regulation

The discrepancy in planned expenditures is due in part to staff attrition, position vacancies, and the timing of expenditure payments. Our measures of effectiveness showed several discrepancies. The increased average number of days to process securities applications can be attributed to ongoing changes to internal processes, and staff attrition.

The discrepancy between the Program's budgeted program size and the actual number of positions filled last year is due to attrition, including a number of retirements. The Program continues to actively recruit to fill all of its vacant positions.

Over the next four years, we expect information technology costs to rise as the Division will likely incur added costs relating to licensing, maintenance, and hardware requirements of its recent and ongoing IT projects for its securities and business registration branches. It is expected that the measures of effectiveness will remain steady, and the Division will continue to recruit to fill vacant positions.

CCA112 Regulated Industries Complaints Office

The Program's revenue structure requires that there be a sufficient fund balance each fiscal year for carryover purposes. New regulatory programs enacted by the Legislature and assigned to the agency and continuing increases in costs for personnel, products, and services have increased expenditures.

CCA191 General Support

The Program continues to transition and enhance its organizational structure to support the rapid evolution of the Commission's role and responsibilities. The Program's integral role in helping Hawaii achieve its clean energy goals by 2045, as well as in supporting the tourism and commercial business sectors, resulted in an increased volume of cases and complexity of work. As the Program's continuously strives for efficient and effective operations, it must ensure it has adequate and appropriate staff and program resources to address the Program's growing responsibilities.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 1001

PROGRAM LEVEL: I. 10 INDIVIDUAL RIGHTS
 II. 01 PROTECTION OF THE CONSUMER

OBJECTIVE: TO PROVIDE EFFECTIVE SERVICES AND ACTIVITIES THAT PROTECT INDIVIDUALS FROM ILLEGAL ACTS AND UNFAIR PRACTICES AND THAT ALLEVIATE THE CONSEQUENCES OF THESE ACTS AND PRACTICES IN ORDER TO FOSTER A SAFE AND SECURE ENVIRONMENT, AND TO ASSURE THE ACCESS TO, AND AVAILABILITY OF, LEGAL ASSISTANCE, CONSUMER PROTECTION, AND OTHER PUBLIC SERVICES WHICH STRIVE TO ATTAIN SOCIAL JUSTICE.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1001	1. % INST EXAMND IN TIMELY MANNER PURS TO STAT RULES		93	93	93	93	93	93	93	93
	2. % INSURER'S EXAM WKLD COMPL AT LEAST ONCE IN 5 YR		100	100	100	100	100	100	100	100
	3. % LEGAL ACTIONS RESOLVED IN FAVOR OF OCP		100	100	100	100	100	100	100	100

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
100103	REGULATION OF SERVICES	-	47,226	69,474	73,676	69,934	69,934	69,934	69,934	69,934
100104	ENFORCEMENT OF FAIR BUSINESS PRACTICES	-	18,225	23,235	24,044	24,044	24,045	24,045	24,045	24,045
100105	GENERAL SUPPORT	CCA-191	9,454	27,596	24,858	12,858	12,858	12,858	12,858	12,858
TOTAL			74,905	120,305	122,578	106,836	106,837	106,837	106,837	106,837

Enforcement of Information Practices

AGS105 Enforcement of Information Practices

There are no significant differences between planned effectiveness and program size.

Legal and Judicial Protection of Rights

Office of the Public Defender (BUF151)

Planned level of program effectiveness is measured in the number of clients provided effective representation. The goal of the agency is to avoid judicial or disciplinary counsel determinations of ineffective assistance of counsel that would reflect a major denial of federal and State Constitutional rights, as well as to operate efficiently within its allocated budgetary guidelines. The program has realized its planned level of effectiveness in the past biennial period.

LNR 111 Bureau of Conveyances

Not applicable.

Commission on the Status of Women (HMS888)

Since 1964, CSW has operated on a modest budget but continues to strive to meet community expectations. It consistently demonstrates its effectiveness through the ongoing activities described above. Its collaborative efforts with both public and private agencies and the nonprofit community have allowed for a broader impact in Hawaii. CSW is committed to its mandate to provide a statewide network focused on issues affecting women through its model of collaboration, facilitation, and policy development.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 1003

PROGRAM LEVEL: I. 10 INDIVIDUAL RIGHTS
 II. 03 LEGAL AND JUDICIAL PROTECTION OF RIGHTS

OBJECTIVE: TO ENSURE THAT AN INDIVIDUAL IS AFFORDED EQUAL PROTECTION OF LEGAL AND CIVIL RIGHTS AND INTERESTS BY PROVIDING EQUITABLE AND PROMPT ADJUDICATION PROCESS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1003	1. % ATTORNY CASELDS EXCEED NATL STD FOR FELONY CASES		0	0	0	0	0	0	0	0

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
100301	OFFICE OF THE PUBLIC DEFENDER	BUF-151	11,720	13,578	15,137	15,137	15,138	15,138	15,138	15,138
100303	CONVEYANCES AND RECORDINGS	LNR-111	5,545	8,621	7,731	7,731	7,732	7,732	7,732	7,732
100304	COMMISSION ON THE STATUS OF WOMEN	HMS-888	31	183	184	184	184	184	184	184
TOTAL			17,296	22,382	23,052	23,052	23,054	23,054	23,054	23,054

III. PROGRAM CHANGE RECOMMENDATIONS

Protection of the Consumer

CCA102 Cable Television

This program has the following operating budget requests:

1. Transfer 1.00 permanent position and \$172,377 in special funds for FY 26 and FY 27 from the Cable Television Program to the Insurance Regulatory Services Program.
2. Add \$12,729 in special funds for FY 26 and FY 27 for fringe benefits.

CCA103 Consumer Advocate for Communications, Utilities and Transportation Services

This program has the following operating budget requests:

1. Add \$900,000 in special funds for FY 26 for consultant services.
2. Add \$58,959 in special funds for FY 26 and FY 27 for fringe benefits.

CCA104 Financial Services Regulation

None.

CCA105 Professional and Vocational Licensing

This program has the following operating budget request: add \$25,000 in special funds for FY 26 and FY 27 for consultant services for the Inter-state Medical Compact.

CCA106 Insurance Regulatory Services

This program has the following operating budget requests:

1. Transfer in 1.00 permanent position and \$172,377 in special funds for FY 26 and FY 27 from the Cable Television Program to the Insurance Regulatory Services Program (Program).
2. Add \$1,500,000 in special funds for FY 26 and \$500,000 for FY 27 for the Captive Insurance Branch's (CIB) information technology project.

CCA107 Post-Secondary Education Authorization

This program has the following operating budget request: add \$7,282 in special funds for FY26 and FY 27 for fringe benefits.

CCA901 Public Utilities Commission

This program has the following operating budget requests:

1. Add 1.00 permanent position and \$58,233 for FY 26 and \$116,466 for FY 27 in special funds for an Auditor V.
2. Add 1.00 permanent position and \$167,772 in special funds for FY 26 and 27 for an Engineer V.
3. Add \$1,000,000 in special funds for FY 26 for 2023 Maui Wildfires-related consultant costs.
4. Add \$900,000 in special funds for FY 26 for statutory cash transfers to the Division of Consumer Advocacy (DCA).
5. Add \$12,729 in special funds for FY 26 and FY 27 for fringe benefits.

6. Add \$350,000 in special funds for FY 26 and FY 27 for central services assessments.

CCA110 Office of Consumer Protection

This program has the following operating budget requests:

1. Transfer in 1.00 permanent position and \$62,110 in special funds for FY 26 and FY 27 from the Business Registration and Securities Regulation Program to the Office of Consumer Protection Program.
2. Add \$350,000 in special funds for FY 26 and FY 27 for Central Services Assessment.
3. Add \$33,495 in special funds for FY 26 and FY 27 to vary and redescribe a position into an Investigator.

AGR 812 Measurement Standards

None.

CCA111 Business Registration and Securities Regulation

This program has the following operating budget requests:

1. Transfer out 1.00 permanent position and \$62,110 in special funds for FY 26 and FY 27 from the Business Registration and Securities Regulation Program (Program) to the Office of Consumer Protection Program.
2. Add \$15,225 in special funds for FY 26 and FY 27 for fringe benefits.
3. Adds \$400,000 in special funds for FY 26 and FY 27 for central services assessments.

CCA112 Regulated Industries Complaints Office

This program has the following operating budget request: Add \$84,398 in special funds for FY26 and FY27 for fringe benefits.

CCA191 General Support

This program has the following budget requests:

1. Add \$12,000,000 in special funds for FY 26 to pay the King Kalakaua Building's managing association for building renovations.
2. Add \$6,725 in special funds for FY 26 and FY 27 for fringe benefits for the Information Systems Communications Office (ISCO).

Enforcement of Information Practices

AGS105 Enforcement of Information Practices

None.

Legal and Judicial Protection of Rights

Office of the Public Defender (BUF151)

The program is requesting \$1,653,691 in general funds for both FY 26 and FY 27 for pay increases for all deputy public defenders, to ensure the Office of the Public Defender (OPD) can recruit and retain sufficient staff to meet constitutional and statutory requirements for zealous and effective representation.

LNR 111 Bureau of Conveyances

No major program changes recommendations at this time.

Commission on the Status of Women (HMS888)

None.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Protection of the Consumer

CCA102 Cable Television

Federal laws and orders have limited the State's authority to regulate rates. The Cable Communications Policy Act of 1984, the Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996 continue to spawn litigation and uncertainty in cable regulation and broadband services. The Telecommunications Act of 1996, which allows cable operators to develop advanced informational services and to enter local telephone and communications markets, also fosters entry by communication providers to the cable market. Local providers have already crossed over into these markets, which is consistent with national trends. As communications and cable television services migrate to Internet Protocol-based technologies, wireless broadband will enable these and more services for portable devices, blurring the lines between cable television services and informational services. The fact that technological advancements are quickly changing the way that cable services can be provided, among other issues, will provide additional challenges to DCT. Additionally, in 2018, the FCC began various proceedings impacting the regulation of cable rates in the State and the manner in which cable franchise fees are calculated. DCT is actively involved in these proceedings given the impact that these proceedings may have on DCT's ability to protect the interest of the public and the services that can be provided.

CCA103 Consumer Advocate for Communications, Utilities and Transportation Services

Moving towards competition in the electric, transportation and telecommunications industries and resulting changes in regulation. Changing governmental policies and technological developments in the energy field. Promotion of renewable energy and energy efficiency are examples. In addition, changing environmental regulations are affecting how utility service is provided and at what cost.

The growth of wide-spectrum telecommunications and changes in governmental policies are affecting the quality, quantity, nature and pricing of communication services and universal service support.

Changing governmental policies in the water and wastewater industries are affecting how services are provided and the costs incurred to serve customers.

Growing community awareness and other factors have increased public input into and associated costs of the regulatory process.

CCA104 Financial Services Regulation

Hawaii has six Hawaii State-chartered banks, two out-of-State chartered banks (CA and WA), two national banks, one intra-Pacific branch, and one foreign bank. The Program directly

supervises the six Hawaii State-chartered banks, oversees with its sister states the two out-of-State chartered banks, and oversees one foreign bank. All State-chartered banks are operating in a safe and sound manner and complying with regulatory laws and guidance. All State-chartered banks have reported increased earnings due in part to increased loan growth. The Program conducts multi-state examinations with other states for non-depository companies that conduct business in the United States and abroad.

As the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") are implemented by the various federal regulatory agencies, the Program will also meet the needs to inform and supervise our State-chartered and State-licensed financial institutions for the protection of consumers. Some of the amendments of the Dodd-Frank Act include changes in capital requirements, executive compensation and corporate governance, the direction of the Bureau of Consumer Financial Protection, the regulatory burdens on community banks (banks with less than \$10 billion in assets), stress testing, mortgage foreclosure, loosening of lending standards and the Bank Secrecy Act and Anti-Money Laundering laws.

The Program is also watching the following issues over the next few years, as regulatory oversight continues to evolve and tighten:

1. Financial Technology (fintech) companies offering traditional banking products.
2. Effective regulation of Non-bank Financial Institutions and the impact on global economic conditions.
3. Basel III and efforts to harmonize capital requirements, regulation, and enforcement.

The long-term impact of the global financial crisis of the last decade has created a "new normal" for financial service products and delivery of products and services. This evolution has increased supervisory oversight, as mandated by new federal laws and as a response to consumer expectations. New federal laws changing the requirements under the Dodd-Frank Act have added new complexity to supervising both large banks and community banks.

The major outcome of the global financial crisis is the emergence of fintech companies disrupting the financial industry by offering products and services traditionally offered by banks. Consequently, information security, cybersecurity risks, and data privacy have become a focus of the Program. Training and finding staff in this area is challenging due to the disparate salaries offered by the Program and private industry. The Program continues to aggressively respond to these rapidly changing global and local economic conditions and pursues the active regulation and supervision of Hawaii-chartered financial institutions to preserve their safety and soundness and protect the rights of depositors, borrowers, consumers, and other members of the community.

CCA105 Professional and Vocational Licensing

A change in economic conditions could affect the number of persons seeking licensure or renewing licenses. This impacts revenues to the special fund and the trust funds and the program's self-sufficiency.

The Program continues to receive requests to take over licensing functions outside the jurisdiction and expertise of the Department of Commerce and Consumer Affairs. The expansion of the Program in this fashion would undermine and jeopardize its jurisdictional focus and negatively affect its current population of 158,520 licensees and the ongoing professional services that the Program currently provides them.

Federal licensing mandates also impact the Program, although nothing is pending at this time.

CCA106 Insurance Regulatory Services

Major external trends affecting the Program are as follows:

1. Hawaii is experiencing unprecedented rate increases in the condominium insurance market due to a hardening global insurance industry and the recent increase of catastrophic events around the world. The Program is continuing to work with the Joint Executive and Legislative Task Force to implement short-term fixes and recommend emergency changes or legislative proposals.
2. The HHRF was recently reconstituted with a full number of board members, after many years of dormancy. The Program is working with the HHRF Board of Directors to assist with the board's efforts to provide insurance to the condominium market.

CCA107 Post-Secondary Education Authorization

Major external trends, including national and local trends regarding industry practices and economics, can affect the program. For example, USDE regulations concerning distance learning and licensure disclosure notifications to students by institutions may affect program operations. Any new federal requirements will need to be reconciled with HPEAP's law.

CCA901 Public Utilities Commission

Several major legislative mandates, including the Renewable Portfolio Standards, the Energy Efficiency Portfolio Standards, the Public Benefits Fee, the Community-based Renewable Energy Program, and others, are key energy initiatives under the purview of the Program. Given the State's overall desire to promote clean energy policies to stabilize Hawaii's economy and move towards energy independence, the majority of the Program's time and resources are devoted to this sector.

The Federal Universal Service Fund (USF) Program, created by the U.S. Congress through the Telecommunications Act of 1934 as amended in 1996 (Act) is designed primarily to: (1) promote the availability of quality telecommunications services (TS) at just, reasonable, and affordable rates; (2) increase access to advance TS throughout the Nation; and (3) advance the availability of such services to all consumers, including those in low-income, rural, insular, and high-cost areas, at rates reasonably comparable to those charged in urban areas. As provided by the Act, the USF receives contributions from providers of the TS and the moneys paid out to those carriers designated as Eligible Telecommunications Carriers (ETCs) in order to assist them in recovering the costs of providing the TS.

In addition to designating ETCs, the PUC annually certifies to the Federal Communications Commission (FCC) that all ETCs that receive high-cost USF support are using those funds for their intended purposes. On November 18, 2011, the FCC released a comprehensive order to reform universal service, which added broadband as a supported service, changed funding

eligibility and distribution, and adopted a number of specific performances and reporting obligations. On April 1, 2016, the FCC released an order to modernize and reform the Lifeline telephone subsidy for low-income Americans to include internet access. The FCC's stated goals of reform are to preserve and advance the availability of fixed and mobile voice and broadband services, and to minimize the USF contribution burden on the public.

Several environmental matters and actions of the Federal government affect the regulation of public utilities in Hawaii; changes in laws and regulations can change utility service costs significantly, and these changes have the potential to affect both existing and future facilities. Such regulations include the Mercury and Air Toxics Standards (MATS), the National Ambient Air Quality Standards (NAAQS), nationwide standards for controlling hazardous air pollutant emissions from industrial, commercial, institutional boilers and process heaters, the Regional Haze Federal Implementation Plan and programs to control carbon emissions from power plants.

CCA110 Office of Consumer Protection

State and federal consumer protection offices across the country continue to be a strong force in protecting the public from unfair or deceptive trade practices. The Program regularly participates in joint investigations and prosecutions with numerous State and federal agencies, such as the State Attorneys General, the Federal Trade Commission, and the Consumer Financial Protection Bureau. Close inter-jurisdictional coordination with these external entities empowers the division to expand its level of consumer protection without increasing costs.

AGR 812 Measurement Standards

Due to current economic conditions, it is expected that the number of businesses using commercial devices in the State will diminish. Large fluctuations in energy costs will make consumers more aware of how much they are paying for retail motor fuel. This increase in awareness and price sensitivity will increase consumer complaints regarding the accuracy and quality of the motor fuel they are purchasing, increasing the number of complaints the branch will receive and investigate regarding retail motor fuel pump accuracy and octane number.

City and County of Honolulu taxi rate changes and taxi meter adjustments have required the program to inspect all commercial taxi meters used on Oahu twice in a 12-month period.

Due to reduced staffing levels, the program has limited inspection capabilities for coffee and other industries about labeling accuracy. Complaints are the focus of inspection activities and reviews. Sampling is limited rather than 100% annual or semi-annual inspections as previously provided. Oahu and Hawaii Island inspection support is active.

CCA111 Business Registration and Securities Regulation

The Program expects to see changes relating to federal securities regulation as a result of the new administration. The Program continues to monitor any changes in federal regulation that may affect State securities laws. Cases involving securities violations are expected to remain steady, but securities fraud schemes are likely to increase in complexity. In addition, security cases involving seniors are expected to rise as the senior population continues to grow. The Program also anticipates an increase in demand for the growth of the investor education program to educate the public, from children to seniors, to provide financial literacy information and investor protection information.

CCA112 Regulated Industries Complaints Office

Major external trends, including national and local trends regarding industry practices, consumerism, and economics, affect the Program. For example, a dip in home sales may result in fewer complaints based on real estate transactions. The same dip may result in an increase in complaints about real estate rentals. An uptick in construction may result in an increase in complaints against unlicensed contractors. The Program's workload also changes as new laws and new programs are implemented.

CCA191 General Support

The Program is affected by major external trends, as they affect the other programs within the department. Public awareness of consumerism continues to affect the number of hearings conducted by OAH. Public interest in having governmental services online, combined with an increased number of device types used to access online services, as well as an increase in both evolving cyber threats and telework demands, affects the volume and nature of work performed by ISCO.

Enforcement of Information Practices

AGS105 Enforcement of Information Practices

The number of yearly requests for OIP's assistance is beyond OIP's control and directly affects OIP's backlog. Notably, new requests for OIP's assistance increased after the COVID-19 emergency restrictions on UIPA and Sunshine Law cases were removed. Additionally, OIP's workload also increased following major Sunshine Law changes made in 2021 and 2022, which required new and revised training material and led to additional requests for OIP's assistance.

Legal and Judicial Protection of Rights

Office of the Public Defender (BUF151)

OPD is constitutionally and statutorily mandated to provide legal assistance to all indigent accused persons requesting representation in petty misdemeanor, misdemeanor, family and felony cases. OPD is also statutorily required to represent juveniles in Family Court proceedings, subjects in involuntary civil commitment proceedings and clients in parole matters. Staffing requirements for OPD are dependent not only upon the sheer volume of cases handled by OPD but are also directly related to administrative changes by the Judiciary. When the Judiciary increases the number of judges, courtrooms or implements specialty programs, OPD's workload increases. The Judiciary continues to make organizational and substantive changes in its effort to process greater numbers of criminal prosecutions in a reduced time-period or to implement alternatives to incarceration which, in turn, significantly impacts OPD.

OPD's workload is also significantly impacted by changes in the law which increase the need for representation. This includes creation of new offenses, increasing penalties for current offenses, criminalizing offenses, mandatory sentencing laws and collateral sanctions for offenses such as sex offender registration.

Representation by OPD which fulfills constitutional, statutory and ethical requirements for zealous and effective representation requires that OPD be able to maintain and/or increase staffing levels, such as deputy public defenders and support staff. Maintaining salary parity with other related agencies, such as the Prosecuting Attorneys' offices and the Department of the

Attorney General, is critical to ensure that OPD is able to recruit and retain deputy public defenders to maintain case counts that allow OPD to meet the aforementioned requirements for zealous and effective representation.

LNR 111 Bureau of Conveyances

The impacts of inflation, rising interest rates, and the fluctuating economic conditions in the past several years in Hawaii and nationally, continue to weigh down core real estate and financial activities involving the Bureau. Further uncertainty and fear are expected in these segments based on the outcome of the Presidential elections and the possible residual effects into 2025-2026. The upcoming biennium is anticipated to reflect the same fluctuations as the economy adjusts to those realities.

Commission on the Status of Women (HMS888)

Major external trends include the disproportionate economic shock of COVID-19 on women as a group and on institutions that provide critical support to women; the lack of gender-focused, supportive workplace policies while there is insufficient capacity in the childcare system; increased incidence and severity of violence against women and their children; the ongoing wage disparity among working women; changes in the provision of public assistance; the underrepresentation of women on important policymaking bodies and upper management in the public and private sectors; and anticipated cuts in funding for women's programs.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports and studies by the Department of Accounting and General Services may be found at the following web address: <https://ags.hawaii.gov/reports/>.

Reports and studies by the Department of Commerce and Consumer Affairs may be found at the following web address: <https://cca.hawaii.gov/reports/>.

Reports and studies by the Department of Human Services may be found at the following web address: <https://humanservices.hawaii.gov/reports/>.

Reports and studies by the Office of the Public Defender may be found at the following web address: <https://budget.hawaii.gov/budget/reports-to-the-legislature/>.

11

Government-Wide Support

GOVERNMENT-WIDE SUPPORT

I. OVERVIEW

The Government-Wide Support program's overall objective is to enhance the effectiveness and efficiency of State programs by providing executive direction, program coordination, and policy development as well as a wide variety of services supporting the work of the State government as a whole or common to all or most programs.

The program consists of three Level II programs: Executive Direction, Coordination and Policy Development; Fiscal Management; and General Services. These programs are contained within the Office of the Governor (GOV), the Office of the Lieutenant Governor (LTG), and the following Departments: Business, Economic Development and Tourism (BED), Budget and Finance (BUF), Accounting and General Services (AGS), Attorney General (ATG), Budget and Finance (BUF), Human Resources Development (HRD), Land and Natural Resources (LNR), and Taxation (TAX).

Executive Direction, Coordination and Policy Development

The objective of this program is to enhance the effectiveness and efficiency of State programs by providing executive direction, policy development, program coordination, and planning and budgeting services. This is accomplished principally through the Executive offices and central staff agencies. It includes the following sub-programs:

Office of the Governor

The objective of this office is to enhance the effectiveness and efficiency of State programs by providing executive direction, policy development, program coordination, communications, planning and budgeting, and implementation and review of the managed process of public-private competition for particular government services through the managed competition process and negotiations between the State and the exclusive representatives on matters of wages, hours, and other negotiable terms and conditions of employment.

As the Chief Executive of the State, the Governor sets broad goals of the State, establishes priorities and administers execution of laws according to legislative intent.

Office of the Lieutenant Governor

The objective of this office is to enhance the efficiency and effectiveness of the State programs by providing leadership and executive management and by developing policies and priorities to give direction to State programs.

The Lieutenant Governor serves in their capacity on a full-time basis and performs such duties as provided by law (Hawai'i Constitution Article V, Section 2). Additionally, the Lieutenant Governor also acts in place of the Governor in the event of the Governor's absence from the State (Hawai'i Constitution Article V, Section 4).

The Lieutenant Governor is also designated Secretary of State for intergovernmental relations. In this capacity, the Lieutenant Governor directs and performs varied activities which are required by law, including name changes, authentication of documents, sale of official State publications, compilation of administrative rules, compilation of legislative acts and monitoring of State open meeting laws (Hawai'i Revised Statutes, Section 26-1).

The Lieutenant Governor also performs duties and undertakes projects assigned by the Governor.

BED144 Statewide Planning and Coordination

The objective of this Level IV program is to enhance the efficiency and effectiveness of State programs by maintaining a comprehensive statewide planning process, through the formulation of a State policy plan and the development of a policy planning and implementation framework; by undertaking comprehensive land use and coastal zone planning, management, and implementation, by facilitating intergovernmental coordination and cooperation; by undertaking strategic and regional planning to address areas of critical State concerns related to social, economic or physical conditions; and by promoting programs and capital improvement projects which further State policies.

BED103 State Land Use Commission

The objective of this Level IV program is to preserve, protect, and encourage the development and preservation of lands in the state for those uses to which they are best suited in the interest of public health and welfare of the people of the state of Hawaii through the implementation of the state land use law, Chapter 205, Hawaii Revised Statutes, as amended. The major activities of the land use commission include processing reviewing and acting on petitions for district boundary changes that involve lands over 15 acres in the state agricultural, rural, and urban districts and all petitions for land in the conservation district, reviewing and acting on applications for special permits in the agricultural and rural district which are over 15 acres, processing boundary interpretation requests, maintaining, updating and disseminating official state land use district maps and state land use information and providing public information.

In the current fiscal year, the Land Use Commission (LUC) has stimulated economic activity by meeting all its projected goals and processing all petitions for district boundary amendments, special permits, Important Agricultural Land designations and Motions to Amend in a timely manner. Most Petitions and Motions were decided on and concluded within 4 months of being deemed complete for hearing. Using virtual platforms the LUC will be able to continue to meet all long- and short-term goals in the approval of these matters. LUC has also been able to meet all its projected goals with regard to Boundary Interpretations stimulating and allowing the Counties to process and issue construction permits for over 1200 small projects.

The LUC works closely with many State and county agencies in the development of conditions for granting of permits to ensure state, county and constitutional requirements are met and that unnecessary burdens are not placed on state and county agencies.

BED130 Economic Planning and Research

The objective of this Level IV program is to enhance and contribute to the economic development of the State by providing analyses, and policy recommendations on economic issues; developing short and long-range forecasts of Hawaii's economy; conducting and

reporting on basic research into the economy of the State, collecting, compiling, interpreting and publishing data and statistics on all aspects of business activity, the economy, and demographic characteristics of the State; and maintaining a statewide statistical reporting program through the State of Hawaii Data Book and online data warehouse.

BUF101 Departmental Administration and Budget Division

The objective of this Level IV program is to facilitate and improve the executive resource allocation process by thorough planning, programming, and budgeting and analyses, through sound recommendations on all phases of program scope and funding, and by efforts to simplify and more directly tie program performance with resource allocation decisions.

This program includes BUF's Office of the Director, Administrative and Research Office, Office of Federal Awards Management, and Budget, Program Planning and Management Division. This program:

1. Conducts continuous review and advises the Governor on the financial condition of the State;
2. Assists in the preparation, explanation, and administration of the State's long-range plans; proposed six-year program and financial plan; and State budget;
3. Performs other staff services for the Governor as required;
4. Advises on and monitors compliance of the budget execution policies and procedures;
5. Conducts comprehensive and in-depth analysis on State programs, operations, problems, and issues to provide management with a sound, rational basis for decision-making;
6. Provides information requested by the Legislature;
7. Reviews proposed legislation and recommends appropriate action to the Governor on bills awaiting signature;
8. Develops, designs, and implements government-wide management improvement projects to increase the effectiveness and economical use of management resources; and
9. Provides administrative support activities to the department.

BUF102 Collective Bargaining – Statewide

The objective of this Level IV program is to facilitate the allotment and disbursement of statewide collective bargaining appropriations.

BUF103 Vacation Payout – Statewide

The objective of this Level IV program is to provide a centralized annual vacation payout for all state executive branch departments and agencies

AGS 871 Campaign Spending Commission

The objective of this program is to ensure transparency and full disclosure of contributions and expenditures by all candidates and noncandidate committees, conduct investigations and administrative hearings, and administer the public funding program.

The Campaign Spending Commission performs the following activities:

1. Develop and adopt reporting forms required by the campaign finance laws.

2. Develop and publish manuals for all candidates and committees to provide guidance on the requirements of the law.
3. Serve as a repository for all campaign spending reports filed by candidates and committees.
4. Review all candidate and committee reports for compliance with laws and rules.
5. Permit the inspection, copying, or duplicating of any report required by law.
6. Ensure timely reporting of all reports and assess monetary fines.
7. Hold public hearings.
8. Investigate and hold hearings to receive evidence of any violations.
9. Negotiate and draft conciliation agreements.
10. Establish rules pursuant to Chapter 91, Hawaii Revised Statutes.
11. Request initiation of prosecution for violations of the campaign finance laws.
12. Administer, monitor, and audit the distribution of public funds.
13. Research, draft, and issue advisory opinions.
14. Provide guidance to the public, candidates, and committees by phone and mail or other means.
15. Comply with State requirements for employment, budget, contracts, inventory, and other office functions.
16. Conduct random audits and field investigations.
17. File for injunctive relief and other court-related actions.

The office works with the Office of Elections, county clerks' offices, State and county agencies, Prosecuting Attorney offices, Department of the Attorney General, Office of Enterprise Technology Services, State and county ethics agencies, Hawaii State Legislature, Office of the Governor, open government groups, and media organizations.

AGS 879 Office of Elections

The objective of this program is to maximize voter participation in the electoral process by developing policies and procedures that encourages registration and turnout.

The Office of Elections performs the following activities:

1. Direct and coordinate the statewide election systems and assist the counties with county elections.
2. Provide election services statewide.
3. Prepare, procure, and control inventory of election ballots for eth State and concurrently conducted county elections statewide.
4. Provide secure, accessible and convenient voting services to all eligible voters statewide.
5. Process, tabulate and distribute election results statewide.
6. Provide computer support services (hardware and software applications) for elections (State and county).
7. Provide logistical and warehousing support for elections (State and county).
8. Provide voter registration services to qualified citizens.
9. Maximize voter registration statewide.
10. Equalize voter registration between districts statewide.
11. Provide public education with respect to voter registration and information.
12. Maintain data relating to registered voters, elections, apportionment and districting.
13. Provide necessary technical services and support to the Reapportionment Commission.

14. Provide staff support to the Elections Commission.
15. Provide staff support to the Board of Registration.
16. Provide staff support to the Statewide Elections Accessibility Needs Advisory Committee.
17. Conduct elections in compliance with all federal and State laws.

This office works closely with the various county offices and their election staff as well as State agencies to coordinate election-related activities. The office serves as the principal liaison with various federal agencies (e.g., Election Assistance Commission, Federal Voter Assistance Program, Department of Justice, Homeland Security, etc.) on election-related matters.

Fiscal Management

The objective of this program is to maximize the State's income within the limits of established revenue policies and tax laws and to maintain the financial faith and credit of the State by administering an equitable system of tax assessment and efficient revenue collections, by assuring the availability of funds when required and the safekeeping and prudent investment of State monies, and by providing for the legal, proper, and prompt payment of the State's financial obligations.

TAX100 Compliance

The objective of this program is to promote and maintain a tax system based on self-assessment and voluntary compliance by taxpayers through the consistent and fair application of all State tax laws administered by the department. To reduce the amount of outstanding taxes owed to the State.

This program performs the following activities:

- **Field Audits:** Field audits involve the examination of taxpayers' accounting records, books, and financial statements to ensure appropriate compliance with State tax laws, proper classification of revenues, and acceptable documentation for expenses claimed. The scope of activities for field examinations encompasses examination and assessment of out-of-state taxpayers.
- **Office Audits:** Office audits involve the in-depth review of a wide variety of tax returns to ensure accuracy of math computations, proper reporting of revenues, and reasonableness for expenses claimed.
- In the neighbor island district offices, the Program provides taxpayer assistance and services for a range of functions. Taxpayers are assisted over the counter (walk-ins), and through telephone inquiries and correspondence. The types of services provided include assistance in preparing returns, providing technical information, issuing tax forms and instructions, acceptance of tax returns and payments, and providing public speakers. Each district office also performs field audit, office audit, and collections activities.

The Department of Taxation and the Internal Revenue Service exchange tax information under an agreement signed by the State and federal governments in 1965. Since the income tax laws of both agencies are similar, income tax audits made by one agency are generally applicable to the other, resulting in broader audit coverage and additional revenues from deficiency assessments.

Under the Multi-State Tax Compact, Hawaii exchanges tax information with other member states and utilizes the services of the multi-state tax auditors in the audit of multi-state corporations. The Program has also established relationships with the Federal Bankruptcy Court and the Departments of the Attorney General, Commerce and Consumer Affairs and Accounting and General Services.

TAX103 Tax Collection Services Office

The objective of this program is to provide revenues to support quality public service in the State of Hawaii through the collection of delinquent taxes in accordance with prescribed laws and regulations.

The program ensures that businesses and individuals comply with their tax obligations by:

1. Communicating with taxpayers, their representatives, certified public accountants and tax attorneys to address problems, request supporting documentation, and resolve cases involving delinquent taxes.
2. Performing field collection work.
3. Gathering and analyzing data.
4. Reviewing documents and procedures.
5. Investigating tax delinquencies in adherence to State and federal laws.
6. Collecting overdue tax dollars.
7. Remaining well-versed in tax code.
8. Imposing payment deadlines on delinquent taxpayers and monitor payment to ensure the deadlines are met.
9. Determining appropriate methods of debt settlement, such as offers of compromise, wage garnishment, or seizure and sale of property.
10. Initiating legal action (liens, levies, etc.) when appropriate.
11. Providing over the counter and telephone information and assistance to the public.

The Department of Taxation and the Internal Revenue Service exchange tax information under an agreement signed by the State and federal governments in 1965. Under the Multi-State Tax Compact, Hawaii exchanges tax information with other member states as well. The program has also established relationships with the Federal Bankruptcy Court and the Departments of the Attorney General, Commerce and Consumer Affairs and Accounting and General Services.

TAX105 Tax Services and Processing

The objective of this program is to process all tax documents received in the most efficient and expeditious manner possible; maintain accurate accounting records for all tax programs; and promote voluntary taxpayer compliance through timely delivery of information, forms, and responses to questions and inquiries.

The Program performs the following activities:

1. Providing centralized customer service, assistance, and information on all taxes administered by the Department of Taxation (TAX), including: responding to general questions relating to income, business, and miscellaneous taxes and procedures; analyzing taxpayers' questions, research, interpretation of law, and development of appropriate correspondences; providing assistance to taxpayers in filing their general

excise/use, withholding, transient accommodations, and rental motor vehicle and tour vehicle surcharge tax returns; initiating online changes and corrections to accounting period data and accounts; responding to billing and tax return adjustment inquiries; processing and issuing tax clearances; and receiving and processing requests for tax forms.

2. Issuing tax licenses: assisting taxpayers applying for new or renewed tax licenses, permits, and identification numbers on a statewide basis as they relate to the general excise, withholding, transient accommodations, rental motor vehicle and tour vehicle surcharge, tobacco, liquor, or fuel taxes; processing miscellaneous tax registration and renewals on a statewide basis; and approving and monitoring applications to purchase cigarette tax stamps.
3. Account management, including: providing computer-based correction activities to the demographic and financial information on a taxpayer's account in order to process, post, or update net income, general excise, use, withholding, transient accommodation, rental motor vehicle and tour vehicle surcharge tax returns; and preparing letters to taxpayers as it relates to correction adjustments.
4. Receiving and preparing documents for cashiering, including: opening, sorting, and distributing incoming mail; preparing and delivering outgoing mail; batching documents by tax type; and editing the documents.
5. Processing documents, including: cashiering and depositing of all monies received; processing of returns and payments received from paper and electronic channels; entering of data into a machine print media; and maintenance and control of documents in the central filing system.
6. Revenue accounting, including: the control and accounting for all tax revenues collected, adjusted, and refunded; maintenance of revenue control and subsidiary ledgers; maintenance of the accounting system for protested payments and tax appeals; and statewide processing and accounting activities of all miscellaneous taxes (except estate and transfer tax).
7. Preparing statements and reports of tax operations, including: gathering, compiling, analyzing, and preparing tax operation statements and reports.
8. Providing support services, including: duplicating services of tax documents and providing internal mail service and messenger service to other State agencies for the department.

The Program has important relationships with the Legislature, financial institutions, government (federal, State, county) agencies, branches within TAX, tax practitioners and preparers, and taxpayers.

TAX107 Supporting Services – Revenue Collection

The objective of this program is to enhance the department's effectiveness and efficiency in implementing tax programs for formulating policies, allocating resources and providing direction to operations; and to improve the State's policy and decision-making process by providing timely and accurate tax data and interpretive information.

The Program consists of the following offices:

1. Director's Office: Provides administrative direction in implementing the department's tax programs so as to achieve efficiency and effectiveness. Coordinates department

activities with other government agencies and private enterprises in areas of mutual interest and responsibility.

2. Administrative Services Office: Provides administrative and personnel management support and services to the department's operating units. Facilitates resource allocation decisions through the timely filling of vacancies and proper budgeting of expenditures. Prepares biennium and supplemental budgets based on the goals and objectives set by the Director of Taxation.
3. Information Technology (IT) Services Office: Provides technical support and formulates associated policies and procedures for the department regarding effective IT solutions. Provides maintenance support for current computer systems and assistance in planning for the department's IT requirements.
4. Rules Office: Develops tax interpretations, including rules and regulations, technical memoranda, tax information releases, tax precedents, and basic principles for uniform application of the State tax laws for statewide use. Prepares appropriate tax legislative proposals and written testimonies on all tax measures before the Legislature. Develops and coordinates training programs in matters relating to the income and miscellaneous tax laws.
5. Tax Research and Planning Office: Develops pertinent and timely tax data to assist in the on-going review of the State tax structure. Reviews the revenue and economic impact of all proposed revisions to the tax system. Reviews and incorporates in the pertinent tax plans, all legislative proposals and enactments to meet administrative goals and financial requirements. Evaluates and revises the tax revenue forecasts for the State and county general and special funds. Develops and updates various forecasting models and databases for tax revenues and personal income. Provides general fund estimates for a seven-year period and projects the total State personal income for the calendar year in progress. Reviews general fund estimates quarterly and total State personal income semiannually.

The Program continues to maintain an important relationship with the Legislature, Internal Revenue Service, and tax practitioners.

AGS101 Accounting System Development and Maintenance

The objective of this program is to enhance the effectiveness and efficiency of the statewide accounting and reporting systems of the State by developing, maintaining, improving, and controlling the methods, procedures and forms of these systems.

A major portion of the program's effort is directed toward development of new statewide accounting systems and major enhancements to existing accounting systems. Activities related to the development of new accounting systems and major enhancements to the existing systems include: coordinating project tasks and activities; defining system functional and internal control requirements; identifying required system design modifications and related system specifications and reengineering work processes, documents, and document flow; conducting acceptance testing; providing user-related training, conversion, implementation, and post implementation support; and developing policies, procedures, forms and user manuals.

Concurrent with accounting system development is the maintenance and management of existing systems to: improve the operational efficiency and/or utility of the systems; comply with changes in applicable State and federal laws, and/or management policies; correct

accounting deficiencies or internal control weaknesses as identified by independent financial auditors; and correct system errors that occur in the normal course of business. Activities related to the maintenance and management of existing systems are similar to those of major enhancements to existing accounting systems, but on a smaller scale.

This program also establishes, maintains and manages the State of Hawaii Accounting Manual, Financial Accounting and Management Information System Procedures Manual, and Financial Datamart Manual and related State Accounting Forms (SAF) to provide internal control over the accounting functions of the State.

Activities related to the control functions include prescribing: accounting policies, methods and practices of the State to comply with accounting and reporting requirements for governmental entities in conformity with generally accepted accounting principles (i.e., GAAP), comply with applicable State and federal laws, and/or management policies; and content and format of accounting information through the use of SAFs to provide uniformity in the recording of accounting transactions and ensure the validity, propriety and accuracy of recorded accounting transactions.

The work performed by this program requires collaboration with the Uniform Accounting and Reporting Branch and Pre-Audit Branch of the Department of Accounting and General Services to ensure a proper accounting result from the central standpoint, and the departments and agencies to ensure a pragmatic and functional accounting result from the departmental standpoint. In addition, since this program represents the user's orientation to the system, collaboration with and support from AGS 131, Enterprise Technology Services, is necessary to develop and implement the required programming changes and maintain the data processing aspects of the system.

AGS102 Expenditure Examination

The objective of this program is to assure State payments conform to established standards of propriety and legality and are made promptly.

Vouchers received from departments and agencies are pre-audited to determine that the proposed expenditures are legal and proper. The program ensures the transactions comply with applicable laws, are appropriately charged, and conform to prudent business practices and policies.

Payrolls received from departments and agencies are pre-audited to determine that the rate of pay is properly authorized, partial pay is correctly computed, and time records or other required documentation are supported. Assignments and garnishments against payrolls are also controlled and processed in accordance with employee desires or statutory requirements.

The program also certifies that funds are available to cover contracts. Contracts are further examined for legality and propriety to avoid unnecessary reexamination in the future.

Other activities include the control of State check issuances, cancellations, and reissues and the maintenance of vendor codes.

AGS103 Recording and Reporting

The objective of this program is to assure that the State's financial transactions are promptly and properly recorded and reported.

The program activities are processing and recording receipt, expenditure, and other accounting transactions in the State's general ledgers (the control ledgers) and in the appropriate subsidiary ledgers. The program also prepares timely, meaningful, and accurate reports and controls financial transactions that are entered into the State's accounting system. The program prepares the State of Hawaii's Annual Comprehensive Financial Report.

AGS104 Internal Post Audit

The objective of this program is to ensure that control systems provide managers with reasonable assurance that desired outcomes will be achieved.

The major activities of the Program include the following: (1) audits and other assurance procedures required by statute; (2) audits and other assurance services requested by State departments and agencies; (3) urgent audit and other assurance services requested by State departments and agencies; (4) monitoring compliance on a periodic basis by State departments and agencies for the establishment and maintenance of a system of internal controls; (5) audits of contracts of State departments and agencies; (6) assisting departments and agencies with internal control-related issues and follow-up on the resolution of audit findings; and (7) verification of invoices submitted by the Honolulu Authority for Rapid Transportation.

The program monitors, through audit and monitoring processes, for compliance with the State's internal control system for the authorization, initiation, recording, processing, monitoring and reporting of financial transactions. Compliance by the State's departments and agencies with established accounting procedures and related internal controls promotes fiscal integrity, responsibility and efficiency.

BUF115 Financial Administration

The objective of this Level IV program is to maximize the value, investment and use of State funds through proactive planning, the development of prudent statewide financial policies, the timely scheduling of State bond financing and the establishment of appropriate cash management controls and procedures. This program consists of BUF's Financial Administration Division.

Investments of cash in excess of the State's immediate requirements are made on a regular basis with banks and financial institutions. In an effort to maximize the interest earnings for the State, this program works closely with these institutions to obtain the best possible interest rates at any given time. Relationships with primary banks are important to obtain necessary cash management services to deposit, disburse, and transfer funds for daily operations of the State's departments.

To carry out the coordination of the State's Bond Program, direct involvement with other State department programs is necessary in areas such as: 1) directing the activities of and participating in issuing revenue bonds; and 2) evaluating and recommending alternative financing options to meet funding requirements.

This program is instrumental in directing all activities of a bond issue. Essential to planning the issuance and marketing the sale of bonds is a good working relationship with the bond counsel, underwriters, investment banking firms, and other private sector entities. Coordination of the timing of bond issuances by the State and four counties is important to avoid having a number of Hawaii issues in the marketplace at any one time which would lead to higher interest costs for all issuers and a negative impact on the marketability of the bonds.

BUF721 Debt Service Payments – State

The objective of this Level IV program is to make and record debt service payments in a timely and accurate manner.

General Services

The objective of this program is to assist in achieving State objectives by providing logistical, technical, and professional supporting services to all State agencies.

ATG100 Legal Services

The objective of this program is to facilitate compliance with, and enforcement of, State and federal laws by: 1) providing legal advice and advisory opinions to the Governor, the Legislature, public officers, and department heads; 2) conducting civil and criminal investigations; and 3) representing the State in criminal or civil actions. Further, to safeguard the rights and interests of the people by undertaking legal or judicial actions on their behalf.

The Department of the Attorney General represents the State, its agencies, and its officers in civil proceedings before State and federal courts.

The legal services program handles approximately 13,000 criminal and civil cases per year; provides over 2,000 legal opinions and advice to the Governor, Legislature, department heads, and State agencies; and represents public officials and agencies in actions such as torts, labor, construction, and collections. In the law enforcement area, the program works with county and federal agencies to prosecute crimes and to administer State and federal grants, such as the Hawaii Career Criminal and Victim-Witness programs.

AGS131 Enterprise Technology Services

The Enterprise Technology Services (ETS) program objectives include the management and operation of all State agencies by providing effective, efficient, coordinated, and cost-beneficial computer and telecommunication services such that State program objectives may be efficiently achieved. In addition, the program provides governance for Executive Branch information technology (IT) projects to provide the essential State oversight necessary so that intended goals are achieved and a positive return on investment (ROI) is realized for the people of Hawaii. The program also seeks to prioritize and advance innovative initiatives with the greatest potential to increase efficiency, reduce waste, and improve transparency and accountability in State government.

ETS performs the following activities:

1. **Production Services:** Operates a centralized computing facility and a distributed data communications network that provides comprehensive and efficient computing services to all State agencies.
2. **Systems Services:** Provides systems software support and control programming; database management and operational support; installation and maintenance services for distributed systems; development, implementation, and maintenance of specialized systems software used in support of applications and control systems; and analyses to improve the efficiency and capacity of computer systems and security of information.
3. **Telecommunications Services:** Plans, designs, engineers, upgrades, and manages the State's telecommunication infrastructure that delivers voice, data, video, microwave, and radio communications services to State agencies. The program further provides centralized computer information management and processing services; coordination in the use of all information processing equipment, software, facilities, and services in the Executive Branch; and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of State government programs.
4. **Client Services:** Provides application systems development and maintenance services to statewide applications and department or agency specific applications.
5. **Technology Support Services:** Provides planning, design, management, maintenance, coordination, and technical consulting and support for the State's emerging technologies programs. In addition, it is the program's responsibility to establish, coordinate, and manage a program to provide a means for public access to public information and develop and operate an information network in conjunction with overall plans for establishing a communication backbone for State government.
6. **Cyber Security:** Provides planning, advice, assistance, scanning and monitoring in the secure use of the information processing.
7. **Governance:** Statutorily mandated duties include development, implementation and management of statewide IT governance and State IT strategic plans, as well as development and implementation of statewide technology standards, including working with each Executive Branch department and agency to develop and maintain multi-year IT strategic and tactical plans and road maps and coordinate IT budget requests, forecasts, and procurement purchases to ensure compliance with all the above.

The program provides planning, consulting, development, maintenance, and computer applications processing services for essential statewide programs, including Accounting, Payroll, Budgeting, Capital Improvements, Human Resources Application Information, Class Registration, and Unemployment Insurance. The program provides systems support, database management, and computer hosting/operations services for department-administered application systems, including the Hawaii Automated Welfare Information System, Offender Based Tracking System, Business Registration, Professional and Vocational Licensing, Integrated Tax Information Management System, KEIKI Child Support Enforcement System, and the Hawaii Employer-Union Health Benefits Trust Fund system. The program establishes and maintains interfaces to State Judicial, Legislative, county, and federal information processing systems to ensure the necessary data exchanges between jurisdictions for their program objectives. The program establishes and maintains interfaces between the State and private sector financial institutions for the transmission of State financial transactions.

AGS111 Archives – Records Management

The objective of this program is to foster open government by preserving and making accessible the historic records of State government and partnering with State agencies to manage their active and inactive records.

The program's major activities include:

Digital Archives: The three-year build-out of the Digital Archives was completed with access to archival records available to the public. The Hawaii Digital Archives, or HiDA, will continue to refine the user interface, ingest and preservation capabilities for State agency electronic records in a centralized digital archives. Work to improve public access to these materials will be ongoing. As new digital records are donated to, or created by the State Archives, this new content will be uploaded to HiDA for free public access 24 hours a day, 7 days a week, 365 days a year, from anywhere in the world.

HiDA is an open-source tool for preserving the fiscal, historical, legal, cultural, and intellectual heritage of Hawaii. The goal of the project is to create a system that not only stores digital records, but also preserves their authenticity for all time.

HiDA uses an agile, modular approach as a means to maintain records over a long period. This approach means development is constantly ongoing as services are removed or replaced with new or better software. Records themselves will also be continually updated to new formats that will prevent them from going obsolete while still preserving their authenticity.

Historical Records: Collects, preserves, stores, and manages Hawaii's historical government records of enduring legal, historical, administrative, or fiscal value; provides access to these records via the web and at the Hawaii State Archives; provides in-house scanning and technical support services; and prepares scanned records to be loaded to the web.

Records Management: Provides technical and professional support to develop and revise records retention and disposition schedules for the Executive Branch; provides low-cost records storage in a warehouse facility for non-permanent records; and provides storage for master/security microforms for State and county agencies.

The Archives Division collaborates with State agencies and private institutions to preserve and make accessible records of enduring value. The Archives collects records primarily from State agencies and has worked with State partners to seamlessly transfer electronic records of permanent value to the State Archives.

AGS891 911 Board

The objective of this program is to administer the collection of the monthly surcharge from wireless service providers and provide reimbursement from the 911 Fund to public safety answering points (PSAP) and wireless and Voice over Internet Protocol (VoIP) connection service providers to pay for the reasonable costs to lease, purchase or maintain all necessary equipment, including computer hardware, software and database provisioning required by the PSAPs to provide technical functionality for the wireless enhanced 911 service pursuant to the Federal Communications Commission (FCC) Order 94-102.

This program performs the following activities:

1. Collect monthly surcharge fees from wireless and VoIP connection service providers.
2. Reimburse PSAPs and wireless service providers for the allowable costs associated with 911 services.
3. Hire an Executive Director and an Administrative Services Assistant to carry out administrative duties, provide technical advisory support to the Board and to administer the 911 Fund.
4. Complete an annual Five-Year Strategic Budget Plan of the activities and necessary expenditures for the next five years.
5. Convene monthly 911 Committee and Board meetings.
6. Introduce 911 legislation when necessary.
7. Form investigation committees to make recommendations to the Board on 911 issues impacting PSAPs and public safety.
8. Keep informed of new 911 technologies and federal legislation that will affect the State's PSAPs and residents.
9. Continue to reevaluate the 911 surcharge fees charged for each connection to ensure equity and support of its PSAPs.
10. Continue to provide financial information monthly and quarterly to the Administrative Services Office of the Department of Accounting and General Services.
11. Provide accurate financial statements and undergo an annual independent Certified Public Accountant audit of the 911 Fund.

There is a national trend to upgrade the current 9-1-1 systems to an internet protocol (IP)-based (Next Generation) infrastructure. In addition, several states have implemented surcharge assessments on prepaid wireless service which the 911 Board will continue to ensure that all users pay their fair share of the cost of 911 service.

The PSAPs have established relationships with the federal government which includes the FCC and the Department of Defense (DOD). These two critical relationships are assisting our State in providing funding and legislation to improve the efficiency of the PSAPs through new technologies and aid to urban as well as underserved rural communities. The FCC has mandated that the telecommunications service providers provide new technology such as location accuracy to assist first responders in locating 911 callers in difficult terrain as well as high rise buildings.

DOD has teamed up with the Honolulu PSAP to provide mutual assistance during major catastrophes on Oahu.

HRD102 Workforce Attraction, Selection, Classification, and Effectiveness

To support program objectives through recruitment and retention of a qualified workforce within applicable fiscal and operational constraints. This includes recruitment activities for civil service positions; providing support for personnel actions that are necessary as a result of the State's fiscal status; classifying positions based on the duties and responsibilities; identifying, delivering and administering employee training and development programs; compensating employees at proper pay levels; assuring effective employee-employer relations; administering a variety of employee benefits; administering the State's self-insured workers' compensation (WC) program for State employees; and ensuring a safe and healthy work environment.

The Program administers the State Executive Branch's human resources (HR) system. Major activities carried out by the program are as follows:

1. Develop and administer a civil service recruitment and examination system consistent with the application of the Merit Principle which includes: 1) competitive civil service recruitment planning and execution; 2) competitive examination development and administration; and 3) jurisdictional placement searches for employees affected by reduction in force and work-related disabilities.
2. Provide technical support, advice and assistance to departmental personnel staff.
3. Develop and maintain the existing classification system, and develop and implement alternative methods of classifying positions, including developing new and amended class specifications, classifying positions, determining the bargaining unit for classified positions, and establishing policies and procedures.
4. Maintain equitable pay relationships by determining the pricing and repricing of classes; and administer a systematic pay program including establishing special rates for shortage occupations.

The Program has a close and direct relationship to the personnel programs of other public employers including the counties, the Judiciary, and the Hawaii Health Systems Corporation, particularly in achieving the intent of Chapters 76, 78, 89 and 89C (as amended by Act 253, SLH 2000). Legislative and other policy guidelines identify important relationships with other State programs (e.g., Occupational Safety and Health, WC, and the Office of Collective Bargaining). Line agencies also create the need for activities, programs, and services to support their HR management needs.

HRD191 Supporting Services – Human Resources Development

The objective of this program is to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel, and providing other administrative support services.

This program guides, supports, and directs the human resources (HR) program for the Executive Branch as follows:

1. Advises the Governor on policies and issues concerning the administration of the State Human Resources Management System.
2. Administers the HR management program of the State.
3. Directs and coordinates DHRD programs.
4. Direct comprehensive planning.
5. Conducts program analysis.
6. Directs and coordinates budget preparation and execution.
7. Performs management services.
8. Provides administrative support to departmental operations and statutorily assigned commissions and boards.
9. Plans and coordinates efforts to address the Department's information technology requirements.

This program has close and direct relationship to the HR programs of other public employers including the counties, the Judiciary, and the Hawaii Health Systems Corporation, particularly in achieving the intent of Chapters 76, 78, 89 and 89C (as amended by Act 253, SLH 2000).

Legislative and other policy guidelines identify important relationships with other State programs (e.g., Occupational Safety and Health, workers' compensation, and the Office of Collective Bargaining). Line agencies also initiate the need for activities, programs and services to support their HR management needs.

BUF141 Employees' Retirement System

The objective of this program is to administer the retirement and survivor benefits program for State and County members and to anticipate and exceed their needs; manage the retirement system's resources in a responsible and cost-effective manner; prudently manage investments in accordance with fiduciary standards; and to provide an open and participative work environment for staff.

Major funding from this program is provided by investment earnings, employer contributions from the State, employer contributions from the counties, and member contributions.

BUF143 Hawaii Employer-Union Trust Fund

The objective of this program is to administer health and life insurance benefits for eligible active and retired State and County public employees and their dependents by: 1) providing quality service levels to employee-beneficiaries and their dependent-beneficiaries, and 2) complying with Federal and State legal requirements.

The Hawaii Employer-Union Trust Fund (EUTF) Board of Trustees:

1. Oversees all Trust Fund activities;
2. Determines the nature, scope, and specific benefit levels of the benefit plans;
3. Negotiates and enters into contracts with administrators and insurance carriers;
4. Procures fiduciary liability insurance, fidelity bond, and errors and omissions coverage;
5. Establishes eligibility criteria and management policies for the Trust Fund; and
6. Contracts for financial audits of the Trust Fund and claims audits of its carriers.

EUTF staff:

1. Trains State and county personnel and fiscal officers to enroll eligible employees and retirees in benefit plans and publicize benefit plan information;
2. Administers health benefit and life insurance plans;
3. Procures insurance carriers and administrators for benefit plans in addition to contracts for consultants, BAS, and other goods and services;
4. Maintains the BAS and updates as necessary to respond to changes in federal and State legislation and other plan changes;
5. Collects and disburses enrollment information; processes enrollment applications; records cancellations and terminations; updates files; and responds to inquiries about benefit plan enrollments;
6. Collects and reconciles employee payroll deductions and employer contributions in accordance with statutes and collective bargaining agreements; and remits premiums to insurance carriers and administrators;

7. Collects employer contributions and processes reimbursement of Medicare Part B health insurance premiums to eligible retirees and their spouses;
8. Invests OPEB Trust assets in accordance with investment policy guidelines, including asset allocation targets developed by the investment consultant and staff and through investment managers and funds;
9. Administers enrollment records for qualified beneficiaries eligible under the federal Consolidated Omnibus Budget Reconciliation Act, P.L. 99-272, which mandates a temporary extension of health insurance benefits for those persons;
10. Maintains financial records for employees enrolled in the State of Hawaii's Premium Conversion Plan;
11. Complies with Health Insurance Portability and Accountability Act privacy regulations and policies related to health benefit enrollment records;
12. Complies with Government Accounting Standards Board Nos. 74 and 75 (*Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans*, and *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*); and
13. Collects and maintains separate employer accounts for the pre-funding of OPEB.

BUF741 Retirement Benefits Payments – State

The objective of this program is to provide employer contribution payments for employee retirement benefits and payments of the federally mandated Social Security and Medicare payroll assessments in an effective and timely manner.

Pension accumulation contributions are based on a percentage of payroll as stipulated in Chapter 88, Hawaii Revised Statutes. Social Security and Medicare contribution are federally mandated and based on assessment rates of 6.2% for Social Security and 1.45% for Medicare.

Federal, special, and general funded programs of the State and all county programs are affected by the retirement program because of the annual employer appropriation requirements. Social Security Administration policy and tax changes also have a direct effect on the State's liability.

BUF761 Health Premium Payments – State

The objective of this program is to provide employer contribution payments for health premiums in an effective and timely manner.

Health benefit contributions for employees and their dependents are collectively bargained and considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, Hawaii Revised Statutes.

BUF762 Health Premium Payments – ARC

The objective of this program is to provide employer contribution payments of the annual required contribution, including retirees and other post-employment benefits pre-funding.

Health benefit contributions for employees and their dependents are collectively bargained and considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, Hawaii Revised Statutes.

LNR 101 Public Lands Management

Land Division (LAND)

Land Division's mission is to ensure the effective and efficient use of public lands to fulfill public land trust responsibilities and promote the sustained social, environmental and economic well-being of Hawaii's people, including setting aside public lands for public housing, affordable rental housing, education, transportation, forest reserves, parks, and other government and public uses; and the leasing of lands for renewable energy projects, and commercial, industrial and resort purposes; issuance of easements for various purposes such as access and utilities, water and wastewater; and maintaining the public land inventory.

Office of Conservation and Coastal Lands (OCCL)

To protect and conserve Conservation District lands and beaches within the State of Hawaii for the benefit of present and future generations, pursuant to Article XI, Section 1, of the Hawaii State Constitution; to balance the conservation of the State's unique and fragile natural resources with the development of these resources for the good of the State; to promote the sustainable use of these lands through regulation and enforcement of land use laws under Chapter 183C, Hawaii Revised Statutes; to improve the State's resilience to climate change reducing greenhouse gas emissions and implementing climate change adaptation measures to reduce the State's exposure to climate change impacts and to promote ambitious, climate neutral, culturally responsive strategies for climate change adaptation and mitigation in a manner that is clean, equitable, and resilient.

AGS203 State Risk Management and Insurance Administration

The objective of this program is to operate a comprehensive risk management and insurance program to protect the State against catastrophic losses and to minimize total cost of risk.

Activities performed include identifying and analyzing automobile, property and liability exposures; determining the frequency and severity of losses; and forecasting of losses to determine the most economical way of financing losses and to develop methods of minimizing exposures to loss. Other activities include claims investigations, processing and tracking.

AGS211 Land Survey

The objective of this program is to assist in protecting the rights of public and private land ownership by providing field survey services and descriptions of surveyed lands.

Major activities include statewide field surveying services and furnishing of maps and descriptions of all government and selected private lands as a service to State agencies who require this program's technical assistance. Maps and descriptions are utilized by these agencies for various types of land transactions.

Checking and processing all Land Court and File Plan maps referred by the Land Court and the Bureau of Conveyances, respectively, prior to these maps being adjudicated and recorded.

Assist the Department of Land and Natural Resources (DLNR) by reviewing all shoreline applications statewide. Maps are reviewed, checked on the ground and recommendations are forwarded to the Chairperson of the Board of Land and Natural Resources.

The State is required to respond through the Circuit Courts on all "Quiet Title Actions" in which the State is cited as the defendant. The interest of the State, as well as the general public, are thoroughly researched and reported to the Department of the Attorney General (AG). The program is also involved in litigation as expert witnesses.

Although essential activities exist between this program and other government agencies as well as others in the private sector, respective objectives of the parties involved are distinct and do not warrant integration.

On land litigations, the AG relies on the program's expertise and professional knowledge as expert witness.

AGS223 Office Leasing

To provide centralized office leasing services and acquire office space in non-State owned buildings for use by State departments and agencies.

This program provides leasing services for all State agencies of the Executive Branch, with exceptions to include the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, and the University of Hawaii. It assists user agencies in locating to suitable office space, negotiating lease terms and conditions, including provisions for tenant improvements, and preparing lease agreements. The program staff act as tenant representatives by initiating and/or coordinating and managing necessary renovation projects for leased office space, monitoring and ensuring the delivery of proper services provided for in leases (i.e., repairs and maintenance, air conditioning, and custodial services), and coordinating with the Department of Accounting and General Services, Central Services Division, in providing building operations and maintenance services where applicable. The program tracks existing leases and renegotiates each as required. It processes invoices for lease payments and bills and collects lease rent reimbursements from user agencies, where applicable.

The program works to foster strong relationships with the various programs it services. It receives support within the Department of Accounting and General Services. In addition, it works with the Department of the Attorney General for legal support. Importantly, it works with local real estate professionals to help navigate the various submarkets of Hawaii.

LNR 102 Legacy Land Conservation Program

The objective of the Legacy Land Conservation Program (LLCP) is to invest money each year to protect the State's natural capital base by conserving land for watershed protection, coastal preservation, flood prevention, parks, habitat protection, cultural preservation, agricultural production, and open space and scenic resources (Act 156, SLH 2005).

The Legacy Land Conservation Program facilitates annual investments from the Land Conservation Fund (S-311-C) to enlarge and protect the State's natural capital base. The main source of investment capital is distributions of State conveyance tax revenue (controlled by Section 247-7(1), Hawaii Revised Statutes), as limited by legislative appropriation. Returns on investment are (a) lands, and interests in land, acquired by State agencies, counties, and nonprofit land conservation organizations; (b) enhanced operation, maintenance, and management of lands acquired by way of the Land Conservation Fund; and (c) associated public benefits of land conservation. These returns on high-value, long-term investment accelerate

community efforts to strengthen resilience, promote health and wellness, and build/operate new models of economic opportunity.

Component programs and departments involved:

The Department of Land and Natural Resources (DLNR) administers the Legacy Land Conservation Program (LLCP) through its Division of Forestry & Wildlife (DOFAW), with support from DLNR Land Division and the Department of the Attorney General (Land Division). The Board of Land and Natural Resources issues final approvals for all LLCP grant awards (subject to the release of grant funds by the Governor) and for land acquisition by a State agency. LLCP activities contribute to achievements in other DLNR programs, especially DOFAW; the divisions of Historic Preservation, State Parks, and Aquatic Resources; the Commission on Water Resource Management; and the Office of Conservation and Coastal Lands.

Relationships to other agencies and jurisdictions:

The operation of the Legacy Land Conservation Program (LLCP) demands high levels of intergovernmental and public-facing communication, coordination, and cooperation. Relationships with other State departments focus on Accounting and General Services; Agriculture (HDOA); Budget and Finance; Business, Economic Development, and Tourism (Agribusiness Development Corporation, ADC); and Taxation. HDOA, ADC, DLNR programs, and the Office of Hawaiian Affairs review proposed land acquisitions.

Each county operates a land conservation program, similar to LLCP, funded by distributions of county property tax revenue. Grant programs in multiple federal agencies also support land conservation efforts, such as those in the departments of Agriculture (U.S. Forest Service and Natural Resources Conservation Service); Commerce (National Oceanic and Atmospheric Administration); Defense (four service branches), and Interior (U.S. Fish and Wildlife Service and National Park Service). Such outside sources of public funding provide matching funds for LLCP, and vice-versa.

Major activities include the Investment Vehicles, Legacy Land Conservation Program (LLCP) and the Grants for Land Acquisition, Land Conservation Fund (LCF).

LLCP delivers grant funds for land acquisition via a rigorous, competitive, annual application process that includes formal opportunities for public involvement. This section of the investment portfolio contains 49 properties, as shown below:

Grantee/Owner	Type ¹	Number Props. ²	Acres	LCF \$ Invested	Match Ratio ³
DLNR-DOFAW	FS	10	14,235	6,396,132	4.07
DLNR-State Parks	FS	1	17	1,250,000	1.00
• DBEDT-ADC	CE	1	108	1,100,000	1.73
• County of Hawaii	FS	6	4,094	7,165,175	1.43
County of Kauai	FS	1	<1	800,000	3.84
Nonprofit LCOs ⁴	FS	27	6,968	27,856,397	1.66
Nonprofit LCOs	CE	3	663	3,209,425	2.71
ALL PROPERTIES CONSERVED		49	26,086	47,777,129	3.38

¹ FS = Fee Simple, CE = Conservation Easement

² Performance Measure: Number of properties conserved with LCF

³ Performance Measure: Number of dollars in matching funds secured for each dollar invested from LCF ⁴LCO = Land Conservation Organization

Capital Improvement Projects (CIP for Land Acquisition)

LLCP delivers CIP funds for land acquisition as appropriated by the legislature from the Land Conservation Fund, with two acquisitions completed (see descriptions below) and none in progress.

1. Kamehamehenui Forest at Kula, Maui (3,433 acres), for DOFAW (\$3 million CIP from the LCF, plus matching federal and state funds)
2. Halulu Fishpond Access, at Halele'a, Kaua'i (0.25 acres), for the nonprofit Waipa Foundation (\$400,000 CIP from the LCF, plus matching county, state, and private funds, including a LLCP competitive grant award).

Debt Service on State Financial Instruments (Turtle Bay)

LLCP delivers funds for debt service on State financial instruments via special legislation that specifies the LCF as a source of reimbursement for general fund debt service payments. Act 121, SLH 2015 authorized bond funding to acquire two properties at Turtle Bay, Ko'olauloa District, Island of O'ahu (encumbered State lands and a conservation easement over private land). The LCF reimburses \$1.5 million of debt service annually, totaling \$13.5 million to date.

Land Operation, Maintenance, and Management Grants (OMM)

LLCP delivers limited grant funds from the LCF, capped annually at %5 of the previous year's LCF revenue for OMM of properties that were acquired, previously, with LCF money. In FY2024, LLCP awarded six OMM grants totaling \$255,000.

Investment Monitoring

LLCP monitors grantees, awardees, lands acquired, and landowners/land managers for compliance with LLCP deed restrictions and covenants; Chapter 173A, Hawai'i Revised Statutes; and Chapter 13-140, Hawai'i Administrative Rules. In FY 2024 LLCP received nine self-reports from awardees about resource conditions and completed seven site visits for compliance monitoring.

Investment Planning

LLCP prepares and revises a plan for the acquisition of land having value as a resource to the State that guides BLNR in acquiring such land in the exercise of its powers under Chapter 173A, Hawai'i Revised Statutes.

Important external developments affecting the program:

- Real estate market dynamics are the most important external factor/trend affecting the Legacy Land Conservation Program – particularly skyrocketing land prices, associated seller expectations, and increased competition among potential buyers of properties with significant conservation resource values.
- Significant discrepancies between previously planned cost and effectiveness levels and those actually achieved:
- External developments (real estate market dynamics/costs) and internal financial trends continue to erode program buying power, shrink opportunities for land acquisition, and impair overall program effectiveness. Complexities and uncertainties in conservation transactions cause the actual timing of outcomes for land acquisition to vary from planned timelines.

- Trends and comparisons in costs, effectiveness, or activity data over the budget and planning period:
- The internal trend of insufficient revenue for the Land Conservation Fund (now capped at \$5.1 million/year), coupled with escalating costs for land acquisition, will further cripple LLCP buying power and effectiveness if continued.

Significant Measures of Effectiveness, Land Conservation Fund:

"The number of properties conserved" accounts for combined benefits delivered through all available investment vehicles for land acquisition (51 total over 19 years). "The number of dollars in matching funds secured for each dollar invested" accounts for all direct investment in conservation transactions and provides a measure of financial efficiency across all investment vehicles (2.1 for 51 properties conserved).

AGS221 Public Works – Planning, Design, and Construction

The objective of this program is to ensure provision of approved physical facilities necessary for the effective operation of State programs by providing timely and economical design and construction services within assigned areas of responsibility.

The program provides centralized planning, architectural, engineering, and construction management services to DAGS, other departments of the Executive Branch, Judiciary, Legislature, and others as delegated or upon request. The program conducts site selection studies; coordinates the acquisition of land; master plans proposed improvements to the sites; designs and constructs buildings, facilities and other improvements; acquires furniture and equipment for these facilities; administers DAGS-managed office spaces; reviews office space needs for all departments; and prepares and implements long-range facility plans for meeting administrative space requirements for all agencies.

The Lump Sum Maintenance of Existing Facilities, Statewide, request focuses on all work necessary to: complete critical health and safety repair, replacement and upgrades, especially of deteriorated air conditioning systems; upgrade lighting systems, retro-commission or conduct energy surveys of existing facilities; and upgrade and implement facility management initiatives for conserving energy and non-renewable resources to maximize energy conservation benefits and to meet the mandates of Act 77, SLH 2002.

The dollar value of appropriations and number of projects that designate DAGS as the expending agency vary annually. These projects are implemented upon request by user agencies. Therefore, the program's target group size workload is dependent to a large degree on work requested by other agencies and the types of projects for which appropriations are received.

AGS231 Central Services – Custodial Services

The objective of this program is to maintain assigned public buildings in a clean and safe condition by providing a variety of custodial services.

The program performs building management functions for assigned facilities statewide. With the complexity of mechanical systems found in newer buildings and progressive aging of existing ones, program responsibilities and scope of work have significantly increased. In order to meet these challenges, management initiatives have been implemented that place greater

emphasis on the "user as client" relationship. In this respect, an internet-based work order system has been implemented for assigned public facilities on Oahu.

The major activities provided by this program include building management functions to address, respond and evaluate user and occupant concerns; monitoring maintenance contracts; providing housekeeping services; ensuring that preventative maintenance and alteration functions are performed adequately and in a timely manner; and establishing energy management policy and monitoring of energy consumption for all assigned buildings. Washington Place is also part of the Custodial Program, having been transferred from the Office of the Governor in FY 13.

AGS232 Central Services – Grounds Maintenance

The objective of this program is to maintain the grounds surrounding assigned public buildings in a neat and attractive condition by providing a variety of grounds maintenance services at assigned public buildings and contracts out to trim trees at those facilities.

AGS233 Central Services – Building Repairs and Alterations

The objective of this program is to maintain assigned public buildings in a safe condition and at a high level of utility by providing repair and maintenance services by making minor alterations.

The program provides management, technical and workforce support to upkeep and maintain assigned public buildings, public libraries, and health and civic centers statewide. The program administers projects that involve both general funds as well as capital improvement program and repair and alteration funds. With respect to minor and emergency repairs, appropriate staff on Oahu is dispatched to accomplish work orders that are primarily received via an internet-based request system.

All work is performed to preserve the life of buildings as well as safeguard its occupants and public users. Activities involving emergency repairs are completed immediately to remove unsafe barriers or conditions. In addition, the program provides staff and technical assistance for legislative sessions as well as State and national functions.

AGS234 Central Services – Cemetery Management Office

The objective of this program is to operate, maintain, improve, and redevelop State-owned cemeteries, and to determine ownership of plots, maintain records pertaining to cemeteries, including cemetery plot plans, and records of plot ownership, interments, and disinterment.

This is a new program that will oversee State-owned cemeteries.

AGS240 State Procurement

The objective of this program is to promote economy, efficiency, effectiveness, and impartiality in the procurement of commodities, services and construction for State and county governments through development, implementation and maintenance of policies and procedures that provide for broad-based competition, accessibility to government contracts, and fiscal integrity and responsibility in the procurement process; and to procure or supervise the procurement of commodities and services to meet the State's need through economical and competitive purchases and inventory control.

The State Procurement Office (SPO) serves as the central procurement office for all governmental bodies of the State by developing and advising on revisions to the Hawaii procurement code, rules, policies, and procedures; providing assistance and guidance; coordinating and conducting procurement training; responding to requests for Chief Procurement Officer (CPO) approval; and developing and maintaining an online procurement manual and vendor guide for the procurement of commodities, services, and construction, and purchases of health and human services. Purchasing and compliance activities focus on further improving the procurement process and guidance through the Hawaii Awards & Notices Data System (HANDS); Hawaii Compliance Express (HCE), the State of Hawaii Electronic Procurement System; Aloha eBUYS, the State of Hawaii online marketplace; the purchasing card (pCard) program; website content and navigation; and training workshops and on-demand training through the Learning Management System (LMS). The SPO continues to apply the principles of standardization and volume buying on a competitive basis to secure the most favorable prices on commodities and services. Price and vendor lists for common-use commodity/services groups are posted online for all agencies of the Executive Branch, with cooperative participation by the Judiciary, Legislature, counties, and other separate purchasing jurisdictions. Inventory management activities establish and enforce strict standards, policies and procedures pertaining to the accounting of State-owned property. These standards are intended to achieve the uniformity necessary to facilitate the safeguarding of State property against unauthorized use or removal, to provide an essential part of the accounting records of State agencies, to assist administrators and property custodians with the effective management of State property, to provide a basis of property insurance, and to fix property responsibilities of State officials as prescribed by Part XII, Chapter 103D, Hawaii Revised Statutes (HRS) .

SPO also governs and optimizes resources for the planning, procuring, and contracting of all health and human services for the State pursuant to Section 103F, HRS. It directs a single process that provides fair and equitable treatment of providers. Centralized activities include training and distribution of information through the Health and Human Services Section of the SPO. Requests for CPO approval are processed and HANDS is maintained as a centralized database for contracts, request for proposals, and requests for CPO approval.

SPO and its leadership is a member of the National Association of State Procurement Officials (NASPO); National Institute of Government Purchasing; National Contract Management Association; National Association of Purchasing Card Professionals; Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP Infuse); and Alaska-Hawaii Governmental Procurement Association. These organizations provide valuable information and assistance on procurement and open communications to states, cities, and other entities with similar processes and rules.

AGS244 Surplus Property Management

The program coordinates the transfer of State surplus property and federal surplus property available through the Federal Surplus Property Program to eligible "donees" (State/local government, non-profit organizations that serve or promote a public purpose, qualified small minority-owned businesses, tax-exempt educational and public health institutions or organizations). The program works to achieve the greatest economical use of State and federal property declared surplus by providing a viable source of surplus goods for reutilization.

In accordance with Public Law 94-519, federal surplus property generated on Oahu is physically inspected and requested through applications filed with the U.S. General Services Administration. Property allocated to the State is selected, transported, checked, and warehoused by agency personnel for distribution to eligible donees.

A self-service system enables donees to take immediate delivery of property selected. Neighbor island requests are filled, packed, and shipped via barge. Periodically, property is available at neighbor island federal facilities (i.e., Barking Sands on Kauai), and donee may inspect, select and take delivery under oversight by surplus agency personnel. Line items per transaction number are from 1 to 25 or more.

Based on formal or verbal notices of State disposal, desirable items are physically inspected to determine suitability for further re-utilization or disposal by public sale. All property selected are transported, checked, and warehoused by agency personnel for distribution.

Potential State user agencies are advised of the availability of desirable property. Items selected for re-utilization are transferred to the user agency for a nominal service and handling charge.

As a liaison agency, working relationships are maintained with federal and State agencies for the acquisition of property and with public agencies at the State and local level who are eligible recipients of surplus property for use in implementing the priority actions mandated by the Hawaii State Plan, and agencies from the private sector whose efforts contribute to the improvement of educational and public health programs. However, the difference in roles and jurisdiction of the respective agencies in the acquisition, warehousing, and distribution process is distinct and precludes integration of programs.

AGS251 Automotive Management – Motor Pool

The objective of the program is to support State agencies by providing safe motor pool vehicle transportation required to perform their official duties.

Activities of the program include the acquisition, operation, repair, maintenance, storage, dispatching, replacement and disposal of its vehicles as well as maintaining records of rentals, assignments, mileage and billing records. The program also provides vehicular maintenance and repair services for non-motor pool vehicles.

AGS252 Automotive Management – Parking Control

The objectives of the program are to maintain and allocate parking spaces, assess and collect parking fees, and control parking on State lands under the jurisdiction of the Comptroller.

Program activities performed include the assignment, patrolling, and controlling of spaces; enforcing rules and regulations; and exercising the management functions of the program.

Other related activities include providing parking accommodations for the Legislature when in session; providing accommodations for special functions; providing metered and attendant spaces for the general public; repairing and maintaining parking facilities, signs and meters; and administrative recordkeeping.

Although responsibility is statewide in scope, activities are confined to those geographical areas specifically designated to be under the jurisdiction of the Comptroller.

AGS901 General Administrative Services

The objective of this program is to enhance program effectiveness and efficiency by formulating policies, allocating resources and administering operations and personnel, and providing staff support services.

This program provides executive direction, internal management and administrative services, budgetary and financial administration and services, and personnel and procedural services designed to guide and assist departmental programs in accomplishing their respective objectives.

There are four distinct administrative functions in the program. A brief description of major activities by organizational units is as follows:

1. **Office of the Comptroller:** This office renders decisions on matters that require policy determination, executive direction, etc. It plans, coordinates and directs departmental programs providing statewide services.
2. **Administrative Services Office:** This office provides centralized administrative management and fiscal services and exercises administrative control over appropriated funds, conducts studies, develops management improvement programs, and prepares reports for management.
3. **Personnel Office:** This office administers, develops and coordinates departmental human resource management activities. It functions as the liaison unit with the State's central personnel agency, employee organizations and other agencies affecting employment. It manages the recruitment, selection and placement, classification, labor relations, workers' compensation, employee relations, safety, Equal Employment Opportunity, and training programs; maintains records of personnel and position transactions; and prepares reports for management and other agencies.
4. **Systems and Procedures Office:** This office coordinates all electronic data processing activities for the department, and functionally administers computer application systems and local area networks under the jurisdiction of the State Comptroller. It provides systems and computer programming support for the development, enhancement and maintenance of operational systems requiring computerization, and manages, operates, and maintains the mini-computers, web, file and e-mail servers for the department.
5. **District Office:** District Offices are located in East and West Hawaii, Maui and Kauai as administrative arms of the Office of the Comptroller. These offices provide coordinated direction, staff services in the respective counties, and implement delegated staff and program functions affecting the district and private agencies.

The following chart shows the actual and projected overall measures of effectiveness and expenditures of the Government-Wide Support program from Fiscal Year 2023-2024 through FY 2030-2031.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 11

PROGRAM LEVEL: I 11 GOVERNMENT-WIDE SUPPORT

OBJECTIVE: TO ENHANCE THE EFFECTIVENESS AND EFFICIENCY OF STATE PROGRAMS BY PROVIDING EXECUTIVE DIRECTION, PROGRAM COORDINATION, AND POLICY DEVELOPMENT AS WELL AS A WIDE VARIETY OF SERVICES SUPPORTING THE WORK OF THE STATE GOVERNMENT AS A WHOLE OR COMMON TO ALL OR MOST PROGRAMS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
11	1. AV ANN RATE OF RETURN ON STATE TREASURY INVSTMTS		2.5	3	3	3	3	3	3	3
	2. AV PRE-BID CONSTRUCTION EST AS % OF AV BID PRICE		100	100	100	100	100	100	100	100
	3. % OF NETWORK INFRASTRUCTURE UPTIME		99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
1103	GENERAL SERVICES	-	3,106	4,587	5,020	5,020	5,021	5,021	5,021	5,021
	TOTAL		3,106	4,587	5,020	5,020	5,021	5,021	5,021	5,021
OPERATING EXPENDITURES										
1101	EXECUTIVE DIRECTION, COORDINATION, AND POLICY DEVELOPMENT	-	952,405	583,363	1,055,151	1,050,301	1,053,982	1,050,300	1,053,982	1,050,300
1102	FISCAL MANAGEMENT	-	645,075	726,883	745,511	683,862	755,411	818,254	859,528	874,120
1103	GENERAL SERVICES	-	1,730,856	1,874,346	2,134,893	2,147,483	2,170,622	2,193,030	2,215,799	2,238,939
	TOTAL		3,328,336	3,184,592	3,935,555	3,881,646	3,980,015	4,061,584	4,129,309	4,163,359
TOTAL OPERATING EXPENDITURES										
1101	EXECUTIVE DIRECTION, COORDINATION, AND POLICY DEVELOPMENT		952,405	583,363	1,055,151	1,050,301	1,053,982	1,050,300	1,053,982	1,050,300
1102	FISCAL MANAGEMENT		645,075	726,883	745,511	683,862	755,411	818,254	859,528	874,120
1103	GENERAL SERVICES		1,733,962	1,878,933	2,139,913	2,152,503	2,175,643	2,198,051	2,220,820	2,243,960
	TOTAL		3,331,442	3,189,179	3,940,575	3,886,666	3,985,036	4,066,605	4,134,330	4,168,380
CAPITAL INVESTMENT EXPENDITURES										
1101	EXECUTIVE DIRECTION, COORDINATION, AND POLICY DEVELOPMENT	-	2,000	1,000	2,500					
1103	GENERAL SERVICES	-	254,086	172,374	68,300	22,000	31,000	18,000	24,000	24,000
	TOTAL		256,086	173,374	70,800	22,000	31,000	18,000	24,000	24,000

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Executive Direction, Coordination and Policy Development

Office of the Governor

Not applicable.

Office of the Lieutenant Governor

Not applicable.

BED144 Statewide Planning and Coordination

The Office of Planning and Sustainable Development (OPSD), administratively attached to DBEDT, conducts statewide comprehensive, strategic, and regional planning activities.

OPSD also facilitates coordinated and cooperative planning among agencies. Core activities include identifying and providing analyses of significant issues, problems, and opportunities confronting the State; articulating the Administration's land use policy; presenting the State's position on land use boundary changes; conducting coastal/ocean planning and management; preparing regional studies; coordinating Smart Growth and transit-oriented development; coordinating planning for climate change and sea level rise adaptation and sustainability; supporting the State Land Use Commission; preparing the Hawaii Comprehensive Economic Development Strategy (CEDS); supporting the Environmental Advisory Council and assisting government agencies and private applicants to conduct environmental assessments and environmental impact statements; and developing and implementing a statewide planning and geographic information system.

OPSD also administers the Brownfields Cleanup Revolving Loan Fund to provide low-cost loans for cleanup of hazardous and toxic chemicals at sites slated for redevelopment.

BED103 State Land Use Commission

The Land Use Commission (LUC) is administratively attached to the Office of Planning and Sustainable Development (OPSD). The Land Use Commission (LUC) works with the State legislature, county planning departments, interest groups and landowners to define constitutionally mandated standards and criteria for the classification of land, assisting in planned growth and protecting important agricultural lands in the State of Hawaii. The LUC also engages the county planning departments in enhancing and clarifying the special permit process in the Agricultural Land Use District.

The program objectives of the LUC are to process, review, and act on petitions for district boundary amendments which involve lands over 15 acres in the State agricultural, rural, and urban districts and all petitions seeking reclassification of lands in the conservation district; review and act on applications for special permits in the agricultural and rural districts which are over 15 acres; developing, in conjunction with the counties and the State legislature, maps and boundary designations for all of the State's important agricultural lands; designating the same for protected status; process of private landowner petitions for designation of their lands as important agricultural lands; process motions and boundary interpretation requests; and maintain, update, and disseminate official State land use district maps and land use information.

The LUC operates by means of a nine-member voluntary commission, assisted, and supported by the Executive Officer, chief clerk, GIS specialist and three planners.

BED130 Economic Planning and Research

The Research and Economic Analysis Division of DBEDT collects, aggregates, reports (in compliance with federal requirements) and interprets essential economic and labor data to enhance and contribute to the economic development of the State by providing analyses and policy recommendations on economic issues; providing economic forecasts that contribute to long-term statewide planning and infrastructure needs assessment; conducting and reporting on basic research on the economy of the State by collecting, compiling, interpreting, and publishing data and statistics on all aspects of business activity and the economy and demographic characteristics of the State; developing and maintaining a statewide statistical reporting system.

BUF101 Departmental Administration and Budget Division

Measures of effectiveness for this program have been and will continue to be impacted as a result of the reductions in program resources necessary to meet the departmental budget reduction targets in previous budgets.

BUF102 Collective Bargaining – Statewide

None.

BUF103 Vacation Payout – Statewide

None.

AGS 871 Campaign Spending Commission

Developments and advancements in technology permit the Commission to become more efficient and effective to provide timely and accurate data to the public. Candidates and committees are required to input all required campaign finance data into their respective electronic filing system. The Commission and the public may then view the data for consideration, analysis, and/or audit.

Incrementally increase partial public financing to increase the number of candidates using public financing.

Candidate and committee classes should continue to be recorded, updated, and placed on the Commission website for access by all 24/7. A manual or guidebook to accompany the recorded presentation should also be available.

One or two additional positions may be needed because of additional duties and conducting investigations.

AGS879 Office of Elections

The Office of Elections served as the secretary to the 2022 Reapportionment Commission. The Commission convened in 2021, and their work spanned FYs 21-22. Funding for the Commission's work was met by a funding increase in FY 21. In addition, three full-time equivalent positions were filled during FYs 21-22 to conduct work supporting reapportionment.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: **1101**

PROGRAM LEVEL: I. 11 GOVERNMENT-WIDE SUPPORT

II. 01 EXECUTIVE DIRECTION, COORDINATION, AND POLICY DEVELOPMENT

OBJECTIVE: TO ENHANCE THE EFFECTIVENESS AND EFFICIENCY OF STATE PROGRAMS BY PROVIDING EXECUTIVE DIRECTION, POLICY DEVELOPMENT, PROGRAM COORDINATION, AND PLANNING AND BUDGETING SERVICES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1101	1. NO MEASURES HAVE BEEN DEVELOPED FOR THIS PROGRAM									

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>OPERATING EXPENDITURES</u>										
110101	OFFICE OF THE GOVERNOR	GOV-100	5,341	5,426	5,276	5,276	5,276	5,276	5,276	5,276
110102	OFFICE OF THE LIEUTENANT GOVERNOR	LTG-100	2,619	2,677	2,563	2,563	2,564	2,564	2,564	2,564
110103	POLICY DEVELOPMENT AND COORDINATION	-	937,932	571,002	1,037,958	1,037,693	1,037,692	1,037,692	1,037,692	1,037,692
110104	VOTING RIGHTS AND ELECTIONS	-	6,512	4,256	9,352	4,767	8,450	4,768	8,450	4,768
	TOTAL		952,404	583,361	1,055,149	1,050,299	1,053,982	1,050,300	1,053,982	1,050,300
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
110103	POLICY DEVELOPMENT AND COORDINATION	-	2,000	1,000	2,500					
	TOTAL		2,000	1,000	2,500					

Fiscal Management

TAX100 Compliance

To ensure uniformity/consistency in applying tax laws so that each taxpayer bears their fair share of taxes, the Program must have sufficient resources for audit/collection enforcement programs. Additional resources to improve audit and collection activities will increase revenues, reduce delinquent taxes, and encourage voluntary taxpayer compliance.

TAX103 Tax Collection Services Office

To ensure uniformity/consistency in applying tax laws so that each taxpayer bears their fair share of taxes, the agency must have sufficient resources for collection enforcement programs. Additional resources to improve collection activities will increase revenues, reduce delinquent taxes, and discourage taxpayer non-compliance.

TAX105 Tax Services and Processing

In carrying out its functions, the Program relies heavily on the expertise of its staff, broadly applied cutting-edge technology, and effective partnerships.

TAX107 Supporting Services – Revenue Collection

None.

AGS 101 Accounting System Development and Maintenance

Currently, development and implementation of new systems are being pursued. The measures of effectiveness for this program have been adjusted to reflect the involvement of personnel resources in the development and implementation of the new systems, as well as continuing to perform all of its designated program tasks.

AGS102 Expenditure Examination

During the current biennium, the program has maintained its level of services as previously provided and has accommodated its target group accordingly. For the budget period and the four years of the planning period, the volume data reflect adjustments based on current volume levels.

AGS103 Recording and Reporting

During the current biennium, the program has maintained its level of service as previously provided and has accommodated its target group accordingly.

AGS104 Internal Post Audit

99% of the program cost is for personnel. Accordingly, position count is a major determinant in the number of audits conducted. The program has met its core responsibilities by consistently maintaining its level of the number of audits and other assurance services conducted during the past two biennium periods.

BUF115 Financial Administration

None.

BUF721 Debt Service Payments – State

None.

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: **1102**

PROGRAM LEVEL: I. 11 GOVERNMENT-WIDE SUPPORT
 II. 02 FISCAL MANAGEMENT

OBJECTIVE: TO MAXIMIZE THE STATE'S INCOME WITHIN THE LIMITS OF ESTABLISHED REVENUE POLICIES AND TAX LAWS AND TO MAINTAIN THE FINANCIAL FAITH AND CREDIT OF THE STATE BY ADMINISTERING AN EQUITABLE SYSTEM OF TAX ASSESSMENT AND EFFICIENT REVENUE COLLECTIONS, BY ASSURING THE AVAILABILITY OF FUNDS WHEN REQUIRED AND THE SAFEKEEPING AND PRUDENT INVESTMENT OF STATE MONIES, AND BY PROVIDING FOR THE LEGAL, PROPER, AND PROMPT PAYMENT OF THE STATE'S FINANCIAL OBLIGATIONS.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1102	1. AV ANN RATE OF RETURN ON STATE TREASURY INVSTMTS		2.5	3	3	3	3	3	3	3
	2. AV # OF YRS BETWEEN AUDITS		6	6	6	6	6	6	6	6
	3. AV IN-HSE TIME FOR PAYMTS TO VENDORS-GOAL 5 WK DAY		5	5	5	5	5	5	5	5

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES										
110201	REVENUE COLLECTION	-	44,993	42,572	43,252	44,734	43,986	43,986	43,986	43,986
110202	FISCAL PROCEDURES AND CONTROL	-	4,768	7,581	15,003	15,010	14,991	14,991	14,991	14,991
110203	FINANCIAL ADMINISTRATION	-	595,314	676,730	687,254	624,116	696,434	759,277	800,551	815,143
TOTAL			645,075	726,883	745,509	683,860	755,411	818,254	859,528	874,120

General Services

ATG100 Legal Services

The program size will vary from year to year because much of the legal work is dependent on the number and types of cases filed by or against the State, number of requests for legal advice from various State agencies, and number of administrative proceedings. However, considering past experiences, a general increase in the number, complexity, and cost of litigation should be expected.

AGS131 Enterprise Technology Services

The program is focusing on expanding and maintaining essential IT services by implementing new technology infrastructure while simultaneously operating and upgrading the existing infrastructure within the planned operating budget.

AGS111 Archives – Records Management

Recruitment and retaining staff can be problematic due to the specialized knowledge required to develop and maintain a preservation system, compliance with statutory and regulatory mandates, strong knowledge of both computer science and archival science, and our inability to match compensation for information technology staff offered in the private sector.

Limited funding and staff will continue to impact the program's ability to service the public and meet projected goals.

AGS891 911 Board

The costs associated with the implementation and ongoing operations and support associated with deploying and implementing NG911 services have not yet been fully realized. There are program measures identified to measure the efficiency of PSAP call taking and dispatching first responders which include the type, number of calls and response times.

The 911 Board has consistently kept its administrative costs (adjusted for uncontrollable expenses) below 5% of total expenditures.

HRD102 Workforce Attraction, Selection, Classification, and Effectiveness

The HR programs at the central agency and department level are responsible for the hiring and retention of qualified employees to provide essential services to the public, and the resources available to them will impact their ability to deliver what is needed. Programs administered and decisions made by DHRD have statewide impact, are far reaching, and have significant cost implications if not managed and executed properly.

HRD191 Supporting Services – Human Resources Development

The HR programs at the central agency and department level are responsible for the hiring and retention of qualified employees to provide essential services to the public, and the resources available to them will impact their ability to deliver what is needed. Programs administered and decisions made by DHRD have statewide impact, are far reaching, and have significant cost implications if not done properly.

BUF141 Employees' Retirement System

The ERS' membership of 130,004 has increased by approximately 4% in the last 5 years and is anticipated to grow an estimated 5% to 10% in the next 5-10 years. The growing membership requires an increase in ERS services related to their retirement, disability and death benefits.

Furthermore, legislation enacted over the past several years added more complexity to the already complex ERS, which is also contributing to the increase in ERS service levels.

BUF143 Hawaii Employer-Union Trust Fund

The administrative workload to collect varying amounts of premiums from employees who were hired after June 30, 1996, and who subsequently retire will increase progressively over the years.

BUF741 Retirement Benefits Payments – State

This program previously did not have any performance measures. It is adopting a new measure of effectiveness: the percentage of the State Employer's share of Retirement Benefits Payments that have been paid to the Employees' Retirement System (ERS) by the monthly due date.

BUF761 Health Premium Payments – State

This program previously did not have any performance measures. It is adopting a new measure of effectiveness: the percentage of Health Premium Payments that have been paid to the EUTF by the monthly due date.

BUF762 Health Premium Payments – ARC

This program previously did not have any performance measures. It is adopting a new measure of effectiveness: the percentage of Health Premium Payments - ARC that have been paid to the EUTF by the monthly due date.

LNR 101 Public Lands Management

The operations of Land Division and the Office of Conservation and Coastal Lands have historically operated cost-effectively.

The lease rent revenues (commercial, industrial, hotel, renewable energy) generated by the Land Division primarily fund the Special Land and Development Fund (SLDF), HRS 171-19. The Land Division is 100% special funded and does not receive any general fund support. The SLDF covers the entire annual operating budget for LNR101 which consists of the Land Division, the Office of Conservation and Coastal Lands, the Dam Safety program, and the Geothermal program. The SLDF also funds about 40 other positions (fully or partially) within the Department such as five (5) positions within the Commission of Water Resource Management and provides funding support to the Division of State Parks, and various resource protection programs administered by the Division of Forestry and Wildlife.

Land Management's Operations include:

- Assisting the Land Board in overseeing the management of 1.3 million acres of State lands
- Leasing (renewable energy, commercial, industrial, resort, ag/pasture)
- Easements (access, utilities, etc.), revocable permits and rights of entry for shorter term durations

- Shoreline certification program (LAND, OCCL, DAGS Survey are team members); LAND lead administrative agency handling legal analyses, legal briefs and other filings with the OEQC (now Environmental Review Program), logistics for travel, office supplies and expenses, etc.
- Shoreline Encroachments – enforcement actions; removal or legitimize in the form of nonexclusive easement only if shoreline experts from OCCL opine that the continued presence of the encroachment will not cause further damage or erosion to the nearby shoreline
- Illegal or unauthorized commercial activities on unencumbered State lands
- Land Acquisitions (e.g., Lipoa Point, Maui Veterans’ Cemetery expansion, Maui Regional Park, Turtle Bay)

Specialized IT programs

- Voyager Property Managing System – Land Division’s computerized land/property management system; went live in 2019/2020 (replaced the 20-year-old SLIMS system)
 - Coordinator of Act 178 reporting of all ceded land revenues received by State agencies
 - Act 54 System operational January 2015 – capturing inventory of those lands held outside of SLIMS (agencies with authority to acquire lands and hold title) and current dispositions – such as DOT, UH, HTDC, HCDA, etc. One objective was to capture information on dispositions made to private entities by those agencies managing lands. Subsequently, Land Division dedicated its own operating funds to upgrade PLTIS and open the system for public use. This was not required by the legislative act authorizing the PLTIS but was done by this Administration as a public service to improve transparency regarding ownership and use of public lands. Went live for public use in 2018.
- OCCL oversees and regulates land uses on approximately two million acres of private and public lands that lie within the State Land Use conservation district, as well as coastal lands and submerged lands from the shoreline seaward to the extent of the State’s jurisdiction.
- OCCL’s Coastal Lands Program is responsible for coordinating coastal management and maintaining the delicate balance between conservation of coastal resources and responsible development of coastal areas. The program supports sustainable alternatives for coastal erosion management including programs for beach and dune restoration and guidelines for other “soft” approaches to shoreline protection and provides regulatory support to agencies and private landowners to manage shoreline erosion.
 - OCCL manages the State Beach Restoration Special Fund, which is used for the planning, designing, development, and implementation of beach and dune restoration projects in the State.
 - OCCL’s Hoala Loko Ia program supports the restoration, repair, and operation of traditional Hawaiian fishpond systems.
 - OCCL houses the Hawaii Climate Change Mitigation and Adaptation Commission and provides administrative support to the work of the commission.

AGS203 State Risk Management and Insurance Administration

The State Risk Management Revolving Fund was established to centralize the financing of losses. Statewide property, crime, cyber and liability insurance policies are purchased to protect against losses. Claims adjusting services are done entirely in-house, reducing the processing cost and improving quality.

AGS211 Land Survey

Acquisition of computers, scanners and electronic surveying instruments, together with the use of e-mail and the internet, have expedited services and dramatically improved accessibility to the public and government agencies requesting survey maps and survey information. However, limited funding and staff reductions negatively impacts the program's effectiveness.

AGS223 Office Leasing

The Leasing Program will continue to pursue the most favorable lease rates and terms in any given commercial office market. The current average asking base rent on Oahu is \$1.80, with a range from \$1.50 to \$2.46 per square foot in the various submarkets. Average operating costs per month are currently quoted at \$1.62 per square foot.

However, the program remains resistant to leasing space in Class A buildings due to concerns with rising rents and the potential negative public perception.

The program responds to the leasing needs of State agencies as efficiently as possible, with emphasis on placing new programs in lease space in order to expedite services to the public and meeting the needs of any federal mandates and legislative requirements.

The program will continue to work with the Public Works Division, Planning Branch, to integrate planning functions to help relocate agencies from lease space to State-owned office buildings, in order to maximize the use of State space, reduce lease expenditures, and create operational efficiencies for user agencies.

LNR 102 Legacy Land Conservation Program

The Legacy Land Conservation Program (LLCP) operates without general fund support, relying entirely on the Land Conservation Fund (LCF), which has been capped at \$5.1 million in annual revenue since FY 2021. If the legislature fails to lift this cap, or to infuse the LCF with different sources of revenue, the program will face increasing difficulties in maintaining its buying power and achieving effectiveness.

LLCP operations began in FY2007 with a \$5.1 million annual budget. This historic amount of base funding did not change, significantly, for the next sixteen fiscal years, except for three recent occasions when the legislature authorized an increase in the annual spending ceiling. LLCP's annual budget now supports two positions, program administrative costs; reimbursement to the general fund for debt service paid on the Turtle Bay Reimbursable General Obligation Bond; and grants awarded to State agencies, counties, and nonprofit land conservation organizations for (1) the acquisition of land and interests in land having value as a resource to the State, and (2) the management of lands so acquired (see six-year summary table, below). Ongoing increases in the annual budget appropriation are needed to keep pace with demand for grant awards and with escalating real estate prices.

LLCP's operations include:

- Financial planning, budget management, and fiscal reporting for the Land Conservation Fund.
- Legislative affairs, including annual reporting.

- Providing staff support for the Legacy Land Conservation Commission, which solicits, reviews, ranks, and recommends grant applications for LLCP funding.
- Presenting grant applications and funding recommendations for consideration/action by the Board of Land and Natural Resources, the Department of Budget and Finance, and the Governor.
- Managing grants awarded from the Land Conservation Fund to Assist State agency awardees with grant Implementation.
- Draft, process, and implement grant agreements with county and nonprofit awardees.
- Review, accept, and secure approval of due diligence submitted for grant-funded real estate transactions.
- Coordinate invoicing and payment for awarded funds.
- Monitoring post-acquisition management of properties conserved with grants from the Land Conservation Fund (49 properties in current portfolio, which grows annually).
- Monitoring of a conservation easement and leasing of State property at Turtle Bay, O'ahu (with Forest Resource Management Program, Division of Forestry and Wildlife).
- Preparing and revising the Resource Land Acquisition Plan.
- Providing information and education to LLCP constituents, affected communities, and the general public.

Summary of Operating Costs, Land Conservation Fund FY2019-FY2024

FY	Payroll	Admin	Debt Service	Grants Awarded
2019	229,968	20,698	1,500,000	5,153,610
2020	207,572	31,120	1,500,000	3,300,000
2021	229,446	24,133	1,500,000	3,350,700
2022	222,778	7,057	1,500,000	4,247,500
2023	215,333	20,143	1,500,000	6,350,000
2024	251,913	214,873	1,500,000	5,110,238
AVG	226,168	53,004	1,500,000	4,585,341

Key measures of cost effectiveness for LLCP operations include (1) the match ratio for land acquisitions funded by grants awarded from the LCF (calculated as number of dollars in matching funds secured for each LCF dollar invested in completed LLCP grants), and (2) the percentage of approved LLCP grant awards that result in successful acquisitions.

As shown in Part 1 Overview, the program-wide match ratio ranges from 4.07 for the Division of Forestry and Wildlife (while conserving the greatest amount of acreage statewide) to 1.00 for a single acquisition by the Division of State Parks, and averages 3.38 across 49 successful acquisitions. Given that a LLCP grant to a State agency doesn't require matching funds, and

that a LLCP grant to a county or a nonprofit land conservation organization requires a minimum match ratio of 0.33 (25% of total project costs), LLCP operations are extremely cost effective.

The current success rate for approved LLCP grant awards is 75% (not including nine active grants). Given the complexity of many grant-funded conservation transactions, and the fact that funds from an unsuccessful grant award remain in the LCF as unencumbered cash (and are thus available for funding future appropriations and grant awards), LLCP operations are cost effective, with ongoing opportunities for enhancement.

Capital Investments

Capital investments from the LCF arise from proposals by the Department of Land and Natural Resources for possible inclusion in the Executive Budget Request, or from legislative initiatives. Of the six LCF-funded capital improvement projects (CIP) authorized since 2016 (see summary table below), all but one originated in a proposal from the Department's Division of Forestry and Wildlife. The 2022 legislature initiated Halulu Fishpond Access CIP, and the 2016 legislature switched the funding source requested (general fund) to the LCF for Hilo Forest Reserve CIP.

Summary of Capital Investment Costs, Land Conservation Fund 2016-2024

ACT/YR Section	CIP Title, Island	Status	\$ Appropriated	\$ Expended
124/2016 5-D.7.01	Hilo Forest Reserve, Hawai'i	lapsed	2,000,000	24,600
53/2018 5-K.8.01	Kamehamenui Forest, Maui	completed	3,000,000	3,000,000
40/2019 4-K.6	Hāloa 'Āina Conservation Easement, Hawai'i	deleted Act 6/2020 Section 4	1,000,000	-0-
4-K.7	Ho'omau Forest Conservation Easement, Hawai'i		100,000	-0-
248/2022 5-K.7	Nā Wai 'Ehā Watershed, Maui	lapsed	2,000,000	-0-
248/2022 5-K.11.02	Halulu Fishpond Access, Kaua'i	completed	400,000	400,000

MEASURES OF EFFECTIVENESS

PROGRAM STRUCTURE: 1103

PROGRAM LEVEL: I. 11 GOVERNMENT-WIDE SUPPORT
 II. 03 GENERAL SERVICES

OBJECTIVE: TO ASSIST IN ACHIEVING STATE OBJECTIVES BY PROVIDING LOGISTICAL, TECHNICAL, AND PROFESSIONAL SUPPORTING SERVICES TO ALL STATE AGENCIES.

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1103	1. NO. OF APPROVED RECORDS RETENTION SCHEDULES		5440	5455	5460	5465	5470	5475	5480	5485
	2. AV PRE-BID CONSTRUCTION EST AS % OF AV BID PRICE		100	100	100	100	100	100	100	100
	3. PERCENTAGE UTILIZATION OF PARKING SPACES		105	105	105	105	105	105	105	105
	4. COST SAVINGS OF HI ELECT PROC AWARDS (1000)		2000	2000	2000	2000	2000	2000	2000	2000
	5. AV # OF DAYS TO PROCESS PROP LOSS CLAIM REQ		15	15	15	15	15	15	15	15

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
 (IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING EXPENDITURES - CURRENT LEASE PAYMENTS										
110307	PROPERTY MANAGEMENT	-		2,100	2,100	2,100	2,100	2,100	2,100	2,100
110308	FACILITIES CONSTRUCTION AND MAINTENANCE	-	3,106	2,486	2,920	2,920	2,921	2,921	2,921	2,921
	TOTAL		3,106	4,586	5,020	5,020	5,021	5,021	5,021	5,021
OPERATING EXPENDITURES										
110301	LEGAL SERVICES	ATG-100	87,889	90,163	106,540	106,903	106,901	106,901	106,901	106,901
110302	ENTERPRISE TECHNOLOGY SERVICES	AGS-131	48,863	54,216	62,109	60,870	60,869	60,869	60,869	60,869
110303	ARCHIVES - RECORDS MANAGEMENT	AGS-111	1,777	2,093	2,229	2,190	2,190	2,190	2,190	2,190
110304	911 BOARD	AGS-891	10,867	11,022	14,035	14,035	14,035	14,035	14,035	14,035
110305	PERSONNEL SERVICES	-	25,989	33,375	36,648	37,167	36,919	36,919	36,919	36,919
110306	EMPLOYEE FRINGE BENEFIT ADMINISTRATION	-	1,436,706	1,523,207	1,554,422	1,571,612	1,590,840	1,613,248	1,636,017	1,659,157
110307	PROPERTY MANAGEMENT	-	70,174	95,917	295,131	295,207	295,209	295,209	295,209	295,209
110308	FACILITIES CONSTRUCTION AND MAINTENANCE	-	35,367	42,046	45,555	45,593	45,568	45,568	45,568	45,568
110309	PROCUREMENT, INVENTORY AND SURPLUS PROPERTY MANAGEMENT	-	1,844	4,248	4,209	4,212	4,086	4,086	4,086	4,086
110310	AUTOMOTIVE MANAGEMENT	-	7,585	8,098	8,105	8,100	8,100	8,100	8,100	8,100
110313	GENERAL ADMINISTRATIVE SERVICES	AGS-901	3,811	9,957	5,905	5,904	5,905	5,905	5,905	5,905
	TOTAL		1,730,852	1,874,342	2,134,888	2,151,793	2,170,622	2,193,030	2,215,799	2,238,939
TOTAL OPERATING EXPENDITURES										
110301	LEGAL SERVICES	ATG100	87,889	90,163	106,540	106,903	106,901	106,901	106,901	106,901
110302	ENTERPRISE TECHNOLOGY SERVICES	AGS131	48,863	54,216	62,109	60,870	60,869	60,869	60,869	60,869
110303	ARCHIVES - RECORDS MANAGEMENT	AGS111	1,777	2,093	2,229	2,190	2,190	2,190	2,190	2,190
110304	911 BOARD	AGS891	10,867	11,022	14,035	14,035	14,035	14,035	14,035	14,035
110305	PERSONNEL SERVICES		25,989	33,375	36,648	37,167	36,919	36,919	36,919	36,919
110306	EMPLOYEE FRINGE BENEFIT ADMINISTRATION		1,436,706	1,523,207	1,554,422	1,571,612	1,590,840	1,613,248	1,636,017	1,659,157
110307	PROPERTY MANAGEMENT		70,174	98,017	297,231	297,307	297,309	297,309	297,309	297,309
110308	FACILITIES CONSTRUCTION AND MAINTENANCE		38,473	44,532	48,475	48,513	48,489	48,489	48,489	48,489
110309	PROCUREMENT, INVENTORY AND SURPLUS PROPERTY MANAGEMENT		1,844	4,248	4,209	4,212	4,086	4,086	4,086	4,086
110310	AUTOMOTIVE MANAGEMENT		7,585	8,098	8,105	8,100	8,100	8,100	8,100	8,100
110313	GENERAL ADMINISTRATIVE SERVICES	AGS901	3,811	9,957	5,905	5,904	5,905	5,905	5,905	5,905
	TOTAL		1,733,958	1,878,928	2,139,908	2,156,813	2,175,643	2,198,051	2,220,820	2,243,960

**EXPENDITURES BY COST CATEGORY OF LOWER LEVEL PROGRAMS
(IN THOUSANDS OF DOLLARS)**

STRUCTURE NUMBER	DESCRIPTION	PROGRAM ID	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>CAPITAL INVESTMENT EXPENDITURES</u>										
110302	ENTERPRISE TECHNOLOGY SERVICES	AGS-131	4,500	2,700	4,000	2,000	3,000	3,000	4,000	4,000
110303	ARCHIVES - RECORDS MANAGEMENT	AGS-111	3,400							
110307	PROPERTY MANAGEMENT	-	13,210	29,200	3,200					
110308	FACILITIES CONSTRUCTION AND MAINTENANCE	-	148,475	24,014	26,100	20,000	28,000	15,000	20,000	20,000
110313	GENERAL ADMINISTRATIVE SERVICES	AGS-901		31,000	35,000					
110314	GRANTS TO COUNTIES	-	84,501	85,460						
	TOTAL		254,086	172,374	68,300	22,000	31,000	18,000	24,000	24,000

III. PROGRAM CHANGE RECOMMENDATIONS

Executive Direction, Coordination and Policy Development

Office of the Governor

The Office is requesting the following in the FB 2025-27 Executive Biennium Budget:

1. Add six full-time equivalent (FTE) permanent positions and \$725,000 in FY 26 and FY27 for increased federal policy monitoring and enhanced advocacy efforts and to support the operations of boards and commissions across the State.
2. Reduce six FTE permanent positions and \$470,000 in general funds for FY 26 and FY 27 for the Office of Wellness and Resilience (OWR). OWR was placed temporarily in the Office of the Governor per Act 291, Session Laws of Hawaii 2022, as a semi-autonomous authority to support and implement the statewide framework for trauma-informed care. However, OWR needs to be placed in a principal department, not the Office of the Governor. Although Act 291 authorized a transfer to the Department of Human Services, the Administration will submit a change to the Department of Human Resources Development for efficiency and more appropriate placement.

Office of the Lieutenant Governor

None.

BED144 Statewide Planning and Coordination

The Office of Planning and Sustainable Development (OPSD) is recommending a change to the DBEDT program structure to restore BED 103, State Land Use Commission, to DBEDT program IDs to promote transparency and accountability to the public and to better align two separate programs with their separate missions within the state program structure.

The State Land Use Commission (LUC) was established by statute in 1961 in Chapter 205, with a program ID of BED 103. The Office of Planning and Sustainable Development (OPSD) was established by statute in 1987 in Chapter 225M, with a program ID of BED 144 . In 2021, the Legislature passed HB 1149, which was enacted as Act 153, which amended Chapters 201, 205, 225M, and other statutes, to attach the LUC to the OPSD for administrative purposes while mandating a reporting structure for the LUC that is separate from the reporting structure of Land Use Division of OPSD to avoid actual or perceived conflicts of interest.

Following the enactment of Act 153, OPSD entered into a Memorandum of Agreement with the LUC that memorialized the statutorily required procedures and safeguards to avoid actual or perceived conflicts of interest. The procedures and safeguards included establishing a separate budget sub-account for the LUC budget, BED-144DA. OPSD agreed to not exercise any budgetary discretion over LUC funds or expenditures.

For sixty years, 1961 – 2021, the LUC operated as an attached agency to DBEDT, responsible for implementing Chapter 205. For forty-four years, 1987 – 2021, the OPSD, first established in the Office of the Governor, 1987 – 1995, and then as an attached agency to DBEDT, 1996 – 2024, has been responsible for implementing Chapter 225M. Legislature clearly recognized the potential for actual or perceived conflicts of interest between the programs, since it provided for separate reporting lines and the establishment of procedures and safeguards to separate the

operations of the two programs. The OPSD is a mandatory party to all quasi-judicial contested case proceedings of the LUC.

Restoring BED 103, the State Land Use Commission, to the state program structure under DBEDT will implement the statutory mandate to establish procedures and safeguards to avoid actual or perceived conflicts of interest that may otherwise arise as a result of proceedings before the LUC to which the OPSD is a party.

This program also has the following operating budget requests in the FB 2025-27 Executive Budget:

1. 1.00 temporary position and \$300,000 for special plans project coordinator in FY 26
2. 3.00 temporary positions and \$282,060 for Special Planning Branch in FY 26 and FY 27
3. \$45,570 in FY 26 and FY 27 to restore full-year funding for permanent plan program manager.
4. 1.00 permanent position and \$35,508 in FY 26 and \$71,016 in FY 27 for Statewide Sustainability Project.
5. Convert 5.00 permanent positions and \$663,629 in federal funds to 5.00 permanent positions and \$411,408 in general funds.
6. Reduce 1.00 permanent federal funded position count for long term vacancy.
7. Adds \$500,000 in general obligation bonds in FY 26 for East Kapolei Transit-Oriented Development Infrastructure, O'ahu.
8. Adds \$2,000,000 in FY 26 for State Transit-Oriented Development Planning, Statewide.

BED103 State Land Use Commission

None.

BED130 Economic Planning and Research

None.

BUF101 Departmental Administration and Budget Division

None.

BUF102 Collective Bargaining – Statewide

None.

AGS871 Campaign Spending Commission

This program has the following operating budget request in the FB 2025-27 Executive Budget (general funds unless noted):

1. Add 2.00 permanent FTE in FY 26 and FY 27 and \$1,115,000 in FY 26 and \$380,000 in FY 27 for an Investigator and Elections Assistant position and to upgrade the electronic filing system.
2. Add \$700,000 in trust funds in FY 26 and FY 27 to increase trust fund ceiling for the Hawaii Election Campaign Fund (HECF). This fund provides public funding for qualified candidates, as mandated by Article II, Section 5, under the State of Hawaii Constitution.

AGS879 Office of Elections

This program has the following operating budget request in the FB 2025-27 Executive Budget (general funds unless noted): Add \$3,978,275 in FY 26 and \$125,000 in FY 27 for a voting system contract, digital voter information guide and Electronic Registration Information Center (ERIC).

Fiscal Management

TAX100 Compliance

The Compliance Program (Program) has the following requests:

1. Trade-off \$12,660 in FY 26 and FY 27 in general funds in personal services funds from the Kauai Office to the Oahu Office to re-describe 1.00 position.
2. Add 2.00 permanent positions and \$52,050 in FY 26 and \$110,110 in FY 27 in general funds for the Kauai District Office.
3. Delete 1.00 unfunded permanent position count in FY 26 and in FY 27 for a long-term vacancy.
4. Delete 1.00 unfunded temporary position count in FY 26 and in FY 27 for housekeeping purposes.

TAX103 Tax Collection Services Office

The Tax Collection Services Office Program (Program) has the following request: Delete 4.00 permanent unfunded position counts in FY 26 and FY 27 for long-term vacancies.

TAX105 Tax Services and Processing

The Tax Services and Processing Program (Program) has the following requests:

1. Delete 4.00 permanent position counts, 1.00 temporary position count, and \$81,324 in FY 26 and FY 27 in general funds for long-term vacant positions.
2. Delete 75.00 unfunded temporary position counts in FY 26 and FY 27 in general funds for housekeeping purposes.

TAX107 Supporting Services – Revenue Collection

The Supporting Services - Revenue Collection Program (Program) has the following requests:

1. Add \$338,150 in FY 26 and \$1,343,000 in FY 27 in general funds for additional funding to maintain the Tax System Modernization (TSM) Project.
2. Add 6.00 permanent positions and \$294,796 in FY 26 and 7.00 permanent positions and \$664,592 in FY 27 in general funds to establish a TSM Office and integrate systems with the Internal Revenue Services' Direct-File Program.
3. Add 1.00 permanent position and \$52,500 in FY 26 and \$105,000 in FY 27 in general funds to establish an exempt Data Privacy Officer.
4. Add 2.00 temporary positions and trade-off \$108,240 in FY 26 and \$216,480 in FY 27 from other current expenses to personal services in special funds for the Special Enforcement Section.
5. Delete 3.00 unfunded permanent positions in FY 26 and FY 27 for long term vacant positions.

AGS101 Accounting System Development and Maintenance

This program has the following FB 2025-27 Executive Budget operating requests (general funds unless noted):

1. Add \$5,000,000 in FY 26 and FY 27 for Hawaii Information Portal (HIP) CherryRoad Enterprise expenditures.
2. Add 6.00 permanent FTE in FY 26 and FY 27, and \$2,920,548 in FY 26 and \$2,923,596 in FY 27 to provide supplemental resources to support the new Enterprise Financial System Project.

AGS102 Expenditure Examination

None.

AGS103 Recording and Reporting

None.

AGS104 Internal Post Audit

None.

BUF115 Financial Administration

The program is requesting the following:

1. Add \$272,460 in general funds for FY 2026 and \$269,460 in general funds for FY2027 to establish 3.00 full-time equivalent permanent Accountant VI positions; and
2. Add \$148,504 in trust funds for both FY2026 and FY 2027 to accommodate additional fringe benefits costs.

BUF721 Debt Service Payments – State

This program's request reflects a net increase of \$10,095,046 (principal increase of \$7,403,285, interest increase of \$3,932,261, and working capital (WC) interest decrease of \$1,240,500) in debt service costs in FY 2026; and a net decrease of \$53,040,062 (principal increase of \$58,363,811, interest increase of \$40,475,627, WC principal decrease of \$150,000,000, and WC interest decrease of \$1,879,500) in debt service costs in FY 2027 over the established FY 25 budget ceiling. Increased debt service requirements are to provide funding for debt service for the State (except the Department of Education and University of Hawaii) and are based on projections updated November 2024 (currently authorized in the State Bond Bill - House Bill No. 1801, S.D. 1, C.D. 1, SLH 2024). Assumption: projected interest rate of 7.50% and bond sales of \$1.6 billion in FY 2025; \$1.5 billion in FY 2026; \$1.4 billion in FY 2027; and \$1.3 billion in FY 2028.

General Services

ATG100 Legal Services

For the operating budget, requests are being submitted for the following:

1. Trade-off/transfer funds between various org codes within ATG100 to address negative budget entries, reconcile for actuals to correctly revise and reflect budgeted amounts, and transfer excess fringe funds to account for increased fringe costs.
2. Convert means of financing from other federal funds to general funds for 4.00 full-time equivalent (FTE) investigator positions in ATG100AI.

3. Add lump sum appropriation to provide for future salary adjustments for deputy attorneys general for recruitment, retention, and to conform to any future collective bargaining adjustments (means of financing (MOF) A: \$2,000,000; MOF B: \$150,000; MOF P: \$50,000; MOF U: \$800,000; and MOF W: \$20,000).
4. Increase the Department's budget line-item for litigation expenses by \$10,000,000 for FY 26 and FY 27 in order to provide the necessary resources and capacity to ensure that the Department of the Attorney General (AG) can respond to potential litigation.
5. Add funding for fringe benefits to address the 64.25% rate for FY 26 and FY 27 (MOF B: \$400,000; MOF P: \$643,000; MOF T: \$1,200; MOF U: \$1,537,000; and MOF W: \$9,000).
6. Add \$432,646 for FY 26 and \$453,292 for FY 27 for 3.00 FTE positions, lease office space, computer equipment, and HIC Service Level Agreement Fee for the Tax and Charities Division.
7. Add \$152,767 for FY 26 and \$305,531 for FY 27 for 2.00 FTE positions for the Medicaid Fraud Control Unit of the Criminal Justice Division.
8. Add \$57,500 for FY 26 and \$115,000 for FY 27 for 1.00 FTE position in the Commerce and Economic Development Division.
9. Add \$57,500 for FY 26 and \$115,000 for FY 27 for 1.00 FTE position for the Human Services Division for the Office of Youth Services.
10. Add \$196,863 for FY 26 and \$271,445 for FY 27 for 2.00 FTE positions and travel and office expenses for the Hawaii Correctional System Oversight Commission.
11. Delete \$95,605 for FY 26 and FY 27 for 1.00 FTE position and funds that has been vacant since July 1, 2020 under ATG100CU.

AGS131 Enterprise Technology Services

This program has the following FB 2025-27 Executive Budget Requests:

I. OPERATING BUDGET (general funds unless noted):

1. Transfer out 10.00 permanent FTE and \$800,640 in FY 26 and FY 27 to General Administrative Services (AGS 901) for the Business Transformation Office.
2. Add \$2,330,000 in FY 26 and \$3,200,000 in FY 27 for Microsoft Enterprise Agreement Subscription.
3. Add \$1,600,000 in FY 26 and FY 27 for Cybersecurity Risk Mitigation.
4. Adds \$630,000 in FY 26 and FY 27 for Hawaii Wireless Interoperability Network (HIWIN) Telecommunication System Maintenance and Warranty.
5. Add \$150,000 in FY 26 and FY 27 for costs associated with statewide Adobe Enterprise Term License Agreement (ETLA).
6. Add \$280,000 in FY 26 and \$285,000 in FY 27 for advisory services to support the State's IT enterprise.
7. Add \$1,600,000 in FY 26 for Datacenter decommission and migration services.
8. Add \$1,000,000 in FY 26 and FY 27 for Independent Verification and Validation (IV&V).
9. Add \$310,000 in FY 26 and \$325,000 in FY 27 for Microsoft 365 Cloud Data Backup and Disaster Recovery Solution.
10. Add 1.00 Permanent FTE in FY 26 and FY 27 and \$102,000 in FY 26 and \$100,000 in FY 27 for a Data/AI Equity Manager.
11. Add \$1,613,000 in FY 26 and FY 27 for Data/AI and AI Risk Management Tools and Geospatial License Renewal.

12. Add \$400,000 in FY 26 for Government Private Hybrid Cloud.
13. Add \$200,000 in FY 26 and \$220,000 in FY 27 for Website Accessibility Training Program.
14. Add \$150,000 in FY 26 for digitization of Control and Client Services Binders.
15. Transfer out \$163,600 in FY 26 and FY 27 to the Department of Human Resources Development for recurring IT expenses.

II. CAPITAL IMPROVEMENT PROGRAM BUDGET (general obligation bonds unless noted):

1. Add \$4,000,000 in FY 26 and \$2,000,000 in FY 27 for Lump Sum Health and Safety, HIWIN, Statewide.

AGS111 Archives – Records Management

This program has the following FB 2025-27 Executive operating budget request (general funds): Add 1.00 temporary FTE in FY 26 and FY 27 and \$130,000 in FY 26 and \$90,000 in FY 27 to support Archives modernization initiative.

AGS891 911 Board

This program has the following FB 2025-27 Executive operating budget request: Add \$5,000,000 in special fund ceiling for increase in maintenance and recurring costs of the PSAPs and to support the transition to Next Generation 9-1-1 (NG911).

HRD102 Workforce Attraction, Selection, Classification, and Effectiveness

The Program's significant budget requests include the following, which are detailed further in Form A:

1. Add \$581,321 in FY 26 and FY 27 in general funds for payroll adjustments to support career advancement, retention and recruitment of Department of Human Resources Development (DHRD) employees.
2. Add 2.00 permanent positions and \$112,186 in FY 26 and \$211,572 in FY 27 in general funds for the Personnel Transactions Office. These Business Analyst VI and Business Analyst V positions will replace two Special Project Business Analyst positions that are currently exempt from civil service and are temporary.
3. Adds 6.00 permanent positions and \$231,728 in FY 26 and \$427,036 in FY 27 in general funds for recruitment and outreach initiatives for the Employee Staffing Division. Five of these positions will replace positions that are currently exempt from civil service and are temporary, and one position is new.
4. Add \$41,350 in FY 26 and \$111,250 in FY 27 in general funds for memberships, salary surveys and compensation analytics tools. This includes funding to continue membership in the Hawaii Employers Council.
5. Add \$5,491,297 in FY 26 and \$6,515,078 in FY 27 in general funds for WC claims administration, including funds to address substantially increasing costs for medical care.
6. Add \$1,000,000 in FY 26 in general funds to conduct a comprehensive classification and compensation study for the Executive Branch civil service classes. Specifically, this will address the need to update the classification system that is currently outdated and that has not kept pace with the changing landscape of jobs and State services.

7. Transfer out 1.00 permanent position and \$113,676 in general funds in FY 26 and FY 27 from the Program's Employee Classification and Compensation Division to the Office of the Director.
8. Add 1.00 permanent position and \$32,954 in FY 26 and \$59,808 in FY 27 in general funds for the Labor Relations Division.

HRD191 Supporting Services – Human Resources Development

The Supporting Services - Human Resources Development Program's (Program) significant budget requests include the following, which are detailed further in Form A:

1. Add \$548,647 in FY 26 and \$652,400 in FY 27 in general funds for software-as-a-service cost increases, particularly for PeopleSoft and NEOGOV, which serve as the enterprise-wide foundation for the Human Resources Management System (HRMS), payroll, recruiting, and onboarding operations of the Executive Branch.
2. Add \$250,000 in FY 26 and FY 27 in general funds for Phase 1 of a comprehensive, department-wide furniture replacement project. The project is designed to address the critical need for modern, ergonomic, and technology-integrated workspaces that align with current work practices, staffing levels, and safety standards.
3. Transfer in \$163,600 in FY 26 and FY 27 in general funds from the Department of Accounting and General Services' Office of Enterprise Technology Services for the Worker's Compensation Claims Management System.
4. Transfer in 1.00 permanent position and \$113,676 in FY 26 and FY 27 in general funds from the Workforce Attraction, Selection, Classification, and Effectiveness Program's Labor Relations Division to the Office of the Director.
5. Add \$30,000 in FY 26 and FY 27 in general funds for the Department of Human Resources Development (DHRD) training and professional development.

BUF141 Employees' Retirement System

1. Add \$6,844,527 in other funds for FY 26 and \$2,823,706 in other funds for FY 27 to migrate the Employees' Retirement System's (ERS) Pension Administration System to a newer version.
2. Add \$505,759 in other funds for FY 26 and \$524,083 in other funds for FY 27 for internal compliance testing services related to employer reporting per Section 88-103.7, HRS.
3. Add \$567,000 in other funds for FY 26 and \$515,000 in other funds for FY 27 for increased anticipated legal and actuarial expenses.
4. Add \$600,000 in other funds for FY 26 to perform imaging and indexing of a backlog of paper documents received from ERS members into an electronic format to improve ERS' operational efficiencies, provide improved customer service to members, protect members' personally identifiable information and improve the ERS disaster recovery capabilities.

BUF143 Hawaii Employer-Union Trust Fund

1. Add \$143,719 in trust funds for FY 26 and \$287,438 in trust funds for FY27 to establish an Investment Officer position for the Hawaii Employer-Union Trust Fund (EUTF) Administration.

The EUTF Other Post-Employment Benefits Trust (OPEB) has grown significantly since the passage of Act 268, SLH 2013. Employer contributions and investment returns resulted in growth of the OPEB Trust from \$150.7 million as of June 30, 2011, to approximately \$7.8 billion today. Currently, the EUTF Investment Office is staffed with an EUTF Chief Investment Officer and two EUTF Investment Analysts. The present workload for just the critical functions and maintaining internal control is estimated at about 4.70 full-time equivalents. To ensure the EUTF's staffing level remains adequate to manage the growth of OPEB assets, addition of one EUTF Investment Officer position is necessary.

2. Add \$830,199 in trust funds in both FY 26 and FY 27 to accommodate the change in the approved composite fringe benefits rate from 52.61% to 64.25%.

BUF741 Retirement Benefits Payments – State

Total adjustments to employer contribution requirements for pension accumulation and Social Security/Medicare for State employees (other than the Department of Education and the University of Hawaii) are increases of \$18,894,390 in FY 26 and \$29,045,965 in FY 27.

BUF761 Health Premium Payments – State

Total adjustments to employer contribution requirements for health benefit premiums for State employees (other than the Department of Education and the University of Hawaii) are increases of \$31,430,243 in FY 26 and \$34,594,539 in FY 27.

BUF762 Health Premium Payments – ARC

Total adjustments to State employer contribution requirements for the annual required contribution are a decrease of \$28,687,000 (retirees decrease of \$13,103,000 and OPEB pre-funding decrease of \$15,584,000) in FY 26 and a decrease of \$20,302,000 (retirees increase of \$23,969,000 and OPEB pre-funding decrease of \$44,271,000) in FY 27.

LNR 101 Public Lands Management

The legislature recently approved a new supervisory Planner VI position within Land Division to assist in environmental reviews and the various Division projects such as the development and leasing of the Transit Oriented Development parcels out at East Kapolei, and the Pulehunui Light Industrial and Business Park on Maui. The legislature also approved seven (7) land agent/property management positions to assist with, among other things, inspections, and other land management work. Land Division's organizational chart will need to be adjusted to accommodate these new positions. No other immediate changes are being recommended from the Land Division. A proposal for the Land Legacy Conservation Program to have its own Program ID (LNR 102) under Government Wide Support.

AGS203 State Risk Management and Insurance Administration

This program has the following FB 2025-27 Executive operating budget request: Add \$200,000,000 in revolving funds in FY 26 and FY 27 to increase ceiling for Maui-Wildfire claim payments to be received by the State.

AGS211 Land Survey

None.

AGS223 Office Leasing

None.

LNR 102 LEGACY LAND CONSERVATION PROGRAM

- 1) Operating Budget Request, Land Conservation Fund: None.
- 2) Capital Improvement Budget Requests, Land Conservation Fund: LLCP does not initiate capital improvement budget requests for funding from the LCF. However, LLCP advises proponents of such requests about the limited availability and financial impacts of LCF funding for capital improvements.
- 3) Legislative Proposal, Land Conservation Fund Revenue: Remove the cap on distributions of conveyance tax revenue into the LCF.

- Rationale: Without future increases in conveyance tax revenue (now capped at \$5.1 million/year), the cash balance in the LCF will be insufficient for supporting the LLCP operating budget (now \$9.03 million/year) and will not be able to accommodate capital improvement budget requests.

- Anticipated Consequences: Loss of revenue for the general fund. Without a cap, the LCF would receive ten percent of annual conveyance tax revenue, which would have provided an additional \$7.24 million to the LCF in the previous biennium, with a commensurate loss of revenue for the general fund.

- 4) Legislative Proposal, Land Conservation Fund Expenditures:

Exempt certain expenditures of the Land Conservation Fund (grant funds for land acquisition) from legislative appropriation and allotment.

- Rationale: Provide greater flexibility in awarding grant funds for high priority land acquisitions.

- Anticipated Consequences: Accelerate and enlarge the protection and preservation of land having resource value to the State.

AGS221 Public Works – Planning, Design, and Construction

This program has the following FB 2025-27 Executive operating budget request (general funds): Reduce 5.00 permanent FTE in FY 26 and FY 27 and add \$1,057,848 in FY 26 and FY 27 to delete long term vacant positions and add funding for consultant services.

This program has the following CIP requests: (general obligation bond funds unless noted)

1. Add \$20,000,000 in FY 26 and FY 27 for Lump Sum Maintenance of Existing Facilities, PWD, Statewide.
2. Add \$2,000,000 in FY 26 for Planning for State Capitol Building Rehabilitation and Related Improvements, O'ahu.
3. Add \$2,100,000 in FY 26 for Kalanimoku Building, Office Space Optimization, O'ahu.
4. Add \$2,000,000 in FY 26 for Lump Sum Office Building Remodeling, Statewide.

AGS231 Central Services – Custodial Services

This program has the following FB 2025-27 Executive Budget operating requests (general funds unless noted):

1. Add \$1,000,000 in FY 26 and FY 27 for electricity costs.
2. Add \$120,000 in FY 26 and FY 27 for after hours security guard contract for Kakuhihewa Building.
3. Add 1.00 permanent FTE and \$50,320 in FY 27 for Janitor II position and equipment for Wahiawa Civic Center.
4. Add \$433,700 in FY 26 and FY 27 for Ameresco (ESCO) lease payments.

AGS232 Central Services – Grounds Maintenance

This program has the following FB 2025-27 Executive operating budget request (general funds): Add \$25,320 in FY 26 and FY 27 for full year funding for 1.00 permanent FTE Groundskeeper I position.

AGS233 Central Services – Building Repairs and Alterations

This program has the following FB 2025-27 Executive operating budget request (general funds): Add \$250,000 in FY 26 and \$150,000 in FY 27 for fencing contracts to protect State facilities.

AGS234 Central Services – Cemetery Management Office

This program has the following FB 2025-27 Executive operating budget request (general funds): Add 2.00 permanent FTE in FY 26 and FY 27 and \$1,088,500 in FY 26 and \$1,167,000 in FY 27 to establish dedicated program within DAGS to handle issues related to State run cemeteries.

AGS240 State Procurement

None.

AGS244 Surplus Property Management

This program has the following FB 2025-27 Executive Budget operating requests:

1. Add \$51,607 in revolving funds in FY 26 and FY 27 to increase ceiling to cover fringe benefits rate.
2. Add \$14,772 in revolving funds in FY 26 and FY 27 to increase ceiling for the reclassification of 2.00 permanent FTE.

AGS251 Automotive Management – Motor Pool

None.

AGS252 Automotive Management – Parking Control

None.

AGS901 General Administrative Services

This program has the following FB 2025-27 Executive Budget operating requests (general funds):

1. Transfer in 10.00 permanent FTE and \$800,640 in FY 26 and FY 27 from ETS (AGS131) for the Business Transformation Office.
2. Add \$128,044 in FY 26 and FY 27 for full year funding for 2.00 permanent FTE.

3. Add 1.00 permanent FTE and \$180,000 in FY 26 and FY 27 to convert special project position for Business Transformation Office.
4. Reduce \$5,185,607 in FY 26 and FY 27 for funds designated for the Department of Law Enforcement but appropriated to DAGS.

This program has the following CIP request (general obligation bond funds): Add \$35,000,000 in FY 26 for Enterprise Financial System, Statewide.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

Executive Direction, Coordination and Policy Development

Office of the Governor

External trends include federal fiscal support to the State, public and consumer confidence, collaboration among private sector entities, population demographics, the occurrence of natural or man-made disasters, tourism industry changes, military expenditures within Hawaii, the national economic climate, and global geopolitical activities.

Office of the Lieutenant Governor

Advancements in technology require review of current processes to provide constituents with better access to Secretary of State operations of the LG. The LG has worked to make available online filing for the most utilized name change application forms and allow for online payment of application fees. The office is currently moving forward with modernization projects for the apostilles and certification services. Federal laws and world events have resulted in an increased need for name changes, apostilles, and certifications.

BUF101 Departmental Administration and Budget Division

This program has significant relationships with the Legislature and Staff agencies to ensure that the State budget is consistent with applicable laws and policies.

BUF102 Collective Bargaining – Statewide

None.

BUF103 Vacation Payout – Statewide

None.

AGS871 Campaign Spending Commission

This program is affected by the following major external trends:

- Transparency in elections must be provided to empower voters with information so they can make informed decisions.
- Campaigns, on average, are costing more and more each election year. This gives the large contributors a louder voice and potentially easier access to legislators. This may be even more evident with independent expenditure committees. We must continue to re-evaluate and incrementally grow our partial public financing program as funding permits so that any person that qualifies may run a competitive race for office.

- The demand for instant and comprehensive information means we must stay on the cutting edge of technological development. As more jurisdictions develop programs that can analyze data in multiple formats and searches, we must consider and/or adopt their best practices.

AGS879 Office of Elections

A major trend affecting this office is the vote by mail. The increase in voters returning their ballots in the mail has resulted in an increase in voter turnout.

Another trend affecting this office is changes to federal laws. These changes have been made to strengthen the integrity of elections, increase participation in the electoral process, improve the administration of elections, and facilitate enfranchisement of voters. Some examples are reflected in the Help America Vote Act (HAVA), Uniformed and Overseas Citizens Absentee Voting Act, Voting Rights Act, and Americans with Disabilities Act.

Fiscal Management

TAX100 Compliance

The statewide population trends, business activities, economic condition, taxpayer filing patterns, and legislative changes are the major external trends that affect this program.

TAX103 Tax Collection Services Office

The statewide population trends, business activities, economic condition, taxpayer filing patterns, and legislative changes are the major external trends that affect this program.

TAX105 Tax Services and Processing

The statewide population trends, business activities, economic condition, taxpayer filing patterns, and legislative changes are the major external trends that affect this program.

TAX107 Supporting Services – Revenue Collection

The statewide population trends, business activities, economic condition, taxpayer filing patterns, and legislative changes are the major external trends that affect this program.

AGS 101 Accounting System Development and Maintenance

A major external trend affecting this program is the rapid growth in information technology. This trend will shorten the average life cycle of statewide accounting systems (currently averaging 30 years) and place even greater demands on this program to develop and implement new statewide accounting systems at a faster pace (e.g., replacing an old system every 10 or 15 years as opposed to every 30 years) and in shorter time frames.

This program is also impacted by: changes in financial reporting requirements for state and local governments promulgated by the Government Accounting Standards Board; findings of independent financial auditors and legislative auditors with regard to internal control weaknesses and accounting deficiencies; and changes in State and federal laws, and management policies, as it relates to accounting and reporting.

AGS102 Expenditure Examination

The program is directly affected by any substantial changes in the volume of State government expenditures and any significant organizational changes.

AGS103 Recording and Reporting

The major external trend that affects the program is changing reporting standards that are continuously promulgated by the Governmental Accounting Standards Board and any significant organizational changes.

AGS104 Internal Post Audit

General economic conditions leading to a slowdown in economic activity could adversely affect government services if such a slowdown results in cutbacks in personnel. Such reductions could negatively impact the internal control environment due to a lack of adequate resources to accurately initiate, process, record, monitor and report financial transactions.

BUF115 Financial Administration

The state of the economy, on the national, international, and local levels, is a major focus area of this program. The program must continually assess and evaluate the State's overall financial condition and keep abreast of local, national, and international economic, social, and financial trends affecting financing and investments. This program must be aware of federal and State laws, rules and issues related to investments, debt financing, and cash management to ensure that the State's financial policies and procedures are in conformance. When new procedures are necessary to ensure conformance, they must be implemented in a timely manner.

Since the cash resources of the State constitute a significant and important aspect of the financial management of the State, trends in interest rates are closely monitored. The State's investment earnings are determined to a large extent by the prevailing interest rates of short-term securities. The prime-lending rate of the banks, which generally sets the tone for all investment rates, is closely monitored. The recent national and global market conditions have impacted the type of acceptable investments and rate of return on the investment portfolio.

Advancements in technology and changes in the banking industry toward electronic processing have required new processes and projects to take advantage of efficiency improvements available.

BUF721 Debt Service Payments – State

Financing costs are impacted directly by the overall financial markets, on a local, national, and international level. Specifically, the impacts of these markets on the U.S. municipal bond markets affect the interest rates incurred in the sale of the G.O. bonds. In addition, the condition of Hawaii's economy and management of the State's budget affect bond ratings, which in turn, have an impact on interest rates paid on the bonds.

General Services

ATG100 Legal Services

The major external forces on this program are: number of civil cases filed against the State; number of requests for legal services and advice from State agencies, officers, and employees; number of hearings before federal and State administrative agencies; number of criminal and civil cases received for investigation; and number of requests to prosecute enforcement actions.

AGS131 Enterprise Technology Services

There are four major trends affecting the existing program:

1. Funding - the potential lack of funds to properly implement the transformation effort will result in the project taking longer and costing the State more;
2. Procurement - the program continues to work with the State Procurement Office to improve purchasing processes and with the Department of the Attorney General to improve contracting processes, which together establish better overall efficiency for acquisitions and contracting of services;
3. Consolidation and Shared Services - Hawaii is leveraging the best practices and lessons learned from these efforts to shape consolidation efforts to be efficient and successful; and
4. Difficulty Dealing with Change - the program is implementing pro-active measures to involve affected employees and collectively encourage them to consider and adopt new approaches.

AGS111 Archives – Records Management

State government creates and receives a growing volume of information in digital format. Digital materials are surprisingly fragile. Their viability depends on technologies that rapidly and continually change. As recordkeeping moves from paper to electronic systems, the significance of government records and the challenges associated with caring for born digital records grow. Rapid changes in technology in operating systems, hardware and software can make digital materials inaccessible within short periods of time. Keeping digital resources usable by future generations require conscious effort and continual investment.

AGS891 911 Board

There is a national trend to upgrade the current 9-1-1 systems to an IP-based (Next Generation) infrastructure. In addition, several states have implemented surcharge assessments on prepaid wireless service.

FirstNet is a federal program to build a nationwide public safety network to provide interoperability with all public safety networks that will increase the efficiency of the PSAPs and first responders in their efforts to save lives and protect property.

The 911 Board, along with other states, will be soliciting the services of a consultant to develop a State Plan that will provide guidance in the deployment and implementation of Next Generation 911 technology.

HRD102 Workforce Attraction, Selection, Classification, and Effectiveness

The Program anticipates the following HR-related trends:

1. Aging of the workforce and increased number of retirements, resulting in loss of critical institutional knowledge.
2. Change in workforce and expectations of employment.
3. Focus on technology improvements that will transform State government operations to best manage our resources.
4. Collective Bargaining negotiations will be challenging and we must continue efforts to maintain good, collaborative working relationships with the unions.
5. Increasing costs for the WC program due to an aging workforce, yearly statutory increases in indemnity benefits, escalating costs for prescription drugs, and recent

administrative and judicial decisions that have made it much more difficult for DHRD to deny questionable medical care or terminate ongoing disability benefits.

6. Increased operational costs for DHRD's software services that support Executive Branch HR functions statewide, but no major increases to operational budget to support the cost increases.

HRD191 Supporting Services – Human Resources Development

The Program anticipates the following HR-related trends:

1. Aging of the workforce and increased number of retirements, resulting in loss of critical institutional knowledge.
2. Change in workforce and expectations of employment.
3. Focus on technology improvements that will transform State government operations to best manage our resources.
4. Collective Bargaining negotiations will be challenging and we must continue efforts to maintain good, collaborative working relationships with the employee unions.
5. Increasing costs for the workers' compensation program due to an aging workforce, yearly statutory increases in indemnity benefits, and recent administrative and judicial decisions that have made it much more difficult for DHRD to deny questionable medical care or terminate ongoing disability benefits.

BUF141 Employees' Retirement System

ERS' actuary has estimated continued growth in the annual numbers of new retirees. This continued increase in the numbers of new retirees will have an impact on the operational and funding requirements of this program. The volatility of the U.S. and international markets continue to impact the growth of the ERS' investment portfolio.

BUF143 Hawaii Employer-Union Trust Fund

Based on increasing prescription drug trends and claims experience due to the high cost of specialty drugs coming into the market and less new generics, the Board continues to investigate ways to lower claims and premiums through reduction in specialty drug growth, increasing the generic dispensing rate and increased mail order utilization. Act 226, SLH 2013, prohibited mandatory mail order or incentives to use mail order resulting in an estimated additional cost of \$3.4 million annually.

BUF741 Retirement Benefits Payments – State

The employer contribution rates for pension accumulation do not reflect the market turmoil that global investment assets have experienced. While the actuarial methodology recognizes some year-to-year market volatility, future program requirements may be adversely impacted by future investment experience.

BUF761 Health Premium Payments – State

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and the setting of employer contributions for active employees at a fixed dollar amount. Other Post-Employment Benefits also brings to

light the full cost of providing retiree benefits and with it, unfunded liabilities in excess of pension benefits.

BUF762 Health Premium Payments – ARC

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and the setting of employer contributions for active employees at a fixed dollar amount. Other Post-Employment Benefits also brings to light the full cost of providing retiree benefits and with it, unfunded liabilities in excess of pension benefits.

LNR 101 Public Lands Management

None foreseen for Land Division.

The State is experiencing significant issues relating to coastal erosion due to a combination of long-term natural trends, higher-than-normal regional sea levels, and climate-change induced sea level rise. Critical infrastructure such as highways are being undermined, beaches are being lost, and private coastal residences are at risk of failing. These result in turn in a significant increase in the regulatory challenges faced by OCCL.

AGS203 State Risk Management and Insurance Administration

The amount of insurance purchased is based upon several factors which include the best balance between risk and cost. Cost includes the cost of insurance policies plus the payment of losses within deductible portions of the insurance policies. Risk is viewed in terms of historical losses and the number of occurrences for a type of loss. Also, due to fluctuating insurance markets, the cost of insurance continues to be difficult to project for biennium budget purposes. A majority of the State of Hawaii's cost of risk is the Property insurance premium. Insurance for the State's insurable assets (buildings, contents and equipment) can be affected by national and global catastrophic events. In addition, the State's own loss history will directly affect the program. The State Risk Management and Insurance Administration also utilizes the results of a Probable Maximum Loss study that provides projections of losses to establish a reasonable amount of insurance for the State to purchase.

AGS211 Land Survey

The amendment to Chapters 205 and 669, HRS, Shoreline Setback Act, and "Quiet Title Actions," significantly increased the program's workload. Special attention is concentrated in preserving the public's rights to access along beaches, forest lands and historic sites. In addition, previously unaccounted for old school grants, government remnants, and government roads have been claimed on behalf of the State. Numerous illegal use of government lands, especially along shorelines, have been detected and reported to DLNR. Subsequent actions by DLNR have resulted in the sale or lease of lands or assessment of penalties that resulted in increased revenues.

AGS223 Office Leasing

The overall real estate market directly impacts the ability to process lease requests. According to the 3rd quarter market report by the research division of one of Honolulu's real estate firms, the overall office vacancy rate on Oahu remained relatively stable at 13.13% from 13.57% the prior quarter. With no new office space projected to be available in the near term, there may be additional pressure on the Oahu office market. Some uncertainties remain as offices continue to explore how to best implement telework practices.

LNR 102 Legacy Land Conservation Program

Natural capital investment opportunities facilitated by the Legacy Land Conservation Program (LLCP) and its partners are expected to become increasingly important, popular, and challenging in the face of escalating real estate market trends; ongoing demands for land that can be used for non-conservation purposes; competing initiatives for land-based solutions to environmental management problems; and uncertain economic conditions and fiscal policies. Possible alternatives include: (1) increase the buying power of the Land Conservation Fund (LCF) by lifting the cap on conveyance tax distributions; (2) shift certain LLCP operating costs to other sources of funding; (3) exempt certain expenditures of the LCF from legislative appropriation and allotment; (4) promote new financial incentives that attract willing sellers of land for conservation purposes; and (5) strengthen coordination with partnering programs for land acquisition to shorten acquisition timelines, avoid duplication of effort, and optimize conservation benefits.

V. APPENDICES AND SELECTED PROBLEMS FOR POSSIBLE STUDY

Reports to the Legislature and Annual Reports prepared by the Department of Business, Economic Development & Tourism, its divisions, and attached agencies, may be found at the following web address: <https://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>. Quarterly statistical and economic reports may be found at <https://dbedt.hawaii.gov/economic/qser/>, and the State of Hawaii Data Book may be found at: <https://dbedt.hawaii.gov/economic/databook/>.

Reports to the Legislature prepared by the Department of Budget and Finance, its divisions, and attached agencies, may be found at the following web address: <https://budget.hawaii.gov/budget/reports-to-the-legislature/>.

Publications by the ERS may be found at the following web address: <https://ers.ehawaii.gov/resources/reports-to-legislature>.

Publications the EUTF may be found at the following web address: <https://eutf.hawaii.gov/reports/>.

LNR 101 Public Lands Management

The State in general lacks the appropriate tools to address rising sea levels and an eroding coastline. Potential problems for future study include:

- How can beach restoration projects be funded, and what department should manage them?

- How can the State work with the Counties to regulate and manage retreat from the shoreline?
- Are there more appropriate ways to manage the State's coastal areas, such as through the creation of a Coastal Commission?

LNR 102 Legacy Land Conservation Program

Urgent problems from Section IV that should be studied to develop alternative courses of action to increase program effectiveness:

- 1) How do real estate market trends affect the cost and availability of land with high conservation resource value?
- 2) How to plan and balance the spatial distribution of land acquisitions for resource conservation purposes with competing public-funded land acquisitions for other public purposes, such as renewable energy, land-based solutions to environmental management problems, affordable housing, and sustainable agriculture?
- 3) What methods might be suitable for planning financial management of the Land Conservation Fund in sync with prevailing real estate market trends and investment opportunities?
- 4) What financial incentives might be most efficient and effective for motivating private landowners to become willing sellers of resource value land, for conservation purposes?
- 5) What definitions, information, and research priorities and protocols would best serve an ongoing effort to:
 - a) identify, classify, and map private and public lands that are protected for resource conservation purpose
 - b) analyze apparent gaps in private land protection of resource values and assess their suitability for conservation via acquisition
 - c) strengthen coordination with partnering programs for land acquisition to develop priorities, shorten acquisition timelines, avoid duplication of effort, and optimize conservation benefits?