Economic Development

STATE OF HAWAII
PROGRAM TITLE: **ECONOMIC DEVELOPMENT**
PROGRAM-ID:
PROGRAM STRUCTURE NO: 01

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	393.0	354.0	- 39.0	10	398.0	361.5	- 36.5	9	398.0	386.0	- 12.0	3
EXPENDITURES	196,933	160,099	- 36,834	19	42,837	35,209	- 7,628	18	152,920	160,411	7,491	5
TOTAL COSTS												
POSITIONS	393.0	354.0	- 39.0	10	398.0	361.5	- 36.5	9	398.0	386.0	- 12.0	3
EXPENDITURES	196,933	160,099	- 36,834	19	42,837	35,209	- 7,628	18	152,920	160,411	7,491	5

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. GROSS STATE PRODUCT (2000 CONSTANT $ IN MILLIONS)	42,763	45,522	+ 2,759	6	43,911	46,701	+ 2,790	6
2. REAL PERSONAL INC (2000 CONSTANT $ IN MILLIONS)	37,001	38,744	+ 1,743	5	37,932	39,949	+ 2,017	5
3. UNEMPLOYMENT RATE (%, TENTHS)	3.5	3.0			4	2.7	- 1	25
4. TOTAL EMPLOYMENT (THOUSANDS)	613	598	- 15	2	619	610	- 9	1
5. GROSS STATE PRODUCT (CURRENT $ IN MILLIONS)	51,938	52,033	+ 95		54,585	55,302	+ 717	1
6. REAL PERSONAL INC (CURRENT $ IN MILLIONS)	41,912	42,611	+ 699	2	44,254	46,901	+ 2,647	6

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: ECONOMIC DEVELOPMENT 01

Part I - EXPENDITURES AND POSITIONS

The expenditure variance is due to delays in filling vacant positions and lower than anticipated special fund expenditures (for various reasons as noted in the lower level programs).

Part II - MEASURES OF EFFECTIVENESS

See lower level programs.

STATE OF HAWAII
PROGRAM TITLE: **BUSINESS DEVELOPMENT**
PROGRAM-ID:
PROGRAM STRUCTURE NO: 0101

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	79.0	77.0	- 2.0	3	80.0	74.0	- 6.0	8	80.0	79.0	- 1.0	1
EXPENDITURES	9,166	7,029	- 2,137	23	1,935	1,359	- 576	30	7,503	8,211	708	9
TOTAL COSTS												
POSITIONS	79.0	77.0	- 2.0	3	80.0	74.0	- 6.0	8	80.0	79.0	- 1.0	1
EXPENDITURES	9,166	7,029	- 2,137	23	1,935	1,359	- 576	30	7,503	8,211	708	9

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. PERCENT ANNUAL INCREASE IN GSP	5.2	7.3	+ 2	38	5.1	6.3	+ 1	20
2. NUMBER OF NEW JOBS CREATED PER ANNUM	11,751	15,366	+ 3,615	31	7,307	12,606	+ 5,299	73

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT
PROGRAM-ID: BED - 100
PROGRAM STRUCTURE NO: 010101

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	15.0	18.0	3.0	20	18.0	16.0	- 2.0	11	18.0	18.0		
EXPENDITURES	1,975	2,000	25	1	768	361	- 407	53	3,156	3,591	435	14
TOTAL COSTS												
POSITIONS	15.0	18.0	3.0	20	18.0	16.0	- 2.0	11	18.0	18.0		
EXPENDITURES	1,975	2,000	25	1	768	361	- 407	53	3,156	3,591	435	14

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. INVESTMENT GEN BY BUS DEV & PROMO ACT $M	18	15.5	- 2	11	31	3	- 28	90
2. NUMBER OF TRADE & INVESTMENT LEADS GENERATED	545	470	- 75	14	427	400	- 27	6
3. CLIENT SATISFACTN BASED ON EVAL SURVEYS	19	9.5	- 9	47	19	9.5	- 9	47
4. # JOBS GENERATED BY COMMUNITY-BASED ORGANIZATIONS	180	173	- 7	4	100	105	+ 5	5
5. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	73	15	- 58	79	73		- 73	100
6. # JOBS GENERATED BY ENTERPRISE ZONE BUSINESSES	320	300	- 20	6	300	300		
7. # BAC CLIENTS ASSISTED BY PHONE & IN PERSON	19000	18700	- 300	2	17500	NA		
8. # BAC LICENSE APPLICATIONS PROCESSED	8500	8300	- 200	2	6500	NA		
PART III: PROGRAM TARGET GROUP								
1. # HAWAII FIRMS ENGAGED IN INTERNAT'L BUSINESS	630	600	- 30	5	640	600	- 40	6
2. # ELIG NON-PROFIT COMM-BASED ORGS & COOPERATIVES	1,200	1,200			400	400		
3. # SMALL BUS REQUESTING REGULATORY RELIEF/LEGIS	10	9	- 1	10	10	10		
4. # ATTENDEES AT BAC OUTREACH ENGAGEMENTS	1300	1200	- 100	8	1300	NA		
PART IV: PROGRAM ACTIVITIES								
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	20	18	- 2	10	20	15	- 5	25
2. # NATL BUSINESS DEVELOPMENT ACTIVITIES	6	5	- 1	17	7	4	- 3	43
3. #OUT-OF-STATE FIRMS, ORGS ASSTD TO LOCATE/INV HERE	10	12	+ 2	20	10	10		
4. # LOCAL FOCUSED EDUC & PROMO, BUS DEV ACTIVS	9	16	+ 7	78	9	14	+ 5	56
5. # PRINT, ELECTRONIC PUBLICATIONS, MKTG COLLATERAL	6	6			5	5		
6. # INVESTMENT & TRADE CONSULTATIONS	300	250	- 50	17	322	300	- 22	7
7. #FIRMS GVN INFO/ASST FOR PARTIC IN ENTERPRSE ZONES	320	300	- 20	6	200	200		
8. NUMBER OF BAC OUTREACH ENGAGEMENTS	70	65	- 5	7	70	NA		
9. # CBED APPLICATIONS RECEIVED & REVIEWED	40	13	- 27	68	40	15	- 25	63
10. # NEW/AMENDED RULES REVIEWD BY BUS ADV & SBRRB	55	52	- 3	5	55	50	- 5	9

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Strategic Marketing & Support Division

01 01 01
BED 100

Part I – EXPENDITURES AND POSITIONS

The position variance in BED 101 (former program I.D.) in FY 2005 is primarily due to the transfer of positions between BED 101 and BED 102 to reflect the approved reorganization acknowledged by the Director of Finance and also a vacant Secretary II position.

There was no significant expenditure variance in FY 2005.

Part II – MEASURES OF EFFECTIVENESS

Item 1. Investment generated by business development and promotional activities were not met because there is an indeterminate lag between investment attraction activities and actual investment realized in Hawaii companies. This is due in part to the industries the division targets and the fact that there are many variables that the private sector considers before making an investment decision that is beyond the division's control.

Item 2. There is a gap or delay between investment attraction and industry development activities when leads from the private sector are actually generated. Although division participated in fewer activities than originally anticipated, the number of quality leads increased.

Item 3. Measurement goals were erroneously doubled when combining the information of two branches within the division.

Item 5. Variance is due to the State EZ Coordinator's absence for 18 months due to illness, and that during the last legislative session, a bill changing the EZ hiring requirements for farm businesses did not pass.

Part IV – PROGRAM ACTIVITIES

Item 1: Planned international business activity was cancelled by event coordinator.

Item 2: Planned national business activity changed their targeted industry focus.

Item 3: Projected number of out-of-state firms assisted to locate or invest in Hawaii increased due in part to referrals made by private and public sector contacts made in the past.

Item 4. The number of locally-focused business development activities doubled due to opportunities that developed after initial estimates were made.

Item 9. Decreased in FY 05 due to grant applicants seeking larger funding assistance due to increased costs – resulting in fewer applications reviewed, and the program's setting a "cap" on the total amount of funding available. For FY 06, requests for increased assistance due to increased costs will result in fewer grants/loans being awarded/reviewed.

STATE OF HAWAII
PROGRAM TITLE: **ARTS, FILM AND ENTERTAINMENT**
PROGRAM-ID: **BED - 105**
PROGRAM STRUCTURE NO: **010102**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	13.0	8.0	- 5.0	38	9.0	8.0	- 1.0	11	9.0	9.0		
EXPENDITURES	3,364	1,250	- 2,114	63	312	186	- 126	40	995	1,140	145	15
TOTAL COSTS												
POSITIONS	13.0	8.0	- 5.0	38	9.0	8.0	- 1.0	11	9.0	9.0		
EXPENDITURES	3,364	1,250	- 2,114	63	312	186	- 126	40	995	1,140	145	15

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. AMT OF DIRECT EXPEND FROM FILM PROD IN HAWAII ($M)	140	153.3	+ 13	9	100	110	+ 10	10
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP ($M)	223.7	245.0	+ 21	9	159.8	175.78	+ 15	9
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD ($M)	18.1	16.15	- 1	6	12.9	14.9	+ 2	16
4. FUNDG STIM IN ADD TO AFED BGT SPPTG ARTS/CULT/FILM	285,000		- 285,000	100	200,000	550,000	+ 350,000	175
PART III: PROGRAM TARGET GROUP								
1. MAJOR HOLLYWD STUDIOS/US & INTL FILM/TV INDUSTRY	200	200			200	200		
2. LOCAL PROD COMPANIES/LOCAL PROD PROFESSIONALS	4,000	4,000			4,000	4,000		
3. LOCAL FILM FESTIVALS	20	19	- 1	5	20	20		
4. TOURISTS PROMPTD BY LOCAL CULT/ARTS/EXP TO FILM/TV	NA	NA				NA		
5. NONPROFIT ARTS/CULT ORGS BENEF OF ECON ACT BY AFED	150	150			150	150		
6. FOUNDATIONS AND OTHER FUNDING SOURCES	49	49			49	49		
PART IV: PROGRAM ACTIVITIES								
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY	140	167	+ 27	19	140	150	+ 10	7
2. # OF FILM PERMITS PROCESSED ANNUALLY	1,500	1,600	+ 100	7	1,500	1,500		
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS	2	5	+ 3	150	2	11	+ 9	450
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY AFED	4	2	- 2	50	3	3		
5. # OF ARTS, CULTURE AND FILM INQUIRIES	3,500	2,808	- 692	20	3,500	2,808	- 692	20

PROGRAM TITLE: Arts, Film & Entertainment

01 01 02
BED 105

Part I – EXPENDITURES AND POSITIONS

FY04-05 - The position variance in BED 102 (former program I.D.) in FY 2005 is primarily due to the transfer of positions between BED 101 and BED 102 to reflect the approved reorganization acknowledged by the Director of Finance and also a vacant Film Industry Development Specialist position.

The expenditure variance in FY 2005 is due the transfer of funds between BED 101 and BED 102 to reflect the approved reorganization. Also, there were significantly lower than estimated expenditures for the Community-Based Economic Development Revolving Fund and the State Disaster Loan Revolving Fund.

FY 05-06 – Expenditure variance in the first quarter for FY 06 is due to unexpected delays in implementing planned projects. Funds will be expended in remaining three quarters ending 6/30/06. In addition, approximately $20,000 is estimated for collective bargaining amounts.

Part II – MEASURES OF EFFECTIVENESS

Item 4. Expected funding from outside sources did not occur due to the delay in the start up of the "Economic Plan for the Creative Economy" project.

Part III – PROGRAM TARGET GROUP

Part IV. – PROGRAM ACTIVITIES

Item 2. Increase in the number of film permits processed was due to more filming projects than anticipated.

Item 3. Increase due to a greater number of locally focused educational and promotional events being implemented.

Item 5. Decrease in the number of arts, culture, and film inquiries was due to the administration's decision to restructure the State's website which affected the launch of AFED's arts and culture website.

STATE OF HAWAII
PROGRAM TITLE: **FOREIGN TRADE ZONE**
PROGRAM-ID: **BED - 107**
PROGRAM STRUCTURE NO: **010103**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	19.0	17.0	- 2.0	11	19.0	17.0	- 2.0	11	19.0	19.0		
EXPENDITURES	1,891	1,594	- 297	16	299	311	12	4	1,657	1,657		
TOTAL COSTS												
POSITIONS	19.0	17.0	- 2.0	11	19.0	17.0	- 2.0	11	19.0	19.0		
EXPENDITURES	1,891	1,594	- 297	16	299	311	12	4	1,657	1,657		

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	23	+ 20	667	3	3		
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	26	+ 23	767	3	3		
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	121	+ 115	917	6	6		
4. NEW FIRMS USING FTZ PROGRAM (NO.)	30	28	- 2	7	30	30		
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	NA			5	5		
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	NA			60	60		
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NA			4	4		
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)								
PART III: PROGRAM TARGET GROUP								
1. FIRMS USING FTZ PROGRAM (NO.)	340	310	- 30	9	310	310		
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	500			500	500		
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	70			70	70		
PART IV: PROGRAM ACTIVITIES								
1. VALUE OF CARGO IN/OUT OF FTZ (EXCLUDING SUBZONES)	575	934	+ 359	62	575	575		
2. VALUE OF CARGO IN/OUT OF SUBZONES ($ MILLION)	850	3,547	+ 2,697	317	850	850		
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY	70	77	+ 7	10	70	70		
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC								
5. ADVERTISING/MARKETING EXPEND ON ZONE PROMOTION	50	4	- 46	92	50	50		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: FOREIGN TRADE ZONE

01 01 03
BED 107

Part I – POSITIONS AND EXPENDITURES

FY04-05 and Fy05-06 first quarter - Position vacancies and reduced operating expenditures in FY04-05 were the result of program trying to control operational expenditures to maintain parity with program revenue.

Part II – MEASURES OF EFFECTIVENESS

Item 1. - The increase in FY 2004-05 is due to FTZ activity and a rise in petroleum prices.

Item 2. - The increase in FY 2004-05 is due to an increase in FTZ activity and a rise in petroleum prices.

Item 3. - The 2 percent decrease in value of cargo in/out of Pier 2 facility was due to restructuring of Pier 2 operations.

Item 5. - Statistics are currently not available FY 2004-05.

Item 6. - Statistics are currently not available FY 2004-05.

Item 7. - The user survey related to user satisfaction in FY 2004-05 had not yet been implemented.

Item 8. - The decrease in FY 2004-05 was due to a decrease in the amount of rent collected from Pier 1.

Part III – PROGRAM TARGET GROUP

No significant variance.

Part IV – PROGRAM ACTIVITIES

Item 1. - The increase in FY 2004-05 is due to FTZ activity and a rise in petroleum prices.

Item 2. - The increase in FY 2004-05 is due to an increase in FTZ activity and a rise in petroleum prices.

Item 3. - The variance with respect to FY 2004-05 was due to an incorrect target figure which should have been $80 million.

Item 5. - The decrease in advertising/marketing expenditures in FY 2004-05 was due to budget constraints based on the reduction in revenues.

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	32.0	34.0	2.0	6	34.0	33.0	- 1.0	3	34.0	33.0	- 1.0	3
EXPENDITURES	1,936	2,185	249	13	556	501	- 55	10	1,695	1,823	128	8
TOTAL COSTS												
POSITIONS	32.0	34.0	2.0	6	34.0	33.0	- 1.0	3	34.0	33.0	- 1.0	3
EXPENDITURES	1,936	2,185	249	13	556	501	- 55	10	1,695	1,823	128	8

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % CONTRACTS & LTRS OF AGMT PROC/REVWD W/IN 10 DAYS	100	100			100	100		
2. % CHNG IN AMT OF FED & NONSTATE GRANT FUNDS RECD		20	+ 20	***				
3. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	99	+ 4	4	95	95		
4. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME								
5. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	98			98	95	- 3	3
PART III: PROGRAM TARGET GROUP								
1. STATE RESIDENT POPULATION (1000S)	1,271	1,270	- 1		1,285	1,285		
2. STATE DE FACTO POPULATION (000S)	1,395	1,395			1,414	1,423	+ 9	1
3. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	247	265	+ 18	7	258	272	+ 14	5
PART IV: PROGRAM ACTIVITIES								
1. # OF TESTIMONIES PRESENTED AT LEG HEARINGS	500	468	- 32	6	500	455	- 45	9
2. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	162	181	+ 19	12	162	175	+ 13	8
3. # OF IFBS AND RFPS ADVERTISED	22	26	+ 4	18	22	30	+ 8	36
4. # OF CONTRACTS & LETTERS OF AGMT EXECUTED	278	206	- 72	26	278	275	- 3	1
5. # OF SUMMARY WARRANT VOUCHERS PROCESSED	3,000	3,211	+ 211	7	3,000	3,200	+ 200	7
6. AMT OF FED & NONSTATE GRANT FUNDS RECD ($1000S)	13,000	15,987	+ 2,987	23	13,000	15,000	+ 2,000	15
7. # OF FORMAL GRIEVANCES PROCESSED ANNUALLY	5	11	+ 6	120	5	13	+ 8	160
8. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1,050	1,204	+ 154	15	1,050	1,204	+ 154	15

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: General Support for Economic Development

01 01 04
BED 142

Part I – EXPENDITURES AND POSITIONS

The position variance in FY 2005 is due to the transfer in of the Tourism Liaison position and the Accountant IV positions from BED 144 to BED 142 and also, a vacant Personnel Clerk position.
The variance in expenditures for FY 2005 is primarily due to the net effect of the collective bargaining expenses, imposed restrictions, and the transfer in of funds to BED 142 from other programs for the Chief Officer for Arts, Film and Entertainment position, Office of Tourism Liaison, and the Accountant IV position in accordance with the approved reorganization.

Part II – MEASURES OF EFFECTIVENESS

Item 2. The variance is due to the receipt of additional federal grants from the prior fiscal year and the timing of cash draw downs for grant expenditures.

Part III – PROGRAM TARGET GROUPS

No significant variances

Part IV – PROGRAM ACTIVITIES

Item 2. The primary reasons for the increase in the number of allotments are the required submission of initial first quarter allotments, delays in contract encumbrances and payroll shortages due to salary increases and vacation payouts.
Item 3. In FY 05, the increase in the number of IFBs and RFPs advertised was due to an increase in the availability of funds compared to the prior year. In FY 06, the estimated figure is based on the number of RFP approvals received thus far and the increase in the availability of funds for projects this year.
Item 4. In FY 05, the decrease in the number of contracts and letters of agreement executed was due to a decrease in the funds available for programs to pursue anticipated projects.
Item 6. The amount of grant funds received was greater than the estimated amount primarily due to more grants received by the department than the prior fiscal year and the timing of cash draw downs for grant expenditures.
Item 7. The increases were due to unanticipated grievances filed.
Item 8. The increases were due to pay adjustments, employee(s) with LWOP processing actions and changes in program ID codes and UACs.

STATE OF HAWAII
PROGRAM TITLE: **TOURISM**
PROGRAM-ID: **BED - 113**
PROGRAM STRUCTURE NO: **0102**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33
EXPENDITURES	109,000	107,507	- 1,493	1	25,012	20,606	- 4,406	18	92,213	96,619	4,406	5
TOTAL COSTS												
POSITIONS	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33
EXPENDITURES	109,000	107,507	- 1,493	1	25,012	20,606	- 4,406	18	92,213	96,619	4,406	5

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. TOTAL VISITOR EXPENDITURES ($ BILLIONS)	11.1	11.0			11.6	11.56		
2. TOTAL TRANSIENT ACCOMMODATIONS TAX COLLECTED	198,169	198,774	+ 605		211,250	209,645	- 1,605	1
3. TOTAL VISITOR DAYS (M)	65.2	64.925			66.6	67.4		
4. TOTAL VISITOR ARRIVALS (M)	7.1	7.1			7.1	7.4		
5. AIRSEAT (M)	9.02	10.16	+ 1	11	10.6	10.6		
6. HAWAII CONVENTION CENTER DELEGATE COUNT	200,000	134,000	- 66,000	33	200,000	104,366	- 95,634	48
PART III: PROGRAM TARGET GROUP								
1. # ORGANIZATIONS THAT HOLD NATIONAL CONVENTIONS	1,000	1,989	+ 989	99	1,000	1,989	+ 989	99
2. TOTAL LONG-HAUL TRAVEL VISITS - JAPAN (M)	17	16.2			18	16.2	- 1	6
3. # LEISURE TRIPS TAKEN BY AIRPLANE (US) (M)	49.7	169.7	+ 120	241	61.9	169.7	+ 107	173
PART IV: PROGRAM ACTIVITIES								
1. # SPORTING EVENTS ACTUALLY FUNDED	15	22	+ 7	47	15	22	+ 7	47
2. # PRODUCT ENRICHMT PROJECTS ACTUALLY FUNDED	115	110	- 5	4	115	110	- 5	4
3. # OF MAJOR FESTIVALS ACTUALLY FUNDED	12	11	- 1	8	12	10	- 2	17
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	50	58	+ 8	16	50	58	+ 8	16
5. # OF STAKEHOLDER MEETINGS HELD	25	40	+ 15	60	25	40	+ 15	60
6. # OF PUBLICATIONS ISSUED	3	7	+ 4	133	3	4	+ 1	33

PROGRAM TITLE: Tourism

01 02
BED 113

Part I - EXPENDITURES AND POSITIONS

Item 1: The position variance represents one permanent position that was abolished.

Part II - MEASURES OF EFFECTIVENESS

Item 5. Airseats better by 1.14 million seats due to additional flights being added to Hawai'i. The airline industry has recognized the additional demand for Hawai'i and has responded positively.

Item 6. Delegate count lower by 66,000 due to not having mega-conventions but having smaller quality events.

Part III - PROGRAM TARGET GROUP

Item 1. Increased number of smaller events booked to compensate for the lack of big events.

Item 3. Variance is due to change in source. When the planned numbers were provided, the source used was Outbound US visitors from a PATA report. However, this is not the correct source to use, as the HTA is not targeting outbound US visitors (or visitors traveling outside the United States) as we are not an international destination. We are targeting US visitors who take leisure trips by airplanes. Thus, our source is the Travel Industry Association of America's Domestic Travel Report.

Part IV - PROGRAM ACTIVITIES

Item 1. Contracted with more than anticipated sporting events to promote Hawai'i.

Item 4. Participated in more events to disseminate tourism information with speeches and other discussion forums.

Item 5. Community meetings held increased substantially as the HTA and the Convention Center management established community-related programs.

Item 6. The HTA industry study results were issued.

STATE OF HAWAII
PROGRAM TITLE: **AGRICULTURE**
PROGRAM-ID:
PROGRAM STRUCTURE NO: **0103**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	274.0	249.0	- 25.0	9	277.0	258.5	- 18.5	7	277.0	273.0	- 4.0	1
EXPENDITURES	28,592	22,810	- 5,782	20	7,832	7,527	- 305	4	22,166	23,201	1,035	5
TOTAL COSTS												
POSITIONS	274.0	249.0	- 25.0	9	277.0	258.5	- 18.5	7	277.0	273.0	- 4.0	1
EXPENDITURES	28,592	22,810	- 5,782	20	7,832	7,527	- 305	4	22,166	23,201	1,035	5

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. FARM CASH RECEIPTS: SUGAR ($000)	64,000	62,000	- 2,000	3	85,000	62,000	- 23,000	27
2. FARM CASH RECEIPTS: PINEAPPLE ($000)	102,000	80,000	- 22,000	22	100,000	80,000	- 20,000	20
3. FARM CASH RECEIPTS: VEGETABLES & MELONS ($000)	65,000	66,000	+ 1,000	2	58,000	66,000	+ 8,000	14
4. FARM CASH RECEIPTS: FRUITS EXCL PINEAPPLE ($000)	27,000	27,000			30,000	27,000	- 3,000	10
5. FARM CASH RECEIPTS: HORTICULTURE SPECIALTIES	97,000	95,000	- 2,000	2	75,000	95,000	+ 20,000	27
6. FARM CASH RECEIPTS: MACADAMIA NUTS ($000)	32,000	40,000	+ 8,000	25	44,000	40,000	- 4,000	9
7. FARM CASH RECEIPTS: COFFEE ($000)	24,000	20,000	- 4,000	17	32,000	20,000	- 12,000	38
8. FARM CASH RECEIPTS: OTHERS ($000)	120,000	120,000			120,000	120,000		
9. GROSS INCOME PER FARM EXCL. SUGAR & PINEAPPLE	69,000	69,000			68,900	69,000	+ 100	
10. AVERAGE FARM WAGE	10.5	10.5			10.5	10.5		

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	10.0	9.0	- 1.0	10	10.0	9.0	- 1.0	10	10.0	8.0	- 2.0	20
EXPENDITURES	6,025	3,547	- 2,478	41	1,514	1,514			4,540	4,556	16	
TOTAL COSTS												
POSITIONS	10.0	9.0	- 1.0	10	10.0	9.0	- 1.0	10	10.0	8.0	- 2.0	20
EXPENDITURES	6,025	3,547	- 2,478	41	1,514	1,514			4,540	4,556	16	

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. ANN GROSS FARM INCOME GEN BY NEW BORROWERS (000'S)	3,000	8,550	+ 5,550	185	3,000	5,000	+ 2,000	67
2. ANNUAL ACREAGE CULTIVATED BY BORROWERS	35,000	50,468	+ 15,468	44	35,000	45,000	+ 10,000	29
3. DELINQUENCY RATE (AS A % OF TOTAL OUTSTANDING)	10	6.6	- 3	30	10	10		
4. AMOUNT OF EMPLOYEES HIRED BY BORROWERS	1,000	1,359	+ 359	36	100	1,200	+ 1,100	100
5. AMT FINANCG FM OTH CREDIT SOURCES THRU STATE LOANS	700		- 700	100	900	900		
PART III: PROGRAM TARGET GROUP								
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	5,300	5,300			5,300	5,300		
2. POTENTIAL QUALIFIED AQUACULTURISTS	70	70			70	70		
3. AGRICULTURAL/AQUACULTURE COOPERATIVES	25	25			25	25		
4. CREDIT SOURCES UTILIZING AGRICULTURAL LOAN PROGRAM	25	25			25	25		
5. CREDIT SOURCES UTILIZING AQUACULTURAL LOAN PROGRAM	25	25			25	25		
PART IV: PROGRAM ACTIVITIES								
1. COLLECTIONS: AMOUNT ($000'S)	2,800	5,440	+ 2,640	94	3,023	2,726	- 297	10
2. LOANS APPROVED: NUMBER	25	19	- 6	24	25	25		
3. LOANS APPROVED: AMOUNT ($000'S)	3,500	2,744	- 756	22	3,500	3,500		
4. PARTICPATION, COOP, INSURED, GUARNTY LOANS: NUMBER	6		- 6	100	7	9	+ 2	29
5. PARTIC, COOP, INSURD, GUARNTY LOANS:AMT ($000'S)	1,000		- 1,000	100	1,000	1,000		
6. SERVICING/COUNSELING (EXISTG BORROWERS): NUMBER	1,500	1,781	+ 281	19	1,500	1,700	+ 200	13
7. INQUIRIES/COUNSELING (APPLICANTS): NUMBER	600	687	+ 87	15	600	650	+ 50	8

Part I – POSITIONS AND EXPENDITURES

Expenditures constitute both operating outlays and loans funded during this period. The division had initially forecasted expending $5 million toward approved loans. During this period, loans approved totaled $2.7 million. While this was lower than the initial forecast, it is within the range of what the Division feels is sustainable. Expenditures were also reduced due to an unfilled Business Loan Officer position.

Part II – MEASURES OF EFFECTIVENESS

Item No. 1 – In FY 05, the annual gross income projected to be generated by new farmers was $8,550,000 and well above the projected $3,000,000 amount. The Division recently added this as a measure and as the Division begins to accumulate historical data it should become more accurate in determining a reasonable target. Gross income for farming operations can vary widely depending on the type of crops being produced and therefore the types of operations being funded will affect this figure.

Item No. 2 – In FY 05, the annual acreage cultivated by borrowers was over 50,000 acres and well above the 35,000 acres that was planned. This measure was also recently added and as stated above as the Division accumulates data it should begin to be more accurate in its estimates. Acreage for farms and ranchers vary widely from just a few acres for smaller farms to thousands of acres for ranchers.

Item No. 3 – In FY 05, the actual delinquency rate was 6.59%, which remains below rate of 10% which the Division strives to be under. The Division delinquent accounts remained essentially the same but the program experienced a large number of loan payoffs. These payoffs involved borrowers who could take advantage of lower interests being offered by commercial lenders or the high real estate prices by selling portions of their farm to payoff debt. The program staff makes every effort to work closely with each borrower in an attempt to minimize delinquencies and counsels borrowers to help ensure the operation's success.

Item No. 4- In FY05, the number of employees hired by borrowers totaled 1,359 employees which is above the projected 1,000 employees. This measure again was recently included as a measure of effectiveness based on the best guess at the time. As the Division accumulates data on borrower's employment numbers it should be more accurate in its estimates.

Item No. 5- The Division has been making a concentrated effort to encourage participation with commercial lenders. In FY05, no other funding was provided in conjunction with other lenders. Since the Division has no control over commercial loan applications it is difficult to accurately predict the timing of participation loans. It appears that rather than obtaining commercial loans many of the farmers financed their needs or consolidated debts by utilizing the equity in their homes. The current real estate market has increased land values creating increased equity which combined with very low mortgage interest rates may have made it very attractive to farmers to obtain financing through their home equity loans. The Division is hopeful that its outreach program will lead to increased participation over time.

Part IV – PROGRAM ACTIVITIES

Item No. 1 – In FY 05, actual amount collected was 94% above what was planned. The division uses promissory note payments of current loans in its portfolio and projecting future loan activity to estimate collections and its impact on cash flow. This method was not able to take into account the large number of payoffs received by the Division as a result of the situations explained earlier.

Item No. 2, 3, 4&5 – Reduction as explained earlier.

Item No. 6&7 – These measures were recently included as measures of effectiveness and as earlier stated as the Division accumulates data it will begin to be more accurate in its estimates. The Division has been making an increased effort to service clients and follow up on delinquent cases. Inquiries indicate interest in the program and will vary from year to year.

STATE OF HAWAII
PROGRAM TITLE: PRODCTVTY IMPRVMT & MGT ASSTNCE FOR AGR

VARIANCE REPORT

REPORT V61
11/22/05

PROGRAM-ID:
PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	149.5	138.5	- 11.0	7	152.5	145.5	- 7.0	5	152.5	152.5		
EXPENDITURES	9,539	9,734	195	2	2,585	2,585			7,755	7,839	84	1
TOTAL COSTS												
POSITIONS	149.5	138.5	- 11.0	7	152.5	145.5	- 7.0	5	152.5	152.5		
EXPENDITURES	9,539	9,734	195	2	2,585	2,585			7,755	7,839	84	1

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. ECON LOSSES AVRT DUE TO BIO & CHEM/MECH CNTRL $000	29,850	30,590	+ 740	2	30,500	31,350	+ 850	3
2. # RESTR/PROHIB PARCELS INTERCEP AS % INSPECT	0.001	0.009			0.004	0.005		

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: **PLANT PEST AND DISEASE CONTROL**
PROGRAM-ID: **AGR - 122**
PROGRAM STRUCTURE NO: **01030201**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	85.0	82.0	- 3.0	4	97.0	94.0	- 3.0	3	97.0	97.0		
EXPENDITURES	5,233	5,309	76	1	1,487	1,487			4,461	4,461		
TOTAL COSTS												
POSITIONS	85.0	82.0	- 3.0	4	97.0	94.0	- 3.0	3	97.0	97.0		
EXPENDITURES	5,233	5,309	76	1	1,487	1,487			4,461	4,461		

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. EST ECON LOSSES AVERT BY BIO/CHEM/MECH CNTL ($000)	29,850	30,590	+ 740	2	30,500	31,350	+ 850	3
2. # REST/PROH PARCELS INTERCEPTED AS % TOT INSPECTED	0.001	0.009			0.004	0.005		
3. # INSECT INTERCEPTIONS	1,500	1,740	+ 240	16	1,000	1,700	+ 700	70
4. # INTERCEPTED INSECT SPECIES NOT OCCURRG IN HAWAII	500	654	+ 154	31	400	500	+ 100	25
5. # PROH ANIMALS INTERCEPTED OR CONFISCATED	500	485	- 15	3	500	500		
6. # CURRENT CHEM/MECH PROJ UND CONT AS % PROJ ATT	67	71	+ 4	6	60	60		
7. # CURRENT BIO CONT PROJ UND CONT AS % PROJ ATT	50	50			50	50		
8. COMPL RATE CERT NURS & PT OF ORIGIN EXP INSP	95	95			98	98		
PART III: PROGRAM TARGET GROUP								
1. NO OF AIRCRAFT & SHIP ARRIVALS (THOUSANDS)	28	37	+ 9	32	25	35	+ 10	40
2. NO OF AIR & SEA PASSENGER ARRIVALS (THOUSANDS)	4,800	6,006	+ 1,206	25	4,800	6,000	+ 1,200	25
3. NO OF REG BAGGAGE CARGO & MAIL (PARCELS IN 1000'S)	13	14	+ 1	8	30	14	- 16	53
4. NO OF IMPORT PERMIT REQUESTS	1,200	1,048	- 152	13	1,500	1,100	- 400	27
5. NO SITES REQUIRING POST-ENTRY INSPECTIONS	100	1,558	+ 1,458	458	100	1,500	+ 1,400	400
6. NO. OF CERTIFIED NURSERIES	340	317	- 23	7	340	300	- 40	12
7. # NEW NOXIOUS WEED INFESTATIONS	1		- 1	100	1	1		
8. #WIDESPREAD NOX WEED INFESTATIONS	30	30			28	28		
9. # NEW INFEST OF INSECTS & OTH PESTS	20	21	+ 1	5	22	22		
10. # WIDESPREAD INFEST OF INSECTS & OTH PESTS	298	304	+ 6	2	306	310	+ 4	1
PART IV: PROGRAM ACTIVITIES								
1. NO OF AIRCRAFT & SHIPS MONITORED (THOUSANDS)	28	37	+ 9	32	28	35	+ 7	25
2. NO OF AIR & SEA PASSENGERS MONITORED (THOUSANDS)	4,800	6,006	+ 1,206	25	5,400	6,000	+ 600	11
3. # BAGGAGE, CARGO, MAIL INSPECTED (THOUSANDS)	13,000	14,337	+ 1,337	10	14,000	14,000		
4. # IMPORT PERMITS ISSUED	1,200	1,048	- 152	13	1,500	1,100	- 400	27
5. # POST-ENTRY INSPECTIONS CONDUCTED	1,400	1,558	+ 158	11	2,000	1,500	- 500	25
6. # OF CERTIFIED NURSERY INSPECTIONS	600	494	- 106	18	700	500	- 200	29
7. # CHEM/MECH CONTROL & ERADICATION PROJECTS	5	6	+ 1	20	5	5		
8. SEED CERTIFICATION FOR GENERIC PURITY (# OF LOTS)	400	NA			400	NA		
9. BIOLOGICAL CONTROL OF PEST SPECIES (PROJECTS)	15	15			15	15		
10. SEED TEST & ANALYSIS (# OF LOTS)	150	174	+ 24	16	150	150		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Plant Pest and Disease Control

01 03 02 01
AGR 122

Part I – EXPENDITURES AND POSITIONS

FY 05- Variance in expenditures due to collective bargaining augmentations.

Part II – MEASURES OF EFFECTIVENESS

These measures are variable and unpredictable. Many factors affect the measures such as the economy, weather, current trends in pest shop sales, risk assessments, and the efficacy of the pest control programs on the farms.

Part III – PROGRAM TARGET GROUPS

Item 3 – FY 06- The estimated measure (30) is incorrect; the estimate should be in the 12 – 14,000 range.

Item 4 – The variance in the number of import permits requested may be due to the establishment of permit user fees.

Item 8, 9 and 10 – These measures are variable and will fluctuate from year to year.

Part IV – PROGRAM ACTIVITIES

Items 1, 2, 3 – Increases in air and sea travel reflect a recovering U.S. economy.

Items 4, 5, 6- These measures are highly variable and are difficult to predict.

Item 8 – This program was transferred to the Quality Assurance Division in December 2003.

Item 10 – This measure is variable and is dependent on the projections of individual seed producers.

STATE OF HAWAII
PROGRAM TITLE: **ANIMAL PEST AND DISEASE CONTROL**

VARIANCE REPORT

REPORT V61
11/22/05

PROGRAM-ID:
PROGRAM STRUCTURE NO: 01030202

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	64.5	56.5	- 8.0	12	55.5	51.5	- 4.0	7	55.5	55.5		
EXPENDITURES	4,306	4,425	119	3	1,098	1,098			3,294	3,378	84	3
TOTAL COSTS												
POSITIONS	64.5	56.5	- 8.0	12	55.5	51.5	- 4.0	7	55.5	55.5		
EXPENDITURES	4,306	4,425	119	3	1,098	1,098			3,294	3,378	84	3

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NO MEASURES HAVE BEEN DEVELOPED FOR THIS PROGRAM	NA	NA			NA	NA		

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: **RABIES QUARANTINE**
PROGRAM-ID: **AGR - 131**
PROGRAM STRUCTURE NO: **0103020201**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	42.0	37.0	- 5.0	12	33.0	30.0	- 3.0	9	33.0	33.0		
EXPENDITURES	2,839	2,929	90	3	697	697			2,090	2,146	56	3
TOTAL COSTS												
POSITIONS	42.0	37.0	- 5.0	12	33.0	30.0	- 3.0	9	33.0	33.0		
EXPENDITURES	2,839	2,929	90	3	697	697			2,090	2,146	56	3

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NO. OF CASES OF RABIES IN THE COMMUNITY								
2. NO. OF ALIEN PESTS DETECTED	1	1			1	1		
PART III: PROGRAM TARGET GROUP								
1. DOGS AND CATS QUARANTINED	1,530	1,351	- 179	12	1,530	1,350	- 180	12
2. POPULATION OF HAWAII (THOUSANDS)	1236.1	1262	+ 25	2	1247.2	1263	+ 15	1
PART IV: PROGRAM ACTIVITIES								
1. NO. OF DOGS AND CATS QUARANTINED - 120 DAYS	800	612	- 188	24	800	650	- 150	19
2. # OF DOGS AND CATS QUARANTIND - LESS THAN 120 DAYS	750	445	- 305	41	750	500	- 250	33
3. #QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL	5,400	6,596	+ 1,196	22	5,400	6,500	+ 1,100	20
4. NO. OF DOGS AND CATS QUARANTINED - IN TRANSIT	350	258	- 92	26	350	300	- 50	14
5. NO. OF SATELLITE & APPRVD VET FACIL MONITORED	26	27	+ 1	4	26	26		
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES	4,100	4,100			4,100	4,300	+ 200	5
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES	3,000	2,334	- 666	22	3,000	2,300	- 700	23
8. # SERVICE DOG & ELIG GUIDE DOG ENTRIES PROCESSED	150	161	+ 11	7	150	160	+ 10	7

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Rabies Quarantine

01 03 02 02 01
AGR 131

Part I - EXPENDITURES AND POSITIONS

Variance in expenditures is due to collective bargaining augmentations.

Part II - MEASURES OF EFFECTIVENESS

The program continues its success in preventing the entry of rabies and exotic alien pests into Hawaii.

Part III - PROGRAM TARGET GROUP

Item 1 - FY 06- The reason for the projected increase in population from DBEDT data is not immediately evident. However, increases on Maui and the island of Hawaii are expected to contribute significantly to the total of new residents.

Item 2 – The addition of the 5-day-or-less program on June 30, 2003 has caused the total number of animals entering quarantine to decrease while causing the total number of animals released after inspection to increase.

Part IV - PROGRAM ACTIVITIES

Item 1, 2, 3 – The introduction of the 5-day-or-less option decreased the number of animals subject to quarantine and the average daily animal population at the Animal Quarantine Station as a significant portion of these groups qualified for shorter confinement. Moreover, since the implementation of the 5-day-or-less program, there has been a trend towards more animals qualifying for and entering the State under that program with an associated decrease in the number of animals quarantined.

Item 4 - It is not clear why there was an increase of animals transiting through the State. It may be speculated that there has been an increase in travel between the US and the Asia/Pacific regions or increased deployment of military personnel passing through Hawaii.

Items 5, 6, 7, 8 – No significant variances

STATE OF HAWAII
PROGRAM TITLE: **ANIMAL DISEASE CONTROL**
PROGRAM-ID: **AGR - 132**
PROGRAM STRUCTURE NO: **0103020202**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	22.5	19.5	- 3.0	13	22.5	21.5	- 1.0	4	22.5	22.5		
EXPENDITURES	1,467	1,496	29	2	401	401			1,204	1,232	28	2
TOTAL COSTS												
POSITIONS	22.5	19.5	- 3.0	13	22.5	21.5	- 1.0	4	22.5	22.5		
EXPENDITURES	1,467	1,496	29	2	401	401			1,204	1,232	28	2

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. # 'DISEASE-FREE' STATUSES OBTAINED/MAINTAINED	6	6			6	6		
2. # OIE DISEASES OF LIVESTK/POULT NOT PRES. IN STATE	85	86	+ 1	1	86	86		
3. #REG COOP DIS CNTRL/ ERAD, DIS STATUS PRGM PARTIC	10	10			10	10		
4. #DIS CNTRL PROG IN PLACE W/PUBLIC HEALTH IMPACT	5	5			5	5		
PART III: PROGRAM TARGET GROUP								
1. LIVESTOCK PRODUCERS	1,600	1,971	+ 371	23	1,568	1,900	+ 332	21
2. HUMAN POPULATION	1,270	1,262	- 8	1	1,283	1,262	- 21	2
PART IV: PROGRAM ACTIVITIES								
1. #LIVESTK, FARMED EXOTIC ANIM INSP/TESTED ON ENTRY	21,000	20,503	- 497	2	20,895	20,000	- 895	4
2. #DAY-OLD CHICKS & HATCHING EGGS INSP ON ENTRY	2,100,000	938,720	- 1,161,280	55	2,089,500	750,000	-1,339,500	64
3. # DOGS & CATS INSPECTED ON ENTRY INTO STATE	10,500	10,423	- 77	1	10,605	10,000	- 605	6
4. #POULT/OTH BRDS/COMP/NON-DOM ANIM INSP ON ENTRY	20,000	13,730	- 6,270	31	19,900	14,000	- 5,900	30
5. #SAMPLES COLL & ANIM FIELD-TESTD FOR DISEASE CONT	7,500	4,755	- 2,745	37	7,000	6,000	- 1,000	14
6. # DISEASE/EPIDEMIOLOGICAL INVESTIGATIONS CONDUCTED	15	20	+ 5	33	15	20	+ 5	33
7. #LAB SAMPLES COLL/PROC FOR FED/STATE DIS SURV PRGS	80	340	+ 260	325	100	200	+ 100	100
8. # LAB TESTS DONE FOR LIVESTCK/POULT DIS SURVEIL	20,000	18,400	- 1,600	8	20,000	19,000	- 1,000	5
9. # LAB TESTS CONDUCTED FOR LIVESTOCK IMP/EXPORTS	700	1,400	+ 700	100	1,000	1,200	+ 200	20
10. #LAB TESTS DONE FOR IMPORTED DOGS & CATS	4,000	3,500	- 500	13	4,000	3,000	- 1,000	25

PROGRAM TITLE: Animal Disease Control

01 03 02 02 02
AGR 132

Part I - EXPENDITURES AND POSITIONS

No significant variances

Part II - MEASURES OF EFFECTIVENESS

No significant variance

Part III – PROGRAM TARGET GROUP

Item 1 - Variance due to adding horse owners to the data being measured.

Part IV - PROGRAM ACTIVITIES

Item 1 – No significant variance occurred in FY 05 and expected for FY 06.

Item 2 – A significant variance is the result of the only poultry slaughter facility on Oahu closing in October 2004, resulting in the phasing out of broiler production in the State. The closure of the plant also is negatively affecting the egg industry as egg farmers are retaining layers longer since no poultry slaughter facility is available; therefore, the result is slower replacement of older layers. The downward trend is expected to continue without a poultry slaughter facility in the State.

Item 4 – There were fewer cage or pet birds entering the State, possibly due to the pre-entry isolation requirements in place to reduce the chances that West Nile virus will be introduced into Hawaii. There was also a significant decrease in the number of turtles for the pet trade entering the State. No apparent reason for the decrease in turtle entries. There was also a change in the way data was reported for day-old chick imports from FY 04 to FY 05. Upland game birds (day-old pheasant, chucker, etc.) were reported separately in FY 04 and are now being reported as day-old chicks. With the West Nile virus threat and Avian Influenza concerns strict import rules are expected to remain in place; therefore, reduced entries into the State should be anticipated in FY 06.

Item 5 – A significant decrease in field testing and sample collection occurred in FY 05. The testing decrease resulted from a change in the way the Voluntary Johne's Disease program is being managed. In FY 05, private veterinary practitioners were introduced to the program and asked to participate by testing ranches and dairies they had professional relationships with. Their participation and subsequent testing started out slowly but is expected to increase in FY 06

Item 6 – The overall number of epidemiological investigations conducted are very small. As a result, a small increase in investigations resulted in a significant variance from expected numbers.

Item 7 – A higher number of laboratory samples were collected during FY 05 due to increased producer participation in disease surveillance programs funded by USDA Cooperative Agreements and increased public awareness of diseases of public health importance.

Item 8 – Variance is due to a decrease in number of samples collected from slaughterhouses for Johne's disease testing as the slaughterhouse surveillance was a short-term Federally funded project.

Item 9 – Variance is due to an increase in number of blood samples from adult cattle being tested for brucellosis to qualify as adult brucellosis vaccinates necessary for export to the continental US. Increased exports are also related to the termination of several major pastoral leases for beef cattle producers on the island of Hawaii. In addition, several dairy farms in the State have gone out of business or are positioning themselves to go out of business shortly due to costs associated with meeting new EPA waste handling requirements, lower prices received for milk from the local processor, and higher feed costs.

Item 10 – Variance is due to changes in the State animal quarantine program. Slight decrease or similar level as in FY 05 is expected in FY 06.

STATE OF HAWAII
PROGRAM TITLE: **PRODUCT DEVELOPMENT AND MARKETING FOR AGR**
PROGRAM-ID:
PROGRAM STRUCTURE NO: 010303

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	68.5	60.5	- 8.0	12	65.5	57.0	- 8.5	13	65.5	65.5		
EXPENDITURES	5,581	4,793	- 788	14	1,885	1,580	- 305	16	4,329	5,159	830	19
TOTAL COSTS												
POSITIONS	68.5	60.5	- 8.0	12	65.5	57.0	- 8.5	13	65.5	65.5		
EXPENDITURES	5,581	4,793	- 788	14	1,885	1,580	- 305	16	4,329	5,159	830	19

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % CHG IN SALES VALUE OF PRODUCTS PROMOTED	3	3			3	3		
2. % ELIG PRODUCERS PARTICIPATG IN PROMO ACTIVITIES	40	40			40	40		
3. % OF INFO REQUESTS FULFILLED, HASS	99	99			99	99		
4. % INFORMATION REQUESTS FULFILLED, MARKET NEWS	100	99	- 1	1	100	99	- 1	1

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: **FORESTRY - PRODUCTS DEVELOPMENT**
PROGRAM-ID: **LNR - 172**
PROGRAM STRUCTURE NO: **01030301**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	21.5	17.5	- 4.0	19	21.5	17.0	- 4.5	21	21.5	21.5		
EXPENDITURES	1,835	1,702	- 133	7	800	495	- 305	38	1,075	1,896	821	76
TOTAL COSTS												
POSITIONS	21.5	17.5	- 4.0	19	21.5	17.0	- 4.5	21	21.5	21.5		
EXPENDITURES	1,835	1,702	- 133	7	800	495	- 305	38	1,075	1,896	821	76

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % OF ACREAGE REFORESTED COMPARED TO GOALS	100	35	- 65	65	100	50	- 50	50
2. % OF ACREAGE RECEIVED TSI COMPARED TO GOALS	100	35	- 65	65	100	50	- 50	50
3. % SEEDLING DISTRIB COMPARED TO TOTAL REQUESTS	70	75	+ 5	7	70	75	+ 5	7
4. % LANDOWNERS RCVNG TECH FORESTRY COMP TO TTL REQ	75	75			75	75		
5. % OF VOL. OF TIMBER HARVEST COMP. TO MIN CUT	20	1	- 19	95	20	1	- 19	95
6. CASH RECEIPTS OF STATE FOREST PRODUCTS ($000S).	50	40	- 10	20	70	70		
7. % PROC OF FOREST PROD ASSTED COMP TO TTL REQUESTS	100	100			100	100		
PART III: PROGRAM TARGET GROUP								
1. FOREST LANDOWNERS	75	80	+ 5	7	100	80	- 20	20
2. OTHER LANDOWNERS	20	20			80	20	- 60	75
3. PROCESSOR OF FOREST PRODUCTS	10	10			25	10	- 15	60
4. FOREST RELATED BUSINESS AND INVESTORS	3	5	+ 2	67	10	10		
5. SEEDLINGS PRODUCED AND DISTRIBUTED (000'S)	600	120	- 480	80	300	120	- 180	60
PART IV: PROGRAM ACTIVITIES								
1. PLAN & ADMINISTER TIMBER SALE (MAN-YEAR)	1	1			1	1		
2. PLAN & ADMINISTER OTHER FOREST PRODUCT SALE (M/Y)	1	1			1	1		
3. ACRES OF REFORESTATION	60	20	- 40	67	1,500	20	- 1,480	99
4. ACRES OF TIMBER STAND IMPROVEMENT	40	15	- 25	63	50	15	- 35	70
5. PRODUCTION OF SEEDLINGS (PERSON/YEAR)	5	5			5	5		
6. NUMBER OF FOREST LANDOWNERS ASSISTED	60	65	+ 5	8	200	65	- 135	68
7. NUMBER OF PROCESSORS OF FOREST PRODUCTS ASSISTED	10	10			25	10	- 15	60
8. NUMBER OF FOREST RELATED BUSINESSES ASSISTED	10	5	- 5	50	20	5	- 15	75

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

01 03 03 01
LNR 172

PROGRAM TITLE: Forest Management and Products Development

PART I - POSITIONS AND EXPENDITURES

Actual positions filled were fewer than budgeted during FY05 due to position turnover and delays in the recruitment process and employees being temporarily assigned to other positions.

Actual and estimated funds are lower than budgeted due to position vacancies and delays in hiring, delays in implementing Federal grants due to administrative processes that require more than one year, lower than expected activity and corresponding billing by clients enrolled in the Forest Stewardship program (in part due to vacant forestry program manager and cooperative programs forester positions), and reduced forest management expenditures due to delayed activity related to the Tradewinds Forest Products timber land license (TLL).

PART II -MEASURES OF EFFECTIVENESS

Planned measures are based mainly on the transactions involving the Waiakea Timber Management Area and the Tradewinds Forest Products Timber Land License.

Revenue generated from sale of seedlings from Division tree nurseries and from forest product commercial harvest permits increased due to increased demand. Esimated revenue is expected to increase further due to greater emphasis on issuing permits, and potential changes to Hawaii Revised Statues that the Division is currently pursuing and recently approved changes to Hawaii Administrative Rules.

PART III - PROGRAM TARGET GROUP

Due to delays associated with the Tradewinds Forest Products timber land license, actual seedlings produced and distributed for reforestation was less than planned.

PART IV -PROGRAM ACTIVITIES

Activities involving reforestation, timber stand improvement and forest related business assistance did not meet planned levels due to delays in timber harvesting and processing activities involving the Tradewinds Forest Products timber land license. Planned measures are based on transaction involving the Waikea Timber Management Area and the Tradewinds Forest Products TTL constructing a processing facility, which has been delayed approximately three years. At that time increased revenue from timber sales will be used to restore or exceed planned levels for these activities. Position vacancies are expected to be filled in the 3nd quarter of FY06, bringing activities up to planned levels.

STATE OF HAWAII
PROGRAM TITLE: **QUALITY AND PRICE ASSURANCE**
PROGRAM-ID: **AGR - 151**
PROGRAM STRUCTURE NO: **01030302**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	29.0	26.0	- 3.0	10	26.0	24.0	- 2.0	8	26.0	26.0		
EXPENDITURES	2,338	1,827	- 511	22	598	598			1,794	1,798	4	
TOTAL COSTS												
POSITIONS	29.0	26.0	- 3.0	10	26.0	24.0	- 2.0	8	26.0	26.0		
EXPENDITURES	2,338	1,827	- 511	22	598	598			1,794	1,798	4	

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % ENF INSPECTIONS COMPLYG WITH LAWS, RULES	95	98.5	+ 3	3	95	95		
2. % CERTIFICATION REQUESTS FULFILLED	100	100			100	100		
3. AVER TURNAROUND TIME IN DAYS FOR COFFEE CERTIF	2.3	2.49			2	2.3		
4. % FEED & PESTICIDES SAMPLES ANALYZED	100	100			100	100		
5. % MIN CLASS ONE MILK PRICE RECD BY PRODUCERS	100	100			100	100		
6. % OF MILK QUOTA PRODUCED	70	49	- 21	30	75	60	- 15	20
PART III: PROGRAM TARGET GROUP								
1. PRODUCERS & PROCESSORS OF AG PRODUCTS	4,800	4,800			4,800	4,800		
2. WHOLESALERS & RETAILERS OF AG PRODUCTS	770	792	+ 22	3	770	800	+ 30	4
3. PRODUCERS, PRODUCERS-DISTRIBUTORS OF MILK	24	22	- 2	8	24	22	- 2	8
4. PRODUCERS & DIST OF ANIMAL FEED PRODUCTS	70	60	- 10	14	70	60	- 10	14
PART IV: PROGRAM ACTIVITIES								
1. # CERTS ISSUED FOR GRADE & CONDITION OF AG COMMODS	4,750	3,042	- 1,708	36	4,000	3,000	- 1,000	25
2. # LOTS OF AG COMMODS INS FOR COMPL W/LAWS, RULES	39,000	33,354	- 5,646	14	39,000	30,000	- 9,000	23
3. # OF DEALERS IN AGRICULTURAL COMMODITIES LICENSED	960	855	- 105	11	960	900	- 60	6
4. # PRODUCERS, PROD-DIST, DISTRIB OF MILK LICENSED	24	22	- 2	8	24	22	- 2	8
5. # OF MONTHLY MILK PAYROLLS CALCULATED	108	142	+ 34	31	108	96	- 12	11
6. # OF TIMES MIN PRICE TO MILK PRODUCERS ADJUSTED	12	13	+ 1	8	12	12		
7. # OF LOTS OF FEED AND PESTICIDES SAMPLE ANALYZED		1,246	+ 1,246	***		54	+ 54	***
8. # HOURS OF ED SESSNS TO IMPRV COMPL W/LAWS, RULES	120	17.5	- 102	85	120	80	- 40	33

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Quality and Price Assurance

01 03 03 02
AGR 151

Part I - EXPENDITURES AND POSITIONS

The variance in expenditures in FY 05 is due to less than expected expenditures in the Certification Services Fund, and less than expected pass-through of funds in the Commodities Temporary Deposit and Milk Producer's Settlement trust funds.

Part II - MEASURES OF EFFECTIVENESS

Item 6 - Variance in FY 05 due to closure of two dairies and downsizing of another causing reduction in quota production.

Part III - PROGRAM TARGET GROUP

No Significant Differences

Part IV - PROGRAM ACTIVITIES

Item 1 - Variance in FY 05 and FY 06 due to decreased requests for certification.

Item 2 - Variance in FY 05 due to increased time spent in higher priority certification programs.

Item 5 - Variance in FY05 due to additional adjustments needed to be made to payroll; variance in FY 06 due to the closure of one dairy.

Item 7 - Variance in FY 04 and 05 due to new pesticides projects including groundwater leaching and related degradation studies.

Item 8 - Variance in FY 05 and FY 06 due to decreased requests for education to improve compliance with laws and rules.

STATE OF HAWAII
PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING
PROGRAM-ID: AGR - 171
PROGRAM STRUCTURE NO: 01030303

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	18.0	17.0	- 1.0	6	18.0	16.0	- 2.0	11	18.0	18.0		
EXPENDITURES	1,408	1,264	- 144	10	487	487			1,460	1,465	5	
TOTAL COSTS												
POSITIONS	18.0	17.0	- 1.0	6	18.0	16.0	- 2.0	11	18.0	18.0		
EXPENDITURES	1,408	1,264	- 144	10	487	487			1,460	1,465	5	

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % OF REQUESTS FOR INFO FULFILLED	99	99			99	99		
2. %SCHED RELEASE TIME FOR PRE-SPEC PUB MET (P&MN)	100	100			100	100		
3. RETURN ON INVESTMENT RATE ON TRADE SHOWS	3	3			3	3		
4. NUMBER OF TRADE LEADS GENERATED	40	40			40	40		
PART III: PROGRAM TARGET GROUP								
1. PRODUCERS AND PROCESSORS OF AGR PRODUCTS	5,500	5,500			5,500	5,500		
2. GOVERNMENT, UNIVERSITIES AND AG INPUT SUPPLIERS	215	215			215	215		
3. WHOLESALER & RETAILERS OF AGRICULTURAL PRODUCTS	770	770			770	770		
PART IV: PROGRAM ACTIVITIES								
1. COLL, COMPILE & PUBL CROP/LVSTK RPTS, HASS	50,000	50,000			50,000	50,000		
2. PRSNL TEL AND MAIL SURVEY & PUB OF STAT RPTS, HASS	16,000	16,000			16,000	16,000		
3. DISSEMINATION OF CROP/LVSTK INFO, HASS	1,500	1,500			1,500	1,500		
4. CONDUCT AG & VALUE-ADD PRDT PROMO ACTIVITIES, MD	6,056	6,056			6,056	6,056		
5. COLLECT, COMPILE, PUBLISH & DISSEM MKT INFO	40	40			40	40		
6. CONDUCT ECON & MKT STUDIES & PROG EVAL	9	6	- 3	33	9	6	- 3	33
7. PROV GEN ADMIN, PROP ASSMT, OUTRCH ON AG COMM R&D	14	14			14	14		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Agricultural Development and Marketing

01 03 03 03
AGR 171

Part I - EXPENDITURES AND POSITIONS

FY 05- Variance in expenditures due to vacant positions.

Part II - MEASURES OF EFFECTIVENESS

No significant variances.

Part III - PROGRAM TARGET GROUP

No significant variances.

Part IV - PROGRAM ACTIVITIES

Item 6- Decrease in the number of economic and marketing studies was due to the deletion of the Economist VI position.

STATE OF HAWAII
PROGRAM TITLE: **GENERAL SUPPORT FOR AGR**
PROGRAM-ID:
PROGRAM STRUCTURE NO: **010304**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	46.0	41.0	- 5.0	11	49.0	47.0	- 2.0	4	49.0	47.0	- 2.0	4
EXPENDITURES	7,447	4,736	- 2,711	36	1,848	1,848			5,542	5,647	105	2
TOTAL COSTS												
POSITIONS	46.0	41.0	- 5.0	11	49.0	47.0	- 2.0	4	49.0	47.0	- 2.0	4
EXPENDITURES	7,447	4,736	- 2,711	36	1,848	1,848			5,542	5,647	105	2

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. %CHANGE OF TOTAL VALUE OF CROP & LIVESTOCK	2				2	2		
2. # ACRES RECLASS FROM AG TO URBAN USE	450	1,051	+ 601	134	450	700	+ 250	56
3. LANDS IRRIGATED BY STATE SYSTEMS	6,900	7,000	+ 100	1	6,900	7,000	+ 100	1
4. PLANTATN LANDS CONV/PROT FOR DIV AG PROD (ACRES)	17,646	26,300	+ 8,654	49	17,646	26,300	+ 8,654	49

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: **AGRICULTURAL RESOURCE MANAGEMENT**
PROGRAM-ID: **AGR - 141**
PROGRAM STRUCTURE NO: **01030401**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	17.0	13.0	- 4.0	24	20.0	18.0	- 2.0	10	20.0	18.0	- 2.0	10
EXPENDITURES	1,896	1,744	- 152	8	570	570			1,711	1,752	41	2
TOTAL COSTS												
POSITIONS	17.0	13.0	- 4.0	24	20.0	18.0	- 2.0	10	20.0	18.0	- 2.0	10
EXPENDITURES	1,896	1,744	- 152	8	570	570			1,711	1,752	41	2

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. LANDS IRRIGATED BY STATE SYSTEMS (ACRES)	6,900	7,000	+ 100	1	6,900	7,000	+ 100	1
2. IRRIG WATER SERVED AS % WATER DEMAND IN STATE SYS	90	90			90	90		
3. LANDS LEASED WITHIN AGRICULTURAL PARKS (ACRES)	5,050	5,080	+ 30	1	5,050	5,080	+ 30	1
4. % AGRIC PARKLANDS DEVELOPED IN PRODUCTIVE USE	90	95	+ 5	6	90	90		
PART III: PROGRAM TARGET GROUP								
1. # FARMS SERVED BY STATE IRRIG SYSTEMS	625	650	+ 25	4	625	650	+ 25	4
2. # FARMS LEASED IN STATE AG PARKS	222	228	+ 6	3	230	230		
3. # FARMS PROCESSING PRODUCE AT STATE FACILITY	66	65	- 1	2	66	66		
PART IV: PROGRAM ACTIVITIES								
1. # CURRENT AG PARK & PLNNG DEV & IMP PROJS	1	1			1	1		
2. AG PARK AWARDS ADMINISTERED (# OF TRANSACTIONS)	20	6	- 14	70	20	10	- 10	50
3. NEW WATER SERVICES INSTALLED (NUMBER)	3	12	+ 9	300	3	10	+ 7	233
4. PIPELINE, DITCHES, & OTHER INFRASTR MAINT (MILES)	94	94			94	94		
5. PROCESSING FACILITIES MANAGED (NUMBER)	5	3	- 2	40	5	3	- 2	40
6. AGRICULTURAL PARK LESSEES COUNSELED (NUMBER)	40	40			40	40		
7. AG PARK FIELD INSPECTIONS CONDUCTED (NUMBER)	240	220	- 20	8	240	240		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Agricultural Resource Management

01 03 04 01
AGR 141

Part I - EXPENDITURES AND POSITIONS

Variance in positions due to two positions not being funded and the lack of suitable candidates to fill other positions.

Variance in expenditures is due to the vacant positions.

Part II - MEASURES OF EFFECTIVENESS

No significant variances

Part III - PROGRAM TARGET GROUP

No significant variances.

Part IV - PROGRAM ACTIVITIES

Item No. 2- Fewer agricultural park vacancies were filled than anticipated.

Item No. 3- Irrigation water demand was higher than expected.

STATE OF HAWAII
PROGRAM TITLE: **AGRIBUSINESS DEVELOPMENT**
PROGRAM-ID: **AGR - 161**
PROGRAM STRUCTURE NO: **01030402**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	1.0	1.0										
EXPENDITURES	4,032	1,412	- 2,620	65	875	875			2,623	2,623		
TOTAL COSTS												
POSITIONS	1.0	1.0										
EXPENDITURES	4,032	1,412	- 2,620	65	875	875			2,623	2,623		

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. # AGRIBUSINESSES INIT/EXP/ASSISTED VIA ADC PARTIC	20	20			25	25		
2. # DIR/INDIR JOBS CREATED/PRESERVED VIA ADC PARTIC	1,650	1,686	+ 36	2	1,650	1,680	+ 30	2
3. PLANTAT LANDS CONVERT/PROTECT FOR DIV AG(ACRES)	17,646	26,300	+ 8,654	49	17,646	26,300	+ 8,654	49
PART III: PROGRAM TARGET GROUP								
1. AVAILABLE SUGAR AND PINEAPPLE LANDS (ACRES)	72,000	72,000			72,000	72,000		
2. NO OF SELF EMPLOYED FARM OPERATORS	4,100	4,100			4,100	4,100		
3. NO OF HIRED WORKERS-SUGAR AND PINEAPPLE	2,200	2,200			2,200	2,200		
4. NO OF HIRED WORKERS - OTHER	5,400	5,400			5,400	5,400		
PART IV: PROGRAM ACTIVITIES								
1. # ONGOING ADC BOARD-APPROVED PROJ &/OR MGD ASSETS	9	9			8	12	+ 4	50
2. TECHNICAL ASSISTANCE/CONSULTING SVCS PROVIDED	9	9			8	12	+ 4	50
3. NUMBER OF PROJECTS EVALUATED	9	9			8	12	+ 4	50
4. AMT EXP ON OPER & MAINT OF ADC PROJECTS/ASSETS	611,000	409,456	- 201,544	33	635,000	895,000	+ 260,000	41
5. AMT EXPENDED ON CAP IMPROVEMT PROJS FOR ADC	1,631,350	1,719,971	+ 88,621	5	150,000	1,122,000	+ 972,000	648
6. # ONGOING & COMPLETED CAP IMPVT PROJS FOR ADC	2	2			1	1		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Agribusiness Development

01 03 04 02
AGR 161

Part I - EXPENDITURES AND POSITIONS

FY 05- A significant portion of the original budgeted expenditure for FY 05 was based on the assumption that the Agribusiness Development Corporation (ADC) would charge the Kekaha Agriculture Association members rent to cover all management and operating and maintenance (O&M) of the Kekaha agricultural lands, and contract the O&M work to independent contractors. However, the Kekaha Agricultural Association members and ADC negotiated reductions in rent reductions in exchange for doing the O&M work.

Part II - MEASURES OF EFFECTIVENESS

Item 3- Variance due to ADC's involvement in the East Kauai irrigation project and agricultural lands, which is in the process of being transferred to ADC from the Department of Land and Natural Resources via executive order.

Part III – PROGRAM TARGET GROUP

No Significant Variances

Part IV - PROGRAM ACTIVITIES

Item No. 4- FY 05-Variance in amount spent on O&M costs due to agreement with Kekaha Agriculture Association doing O&M work in exchange for rent reductions.

Item No. 5- FY 06- Variance due to the inclusion of costs to improve the drainage system in Kekaha under a Navy contract.

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	28.0	27.0	- 1.0	4	29.0	29.0			29.0	29.0		
EXPENDITURES	1,519	1,580	61	4	403	403			1,208	1,272	64	5
TOTAL COSTS												
POSITIONS	28.0	27.0	- 1.0	4	29.0	29.0			29.0	29.0		
EXPENDITURES	1,519	1,580	61	4	403	403			1,208	1,272	64	5

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % CHANGE OF TOTAL VALUE OF CROP/LIVESTOCK	2				2	2		
2. # ACRES RECLASS FROM AG TO URBAN USE	450	1,051	+ 601	134	450	700	+ 250	56
3. % PERS ACTIONS PROCESSED W/IN PAYROLL CYCLE	100	97	- 3	3	100	100		
4. % VENDOR PAYMENTS MADE W/IN 30 DAYS	95	95			95	95		
5. % DATA PROC REQUESTS COMPLETED	88	90	+ 2	2	88	90	+ 2	2
PART III: PROGRAM TARGET GROUP								
1. TOTAL ACREA IN DIVERSIFIED CROPS & LIVESTOCK	48,000	47,300	- 700	1	50,000	48,000	- 2,000	4
2. # DIVERSIFIED FARM OPERATORS & FARM WORKERS	7,500	7,400	- 100	1	7,700	7,500	- 200	3
3. INVENTORY OF IMPORTANT AG LANDS (ACRES)	314,750	314,700	- 50		314,500	314,000	- 500	
4. NUMBER OF EMPLOYEES	295	275	- 20	7	300	300		
5. NUMBER OF DIVISIONS	6	6			6	6		
6. NUMBER OF BRANCHES	13	13			13	13		
7. ATTACHED AGENCIES	1	1			1	1		
PART IV: PROGRAM ACTIVITIES								
1. # LAND USE PERMIT APP REVIEWED AFFECTG AG LANDS	40	25	- 15	38	50	35	- 15	30
2. # PERSONNEL ACTIONS PROCESSED	2,000	1,990	- 10	1	2,000	2,000		
3. # PURCHASE ORDERS PROCESSED	5,500	4,109	- 1,391	25	5,500	4,500	- 1,000	18
4. # PETTY CASH CHECKS PROCESSED	1,400	860	- 540	39	1,350	950	- 400	30
5. # DATA PROCESSING REQUESTS RECEIVED	660	670	+ 10	2	660	670	+ 10	2

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: General Administration for Agriculture

01 03 04 03
AGR 192

Part I - EXPENDITURES AND POSITIONS

Increase in actual expenditures due to collective bargaining augmentations

Part II - MEASURES OF EFFECTIVENESS

Item 2- Increase due to the continued strengthening of the State's economy and the demand for new land for development.

Part III - PROGRAM TARGET GROUP

No Significant Variances

Part IV - PROGRAM ACTIVITIES

Item 1- Decrease in permit reviews reflects the limiting of the review of county level permit applications to only the most agriculturally adverse.

Items 3 and 4- Reduced activity due to an increased amount of transactions utilizing purchasing cards.

STATE OF HAWAII
PROGRAM TITLE: **FISHERIES AND AQUACULTURE**
PROGRAM-ID:
PROGRAM STRUCTURE NO: **0104**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	17.0	12.0	- 5.0	29	17.0	12.0	- 5.0	29	17.0	17.0		
EXPENDITURES	1,897	2,051	154	8	720	720			1,231	1,844	613	50
TOTAL COSTS												
POSITIONS	17.0	12.0	- 5.0	29	17.0	12.0	- 5.0	29	17.0	17.0		
EXPENDITURES	1,897	2,051	154	8	720	720			1,231	1,844	613	50

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. AQUA GP AS % OF DIVERSIF AGRIC & AQUACULT GP	6	6			6	6		
2. PRIMARY VALUE OF COMMERCIAL FISHERY PROD ($000)	60	46.8	- 13	22	60	50	- 10	17
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION ($000)	29,000	28,100	- 900	3	30,000	30,000		

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT
PROGRAM-ID: LNR - 153
PROGRAM STRUCTURE NO: 010402

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	9.0	5.0	- 4.0	44	9.0	5.0	- 4.0	44	9.0	9.0		
EXPENDITURES	1,297	1,552	255	20	565	565			768	1,351	583	76
TOTAL COSTS												
POSITIONS	9.0	5.0	- 4.0	44	9.0	5.0	- 4.0	44	9.0	9.0		
EXPENDITURES	1,297	1,552	255	20	565	565			768	1,351	583	76

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. FISHERY PRODUCTION-OCEAN (MILL. LBS)	20	22.5	+ 2	10	20	22	+ 2	10
2. PRIMARY VALUE OF FISHERY PRODUCTION ($000)	47	46.8			48	50	+ 2	4
3. FISHG REPTS COLL & PROCESSD AS % TOTAL REPTS DUE	95	77.1	- 17	18	95	90	- 5	5
4. SPECIES SUCCESSFULLY SPAWNED/RAISED IN CAPTIVITY	1	1			1	1		
5. # FISHERY RESOURCE STATUS REPTS & ANALYSES COMPL	2	2			3	3		
PART III: PROGRAM TARGET GROUP								
1. LICENSED COMMERCIAL FISHERMEN (1000)	4	3.3			4	4		
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	10	3	- 7	70	10	4	- 6	60
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	5			5	5		
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	6			6	6		
PART IV: PROGRAM ACTIVITIES								
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	3.8			4	4		
2. JUV STOCK PRODUCED (INCL STOCK ENHANCEMT) (000'S)								
3. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)	300	300			300	280	- 20	7
4. FISH DATA COLL - PORT MONITORING VISITS (00'S)	2	1	- 1	50	2	1	- 1	50
5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	200			200	200		
6. #FARMS ASSISTED, PHONE CALLS FOR TECH ASSISTANCE	210	200	- 10	5	220	210	- 10	5
7. #MTGS & CONTACTS W/OTHER RESOURCE MGT AGENCIES	12	12			12	12		

Variance Report Narrative
FY 05 and FY06

PROGRAM TITLE: Commercial Fisheries & Resource Enhancement

01 04 02
LNR 153

Part I - EXPENDITURES AND POSITIONS

FY 05: Vacant positions at year-end are under recruitment. Actual expenditures reflect authorized Federal-fund spending increases.

FY 06: Position count during the 1st quarter is lower as vacant positions are under recruitment. Actual 1st quarter expenditures are lower due to a delay in encumbering contracts until the 2nd quarter, however overall expenditures are higher due to approved increase in expenditure of Federal Funds.

Part II - MEASURES OF EFFECTIVENESS

Item 1: Increases in fishery production are normal fluctuations in the reported fish catch.

Item 3: Actual percent of reports collected was below planned levels because the license refusal procedure was not implemented. This feature is expected to be implemented in FY 06.

Part III - PROGRAM TARGET GROUP

Item 1: Less commercial fishermen bought licenses due to the recent boom in the construction industry which attracts fishermen to land based jobs. In addition, increasing fuel cost may have deterred some fishermen from renewing or purchasing a new commercial fishing license.

Item 2: Less commercial fish dealers were identified because the fish dealer license was not established last year and may be established in FY 06.

Part IV - PROGRAM ACTIVITIES

Item 4: Port monitoring visits decreased by half as a temporary position assigned to do this work remained vacant, but is expected to be filled in FY 06.

STATE OF HAWAII
PROGRAM TITLE: **AQUACULTURE DEVELOPMENT**
PROGRAM-ID: **AGR - 153**
PROGRAM STRUCTURE NO: **010403**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	8.0	7.0	- 1.0	13	8.0	7.0	- 1.0	13	8.0	8.0		
EXPENDITURES	600	499	- 101	17	155	155			463	493	30	6
TOTAL COSTS												
POSITIONS	8.0	7.0	- 1.0	13	8.0	7.0	- 1.0	13	8.0	8.0		
EXPENDITURES	600	499	- 101	17	155	155			463	493	30	6

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. AQUACULTURE PRODUCTION-(THOU. LBSS)	3,000	3,173	+ 173	6	3,050	3,200	+ 150	5
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION ($1000)	29,000	28,100	- 900	3	30,000	30,000		
3. TOTAL AQUACULTURE EMPLOYMENT (NO.)	1,025	1,053	+ 28	3	1,125	1,125		
PART III: PROGRAM TARGET GROUP								
1. AQUACULTURE OPERATIONS STATEWIDE (NO.)	124	124			126	126		
PART IV: PROGRAM ACTIVITIES								
1. INFORMATION SENT (NO.)	7,000	7,260	+ 260	4	7,000	7,000		
2. PERMIT ASSISTANCE (NO.)	60	110	+ 50	83	50	80	+ 30	60
3. DISEASE ASSISTANCE (NO.)	400	326	- 74	19	400	400		
4. PROMOTIONAL EVENTS AND PRESENTATION (NO.)	85	35	- 50	59	30	30		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Aquaculture Development

01 04 03
AGR 153

Part I - EXPENDITURES AND POSITIONS

FY 05- Decreased actual expenditures reflect staff vacancies.

Part II - MEASURES OF EFFECTIVENESS

FY 05- Items 1, 2, 3- No significant differences.

FY 06- Item 1- Estimated values for production volume was increased in anticipation of increasing production capacity from offshore cage farms.

Part III - PROGRAM TARGET GROUP

No significant differences

Part IV - PROGRAM ACTIVITIES

FY 05- Item 2- Increase due to issues encountered in securing securing ocean leases and increased requests for health certification for export of shrimp broodstock.

FY 05-Item 3- Decrease in disease assistance was attributed to less capability and longer case processing times due to staff vacancies.

FY 06- Item 2- Estimated increase in permit assistance due to anticipation of continued increased activity in ocean leasing and shrimp health certification.

STATE OF HAWAII
PROGRAM TITLE: **TECHNOLOGY**
PROGRAM-ID:
PROGRAM STRUCTURE NO: **0105**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	14.0	9.0	- 5.0	36	15.0	10.0	- 5.0	33	15.0	10.0	- 5.0	33
EXPENDITURES	43,121	16,690	- 26,431	61	6,592	4,712	- 1,880	29	25,303	25,449	146	1
TOTAL COSTS												
POSITIONS	14.0	9.0	- 5.0	36	15.0	10.0	- 5.0	33	15.0	10.0	- 5.0	33
EXPENDITURES	43,121	16,690	- 26,431	61	6,592	4,712	- 1,880	29	25,303	25,449	146	1

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. INCR IN LEVERAGING PUBLIC INV W/PRIV CAPITAL ($M)	4	4			15	6	- 9	60
2. INCR IN # OF VENTURE CAPITAL PARTNERSHIPS ESTAB	2		- 2	100		2	+ 2	***
3. # OF COMPANIES ASSISTED (HTDC)	36,980	41,538	+ 4,558	12	925	41,570	+ 40,645	394
4. AMOUNT OF NELHA TENANT SALES ($M)	36	50	+ 14	39	67.9	67.9		
5. INCREASE IN NELHA REVENUES ($K)	619	625	+ 6	1	879	979	+ 100	11

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

STATE OF HAWAII
PROGRAM TITLE: **STRATEGIC INDUSTRIES**
PROGRAM-ID: **BED - 120**
PROGRAM STRUCTURE NO: **010501**

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	11.0	6.0	- 5.0	45	11.0	6.0	- 5.0	45	11.0	6.0	- 5.0	45
EXPENDITURES	4,647	2,717	- 1,930	42	1,236	548	- 688	56	5,433	4,338	- 1,095	20
TOTAL COSTS												
POSITIONS	11.0	6.0	- 5.0	45	11.0	6.0	- 5.0	45	11.0	6.0	- 5.0	45
EXPENDITURES	4,647	2,717	- 1,930	42	1,236	548	- 688	56	5,433	4,338	- 1,095	20

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. # QUALIFIED TRADE LEADS GENERATED	571	380	- 191	33	202	380	+ 178	88
2. #BUS/ORGS PARTIC IN OUTRCH, MKT & INDUS DEV ACTIV	935	1,632	+ 697	75	710	1,336	+ 626	88
3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT	7,745	7,122	- 623	8	7,721	7,221	- 500	6
4. RATIO OF EXTERNAL:STATE MATCHING SPPT OF COOP ACT								
PART III: PROGRAM TARGET GROUP								
1. # BUS/ORG INTERSTD IN ENERGY/ENV/OCEAN/RECY PROD	3,410	3,767	+ 357	10	3,300	3,800	+ 500	15
2. ENERGY CONSUMERS, STATEWIDE	1,349,988	1,401,672	+ 51,684	4	1,423,530	1,417,090	- 6,440	
3. ENERGY PRODUCERS, STATEWIDE	58	58			58	58		
PART IV: PROGRAM ACTIVITIES								
1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED	31	31			5	23	+ 18	360
2. # IND/MARKET DEV ASSESSMENTS CONDUCTED	7	21	+ 14	200	3	11	+ 8	267
3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED	24	21	- 3	13	8	21	+ 13	163
4. # ENERGY EFFIC & RENWBLE ENRG PROJ DEV & IMPLMTD	66	30	- 36	55	15	16	+ 1	7

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

01 05 01

PROGRAM TITLE: Strategic Industries BED 120

Part I – EXPENDITURES AND POSITIONS

Five positions are vacant.

Project deferrals can be attributed to decreased expenditures significantly less than the budgeted amounts in FY 2005.

Part II – MEASURES OF EFFECTIVENESS

Item 1. # QUALIFIED TRADE LEADS GENERATED. The Strategic Industries Division (SID) did one fewer trade show than in the past.

Item 2. #BUS/ORGS PARTIC IN OUTRCH, MKT & INDUS DEV ACTIV. The Strategic Industries Division did several new industry networking events. There was an increased interest in energy as evidenced by the number of participants or attendees.

Part III – PROGRAM TARGET GROUPS

Item 1. # BUS/ORG INTERSTD IN ENERGY/ENV/OCEAN/RECY PROD. There was an increased interest in energy, environment, ocean, and recycled products and as a consequence an increased number of participants.

Part IV – PROGRAM ACTIVITIES

Item 2. # IND/MARKET DEV ASSESSMENTS CONDUCTED. There were federal grants awarded to support this program activity

Item 4. # ENERGY EFFIC & RENWBLE ENRG PROJ DEV & IMPLMTD. There were program administrative delays and funding shortages

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	3.0	3.0			3.0	3.0			3.0	3.0		
EXPENDITURES	27,544	5,254	- 22,290	81	1,284	719	- 565	44	8,813	9,412	599	7
TOTAL COSTS												
POSITIONS	3.0	3.0			3.0	3.0			3.0	3.0		
EXPENDITURES	27,544	5,254	- 22,290	81	1,284	719	- 565	44	8,813	9,412	599	7

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	160	137	- 23	14	170	160	- 10	6
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED	36,980	41,538	+ 4,558	12	37,758	41,570	+ 3,812	10
PART III: PROGRAM TARGET GROUP								
1. # OF POTENTIAL TECH-BASED COMPANIES	2,550	2,562	+ 12		2,635	2,580	- 55	2
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	60	29	- 31	52	65	35	- 30	46
PART IV: PROGRAM ACTIVITIES								
1. # OF CONTACTS AND RESPONSES	150,714	167,143	+ 16,429	11	155,727	168,000	+ 12,273	8

PROGRAM TITLE: High Technology Development Corporation

01 05 02
BED 143

Part I – EXPENDITURES AND POSITIONS

The FY05 variance is primarily due to lower than budgeted expenditures in the special and federal funds, and inactivity of the revolving fund. The federally funded Hawaii Center for Advanced Transportation Technologies (HCATT) program transitioned from the U.S. DOT to U.S. Air Force, thus the majority of the DOT appropriation went unused. All positions except for one were filled at the end of FY05.

The budgeted FY06 expenditures for HCATT decreases as compared to FY05 due to the elimination of appropriations no longer needed. Expenditures in the HTDC Special Fund are projected to increase as opportunities to develop new biotech/tech. incubator space arise. All positions are to be filled in FY06.

Part II – MEASURES OF EFFECTIVENESS

Item 1. The Virtual Incubation program has developed slower than anticipated. The FY06 estimate has been adjusted downward.

Item 2. The Internet has significantly broadened HTDC's ability to reach and assist individuals and companies remotely. HTDC's three websites had higher activities than budgeted.

Part III – PROGRAM TARGET GROUP

Item 1. In FY05, stricter federal guidelines for companies that qualified to be assisted by the Manufacturing Extension Partnership (MEP) program reduced the target group from including tech related companies. This, however, was somewhat offset by overseas opportunities that developed in mid-to late FY05. The FY06 estimate has been adjusted to reflect these changes.

Item 2. Occupancy at the Manoa Innovation Center (MIC) and Maui Research & Technology Center MRTC) has been very high. The limited turnover and demand from current occupants to expand when offices become available limited the amount of applications from new companies. The trend is projected to continue in FY06. Applications to the Virtual Incubation program have been adjusted downward for FY06.

Part IV – PROGRAM ACTIVITIES

Item 1. The number of Internet inquiries in FY05 was higher than budgeted. The FY06 estimate reflects the higher activities.

STATE OF HAWAII
PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION
PROGRAM-ID: BED - 145
PROGRAM STRUCTURE NO: 010503

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS					1.0	1.0			1.0	1.0		
EXPENDITURES	153	132	- 21	14	62	57	- 5	8	4,269	4,275	6	
TOTAL COSTS												
POSITIONS					1.0	1.0			1.0	1.0		
EXPENDITURES	153	132	- 21	14	62	57	- 5	8	4,269	4,275	6	

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAP ($M)	4	4			15	6	- 9	60
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	2		- 2	100		2	+ 2	***
3. INCREASE IN NUMBER OF COMPANIES FUNDED	3	2	- 1	33	4	2	- 2	50
4. AMT NEW INV CAPITAL RAISD THRU STATE PRIV INV FUND					5		- 5	100
PART III: PROGRAM TARGET GROUP								
1. ENTREPRENEURIAL START-UP COMPANIES	27	4	- 23	85	30	24	- 6	20
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS	3	2	- 1	33	5	4	- 1	20
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	1	3	+ 2	200	1	3	+ 2	200
PART IV: PROGRAM ACTIVITIES								
1. REINVEST INVEST DISTRB IN NEW VENT PARTNRSHP ($M)		1	+ 1	***	1	2	+ 1	100
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	2	2			2	2		
3. ENTREPRENEURIAL TRAINING PROGRAMS	3	2	- 1	33	3	3		

PROGRAM TITLE: Hawaii Strategic Development Corporation

01 05 03
BED 145

Part I – EXPENDITURES AND POSITIONS

HSDC expenditures continue to be tightly managed and held below budget. In FY06 a position was transferred to HSDC from DBEDT in accordance with Act 178, SLH 2005.

Part II – MEASURES OF EFFECTIVENESS

1. FY06 planned leveraging of public investment is below target due to previously anticipated State Private Investment fund not being approved.
2. HSDC FY05 budget was restricted, preventing any new investment activity. FY06 budget has allowed investments to resume, resulting in better than plan performance.
3. HSDC's fund managers utilized reserves to make follow-on investments in limited amounts. FY06 outlook is below plan due to delay in implementing SPIF.
4. If SPIF is passed in 06 legislative session, new capital will still be below plan as SPIF will not be implemented until FY07.

Part III – PROGRAM TARGET GROUP

1. Due to lack of new funding by HSDC in FY05, start-up activity lagged plan significantly. With HSDC's ability to support entrepreneurial development events in FY06, new companies are emerging to take advantage of these programs.
2. Year over year increase in new private sector investors due to recent liquidity events.
3. New support organizations are emerging with some groups coming in from the mainland seeking new opportunities.

Part IV – PROGRAM ACTIVITIES

1. If share price of Hoku Scientific holds, HSDC will be able to utilize proceeds for new investments.
3. Training programs in 05 were curtailed due to both public and private sector budgetary constraints.

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS												
EXPENDITURES	10,777	8,587	- 2,190	20	4,010	3,388	- 622	16	6,788	7,424	636	9
TOTAL COSTS												
POSITIONS												
EXPENDITURES	10,777	8,587	- 2,190	20	4,010	3,388	- 622	16	6,788	7,424	636	9

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. # OF NEW NELHA TENANTS (ACTUAL)	7	4	- 3	43	5	5		
2. NEW TENANTS (ACRES)(ACTUAL)	14	20	+ 6	43	15	15		
3. AMOUNT OF TENANT SALES ($M)	36	50	+ 14	39	67.9	67.9		
4. INCREASE IN REVENUES ($K)	619	625	+ 6	1	879	979	+ 100	11
5. AMT OF TENANT CAPITAL INVSTMNT AT NELHA ($M)	40	25	- 15	38	11.4	11.4		
6. # AND VALUE ($M) OF CEROS PROJECTS FUNDED								
7. # & VALUE ($M) OF CEROS PROJECTS COMPLETED								
8. # OF CEROS OUTREACH & INTERFACE ACTIVITIES	15	16	+ 1	7	15	15		
9. #/VAL - NELHA PROJS FED, NON-ST SOURCE FUNDED $M								
PART III: PROGRAM TARGET GROUP								
1. # BUSINESS/INT'L ORGS W/OCEAN RES INTERESTS	60	60			60	60		
2. # BUSINESS/INT'L ORGS W/SUSTAIN ENERGY INTSTS	15	16	+ 1	7	20	20		
3. # TENANTS W/BIOTECHNOLOGY INTERESTS	24	22	- 2	8	26	26		
4. # COLLABORATIONS W/UNIVERSITIES AND COLLEGES	10	11	+ 1	10	10	10		
5. # COLLABORATIONS W/NATIONAL LABORATORIES	4	1	- 3	75	4	4		
6. # ORGS COMMERCIALIZING OCEAN TECHNOLOGIES	80	68	- 12	15	85	85		
7. # ORGS IN OCEAN TECH DEV & DOD COMMANDS	575	615	+ 40	7	600	600		
PART IV: PROGRAM ACTIVITIES								
1. # OF NELHA TENANTS (ACTUAL)	37	37			41	41		
2. CURRENT NELHA TENANT EXPANSION (ACRES)	111	15	- 96	86	16	16		
3. % OF LAND USE AT NELHA & HOST PARK	61	31	- 30	49	62	62		
4. CUM AMOUNT OF STATE, TENANT, & FED CAP IMPV ($M)	176	115	- 61	35	190	180	- 10	5
5. # OF NELHA OUTREACH ACTIVITY PARTICIPANTS	6,308	6,450	+ 142	2	2,539	3,098	+ 559	22
6. % CEROS BUDGET USED FOR TECHNOLOGY PROJECTS	91	89.4	- 1	1	91	91		
7. # OF CEROS OUTREACH & INTERFACE PARTICIPANTS	350	402	+ 52	15	400	400		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Natural Energy Laboratory of Hawaii Authority

01 05 04
BED 146

Part I – EXPENDITURES AND POSITIONS

Variance of $1,530,236.39 for FY 05 is due to tenant demand for use of seawater less than projections given to NELHA and the delayed privatization of the Water Quality Lab. In addition to the delays the Executive Director made internal budget cuts of approximately $850,000 to decrease spending in anticipation of the legislative mandate to become self sufficient in FY 07.

Part II – MEASURES OF EFFECTIVENESS

Item 1. - Variance due to timing of when prospective tenants submit proposals and when they actually become a tenant
Item 2. - Variance due to a tenant occupying more acres than originally requested.
Item 3. - Variance due to sales of seawater being more robust than what tenant projections indicated.
Item 5. - Variance due to change in investors for one tenant's expansion efforts.
Item 6. - Variance due to the # and value of Ceros projects funded were lower because some projects commenced in early FY 06 instead of FY 05.

Part III – PROGRAM TARGET GROUPS

Item 3. - Variance due to lower interest in bio-technology interest than originally anticipated.
Item 5. - Variance due to staff vacancy which handled federal grants that dealt with collaborations with national laboratories
Item 6. Variance due to fewer proposal abstracts from organization commercializing ocean technology.

Part IV – PROGRAM ACTIVITIES

Item 2. - Variance due to change in investors for one tenant's expansion efforts.
Item 3. - Variance due to misunderstanding of the program activity last year when estimates were given.
Item 4. - Variance due to unappropriated State CIP money.
Item 7. Increase is attributed to greater than expected attendance at OCEANS 2004 conference.

STATE OF HAWAII
PROGRAM TITLE: WATER AND LAND DEVELOPMENT & MANAGEMENT
PROGRAM-ID: LNR - 141
PROGRAM STRUCTURE NO: 0106

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	3.0	3.0			3.0	3.0			3.0	3.0		
EXPENDITURES	386	334	- 52	13	99	68	- 31	31	296	408	112	38
TOTAL COSTS												
POSITIONS	3.0	3.0			3.0	3.0			3.0	3.0		
EXPENDITURES	386	334	- 52	13	99	68	- 31	31	296	408	112	38

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. WATER CREDITS PROV TO STATE AGENCIES (AS REQST %)	100	100			100	100		
2. STATE LANDS DEVELOPED (ACRES)	20	10	- 10	50	20	20		
3. DEATHS/INJ/PROP DAM DUE TO FLOODS (INCIDENTS)	4	NA			4	NA		
4. NFIP PARTICIPATING COMMUNITIES (%)	100	NA			100	NA		
5. SCHEDULED DAM INSPECTIONS COMPLETED (%)	100	NA			100	NA		
PART III: PROGRAM TARGET GROUP								
1. DEFACTO POP BENEFITTG FROM IMPROVMTS (M)	1.3	1.3			1.3	1.3		
PART IV: PROGRAM ACTIVITIES								
1. WATER SERVICE PROVIDED TO STATE PROJ (1000 GALS)	100	26	- 74	74	100	100		
2. WATER SUPPLIES (GROUND OR SURFACE) DEV (MGD)	1		- 1	100	1	1		
3. CIP WATER OR LAND DEV PROJECTS IMPLEMENTED (NO.)	2	2			4	4		
4. CIP EXPENDITURES ($1000's)	15,000	14,858	- 142	1	15,000	20,000	+ 5,000	33
5. ENGRG SVC PROVIDED TO DLNR OFC (MAN-HRS)	20,000	20,000			20,000	20,000		
6. NFIP COMMUNITY ASSISTANCE VISITS CONDUCTED (NO.)	2	NA			2	NA		
7. FLD CNTRL OR DAM SFTY TECH ASSIST PROV (HRS)	500	NA			500	NA		
8. DAMS INSPECTED (NO.)	72	NA			72	NA		
9. FLOOD RESEARCH OR INVESTIGATIONS PERFORMED (NO.)	4	NA			4	NA		
10. FLOOD MITIGATION PERFORMED (MAN-HRS)	100	NA			100	NA		

Variance Report Narrative
FY 2005 and FY 2006

01 06
LNR 141

PROGRAM TITLE: Water and Land Development

Part I - EXPENDITURES AND POSITIONS

Difference in FY 2005 and FY 2006 budgeted amount and actual expenditure primarily due to unused accrued vacation/sick leave/retirement fund for CIP staff.

Part II - MEASURES OF EFFECTIVENESS

Item 2 - Reflect authorized water supply and/or land development projects and their completion. There has been a downturn in funding for such projects.

Part III - PROGRAM TARGET GROUP

No significant variance.

Part IV - PROGRAM ACTIVITIES

Item 1 – Actual requests for water credits from State agencies were less than anticipated. Water credits are provided to State agencies when water is actually needed by each specific project; agencies submit water requests to this program when their specific project is applying for a building permit and is nearing construction.

Item 2 - Reflects authorized water supply projects and their completion. There has been a downturn in funding for such projects.

Item 4 - Reflects actual expenditures; an additional $36.3 million is encumbered in consultant and/or construction contracts.

STATE OF HAWAII
PROGRAM TITLE: **SPECIAL COMMUNITY DEVELOPMENT**

VARIANCE REPORT

REPORT V61
11/22/05

PROGRAM-ID:
PROGRAM STRUCTURE NO: 0107

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33
EXPENDITURES	4,771	3,678	- 1,093	23	647	217	- 430	66	4,208	4,679	471	11
TOTAL COSTS												
POSITIONS	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33	3.0	2.0	- 1.0	33
EXPENDITURES	4,771	3,678	- 1,093	23	647	217	- 430	66	4,208	4,679	471	11

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NEW PRIVATE DEVELOPMENT IN KAKAAKO COMM DEV ($M)	212.4	146.4	- 66	31	360.1	304.1	- 56	16
2. NEW PRIVATE DEVELOPMENT W/IN KALAELOA ($M)	5	5			10	10		

Intermediate Level Program
No Narrative
(See Lowest Level Programs for Explanation of Budget Requests)

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

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	2.0	2.0			2.0	2.0			2.0	2.0		
EXPENDITURES	3,245	2,863	- 382	12	255	151	- 104	41	3,067	3,177	110	4
TOTAL COSTS												
POSITIONS	2.0	2.0			2.0	2.0			2.0	2.0		
EXPENDITURES	3,245	2,863	- 382	12	255	151	- 104	41	3,067	3,177	110	4

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST ($M)	212	146.4	- 65	31	3691	304.1	- 3,386	92
2. NEW BLDG FLOORSPACE IN KAKAAKO (1000 SF)	345	345.2			1645.4	1395.4	- 250	15
3. # OF NEW HOUSING UNITS IN KAKAAKO					584	584		
4. # OFNEW PUBLIC FACILITIES IN KAKAAKO	1	1			3	2	- 1	33
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	20	19	- 1	5	50	25	- 25	50
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA	5	5			10	10		
PART III: PROGRAM TARGET GROUP								
1. # OF RESIDENTS IN KAKAAKO	8,750	8,750			8,750	8,750		
2. # OF EMPLOYEES IN KAKAAKO	25,489	26,589	+ 1,100	4	27,216	26,596	- 620	2
3. # OF BUSINESS IN KAKAAKO	1,631	1,632	+ 1		1,632	1,633	+ 1	
4. # OF LANDUSERS WITHIN KALAELOA	35	40	+ 5	14	50	45	- 5	10
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	450	1,000	+ 550	122	500	1,000	+ 500	100
PART IV: PROGRAM ACTIVITIES								
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	140	140			160	160		
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO					1	1		
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO ($M)	43.54	94	+ 50	115	51.2	70	+ 18	35
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	77	77			77	77		
5. NEW PLANNING IN KALAELOA ($M)	0.9	0.9			1	1		
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	24		- 24	100	38	4	- 34	89
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	5	5			10	5	- 5	50

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Hawaii Community Development Authority

01 07 01
BED 150

Part I – EXPENDITURES AND POSITIONS

FY05: the variance is due to: 1). revenue bond expenditure was $242,376 less than appropriation even after accounting for redemption of extra $1,130,000 outstanding bond obligation on top of scheduled payment, 2) Kalaeloa revolving fund expenditure was $143,597 less than budget due to postponed activities in the district.

1st Quarter FY06: the variance mainly due to over budget of bond expenditure, with actual expenditure $98,407 less than budgeted.

Part II – MEASURES OF EFFECTIVENESS

Item 1. FY05: The lower actual number mainly due to reclassification of the University of Hawaii John A. Burns School of Medicine (JABSOM) to public improvement. FY06: the variance results from of rapidly changing development in the district. The negative $56 mil variance comprises 1). negative effect of $70 mil of waterfront development due to postponement; 2) negative effect of $20 mil of reclassification of JABSOM to public improvement; 3) positive effect of additional $14 mil of 909 Kapiolani project; and 4) positive effect of $20 mil of Keola Lai project, a new project.

Item 2. FY06: negative effect of 250 (1,000 s.f.) of waterfront development due to postponement

Item 4. FY06: due to Kakaako Waterfront Park Phase I project postponement.

Item 5. FY06: due to recount of actively used parcels. Not sure how the previous estimate came up.

Part III – PROGRAM TARGET GROUPS

Item 4. FY05: FY05 planned was underestimated. FY06: Planned was over-estimated.

Item 5. FY05: variance due to recount. Planned was underestimated. FY06: variance due to recount. Budget was underestimated.

Part IV – PROGRAM ACTIVITIES

Item 3. FY05: variance reflects combination of greater positive effect of reclassification of JABSOM from private improvement and negative effect of postponement of public parking structure project. FY06: variance due to 1). Positive effect of $20 mil of reclassification of JABSOM from private improvement; 2) negative effect of $1.0 mil of postponement of KWP phase I project and 3) negative effect of $0.3 mil of ID-11 project postponement.

Item 6. FY 05 and FY06: variance due to the fact that property conveyances were held in abeyance by the U.S. Navy pending the anticipated decision for the possible home porting of a aircraft carrier strike group to Hawaii.

Item 7. FY06: for the same reason explained in Item 6, planned # of projects was overestimated.

STATE OF HAWAII
PROGRAM TITLE: ALOHA TOWER DEVELOPMENT CORPORATION
PROGRAM-ID: BED - 151
PROGRAM STRUCTURE NO: 010702

VARIANCE REPORT

REPORT V61
11/22/05

	FISCAL YEAR 2004-05				THREE MONTHS ENDED 9-30-05				NINE MONTHS ENDING 6-30-06			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES												
OPERATING COSTS												
POSITIONS	1.0		- 1.0	100	1.0		- 1.0	100	1.0		- 1.0	100
EXPENDITURES	1,526	815	- 711	47	392	66	- 326	83	1,141	1,502	361	32
TOTAL COSTS												
POSITIONS	1.0		- 1.0	100	1.0		- 1.0	100	1.0		- 1.0	100
EXPENDITURES	1,526	815	- 711	47	392	66	- 326	83	1,141	1,502	361	32

	FISCAL YEAR 2004-05				FISCAL YEAR 2005-06			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. DEVELOPMENT PROJECTS GENERATED					3	3		
2. NUMBER OF JOBS CREATED	5	5			30	30		
3. TOTAL CONST VALUE OF DEV PROJS UNDER NEGOTN ($M)	50	1	- 49	98	250	250		
4. ESTIMATED TAX REVENUE INCREASE FROM DEV ($M)	26		- 26	100	10	10		
PART III: PROGRAM TARGET GROUP								
1. LOCAL AND INTERNATIONAL REAL ESTATE DEVELOPERS	1	1			1	1		
2. EXISTING AND POTENTIAL TENANTS/USERS/DEVELOPERS	74	74			74	74		
PART IV: PROGRAM ACTIVITIES								
1. # PROJECTS UNDER DEVELOPMENT OR UNDER AGREEMENT	1	1			3	3		
2. # DIRECT NEGOTIATIONS ENTERED INTO	2	2			1	1		
3. # OF INITIATIVES GENERATED	3	3			3	3		
4. # OF PROJECTS UNDER CONSTRUCTION	1		- 1	100	2	2		

VARIANCE REPORT NARRATIVE
FY 05 and FY 06

PROGRAM TITLE: Aloha Tower Development Corporation

01 07 02
BED 151

Part I – POSITIONS AND EXPENDITURES

POSITIONS

The Secretary position is a permanent budgeted position but remains vacant at this time. Staffing of temporary budgeted exempt positions increased by two positions in FY05; a Development Manager and Secretary. Two non-budgeted exempt positions were established in FY06 to assist in the Hawaii Harbors Task Force. The payroll costs for the two positions will be offset from the ground lease rents owed to the Department of Transportation – Harbors Division (DOT-H).

EXPENDITURES

Expenditures were less than budgeted primarily due to non-expenditure of consultant contract costs anticipated as part of due diligence efforts for the development of Piers 5 and 6. The development proposal has been delayed due to legal and financial viability issues related to land disposition.

Part II – MEASURES OF EFFECTIVENESS

Item 1,3 & 4. Measures of Effectiveness were not met in FY05 but will be met in FY06. Development projects generated exceeded planned estimates as one project was approved to proceed with an estimated building construction cost of $1 million.

The ATDC and DOT-H entered into a partnership under the Hawaii Harbors Task Force to develop maritime infrastructure in Honolulu Harbor. Additional staffing, jobs, construction value and tax revenue measures will be attained in FY06. Approximately $3.2 million will be expended in FY06 under the Hawaii Harbors Task Force.

Part III – PROGRAM TARGET GROUPS

Part IV – PROGRAM ACTIVITIES

Actions taken in FY05 will result in meeting Program Activities in FY 06.

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