

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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February 29, 2008

To: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

The Honorable Rosalyn H. Baker, Chair
Senate Committee on Ways and Means

From: Theodore E. Liu, Director 

Subject: Grant and Subsidy Applications for 2008-2009

As requested by your memorandum dated February 14, 2008, attached are the completed Statements of Findings and Recommendations, and Comments and Recommendations for the Application for Grants & Subsidies which DBEDT reviewed.

The following grant applications were forwarded to the Department of Human Services for review and comments:

- 1) Partners in Development Foundation – Log #210-O
- 2) Mutual Assistance Associations Center – Log #186-O

If there are any questions, or additional information is required, please have your staff contact Ken Kitamura, Administrative Services Officer, at 586-2433.

TEL: wwy:lck

Attachments

COMMENTS AND RECOMMENDATIONS

Organization: Empower Oahu

Service Activity: Conduct 6 micro-enterprise orientation workshops and 4 financial literacy workshops in need-intensive communities.

Comments:

The goal of this program is to help the organization's target clientele become self-reliant through entrepreneurship, thereby reducing their reliance on available social programs. Services include: (1) conducting a minimum of "6 Micro-enterprise Orientation Sessions" in need-intensive communities throughout Hawaii; and (2) conduct a minimum of 4 financial literacy workshops in need-intensive communities throughout Hawaii.

Specific activities include:

- Outreach and recruitment.
- Conducting Micro-enterprise Orientation Sessions.
- Conducting Financial Literacy workshops.

Many of our residents continue to struggle to make ends meet. A recent report published by the Center on the Family announced that 30% of the State's population is at or below 200% of the Federal Poverty Level. The Self-Sufficiency Standard for Hawaii Report, issued in early 2003, before sky-rocketing housing costs, revealed that Hawaii families need to earn at least 200% of the poverty level to meet basic living needs. Starting a micro-enterprise offers low and middle income individuals an opportunity to improve their economic status. The Association for Enterprise Opportunities estimates the micro-enterprise sector in Hawaii accounts for 119,000 jobs or 15% of total non-farm employment. Micro-enterprises offer opportunity in services such as home care services, handyman services, organic farming, day care, clothing design, janitorial services, food preparation, lawn services, and construction.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive's Supplemental Budget Request for 2008-2009.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

OPERATING

Log No: 44-O Does request qualify as a POS? Yes No

Department: DBEDT

Program ID: BED 100 If yes, what POS service activity? Conduct 6 micro-enterprise workshops
Conduct 4 financial literacy workshops

Organization: Empower Oahu Does request comply with Yes No
qualifying standards and conditions?

Service Activity: Conduct workshops Does request serve a public purpose? Yes No

	Original Request	Dept. Adjustment	Dept. Recommendations
<u>Operating Expenses:</u>			
Personal Services:			<u>FY 2009</u>
Current Expenses:	27,600		-
Equipment:			27,600
Motor Vehicles:			-
Total Requirements:	27,600	-	27,600
Less:			
Net General Funds:	-	-	27,600

COMMENTS AND RECOMMENDATIONS

Organization: Enterprise Honolulu

Service Activity: Targeted business development project to accelerate growth of living-wage jobs in Hawaii.

Comments:

Enterprise Honolulu (EH) promotes the development of Hawaii's economy by stimulating the growth of underdeveloped business sectors, thereby creating of living wage jobs for the residents of Hawaii. EH is requesting \$250,738 for Fiscal Year 2008-2009, with a match of \$250,738 in private funding. Funds requested would be used to continue the targeted business development program, which is going into its third year.

EH's Targeted Business Development program focus is on seven innovation industries with significant growth potential: (1) Life Sciences – Biotech, (2) Defense, Dual-Use, (3) Alternative and renewable energy, (4) Film and digital media, (5) Information and communication technology, (6) Ocean and marine sciences, and (7) Space sciences, aerospace and optics. The targeted outputs over a two-year (CY2007-CY2008) period are:

- Company mentoring services to 100 Hawaii companies (49%);
- Investor, customer and strategic partner targeting research completed for 60 Hawaii companies (47%);
- 50 business to business (B2B) meetings arranged for 30 Hawaii companies (90%); and
- 15 deals with investors, customers and strategic partners (40%).

The numbers listed in parenthesis after each output reflect the percentage of the targeted outputs accomplished in CY2007 (year one of the two-year period). EH is confident that it will hit 100% of the targeted outputs by the end of 2008.

This grant will enable EH to continue to extend its activities on behalf of the State to those innovation industries which are most likely to bring new, higher paying jobs into our communities – benefiting families, local businesses and Hawaii's economy.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive Supplemental Budget Request for Fiscal Year 2008-2009.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

OPERATING

FY 2008-2009

Log No: 46-C Does request qualify as a POS? Yes No

Department: Business, Economic Dev & Tourism

Program ID: BED 100 If yes, what POS service activity? _____

Organization: Enterprise Honolulu Does request comply with _____
qualifying standards and conditions? Yes No

Service Activity: Targeted business development project Does request serve a public purpose? Yes No
to accelerate growth of living-wage jobs
in Hawaii.

	Original Request	Dept. Adjustment	Dept. Recommendations
<u>Operating Expenses:</u>			
Personal Services:	FY 2009 200,738		FY 2009 200,738
Current Expenses:	50,000		50,000
Equipment:			-
Motor Vehicles:			-
Total Requirements:	250,738	-	250,738
Less:			
Net General Funds:	-	-	250,738

COMMENTS AND RECOMMENDATIONS

Organization: Hawaii International Film Festival (HIFF)

Service Activity: Existing – Hawaii International Film Festival

Comments:

Applicant is requesting funds to:

- Fund the first phase of an elevated expansion into Asian markets, particularly China and South Korea;
- Strengthen and expand the ties with China:
 - Thru the HIFF/University of Hawaii (UH) Academy for Creative Media and Shanghai International Film Festival (SIFF)/Shanghai University (SU) Schools of Film-TV
 - Send Annual Hawaii delegation to SIFF in June
 - Host SIFF/SU's delegation at HIFF's Fall Festival;
- Focus on developing collaborative Agreements w/ South Korea; and
- Keep ticket prices affordable, continue to offer discounts and free programs to the public.

There is a need to support HIFF, especially as it is focusing on student exchanges and collaborating with UH's Academy for Creative Media. These ties will result in continued development of Hawaii's local film industry and allows for unique opportunities for local students. HIFF's continued collaboration with China strongly reflects the Administration's focus of developing ties with China and creating opportunities and opening doors in China and South Korea for local people and local companies.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive Supplemental Budget Request for Fiscal Year 2009.

NOTE: This GIA was awarded in FY 08. However, the appropriation for this was given to UH, so they are managing the FY 08 contract. If the FY 09 GIA is awarded, then the appropriation should then again be given to UH for the management of the GIA. This would be in the best interest of the recipient as it would provide consistent management of their GIA.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

OPERATING

FY 2008-2009

Log No: 85-O Does request qualify as a POS? Yes No

Department: Dept. of Bus. Econ. Dev. & Tourism

Program ID: BED 105 If yes, what POS service activity? _____

Organization: Hawaii International Film Festival Does request comply with qualifying standards and conditions? Yes No

Service Activity: Existing Service - Hawaii International Film Festival Does request serve a public purpose? Yes No

	Original Request	Dept. Adjustment	Dept. Recommendations
	FY 2009	FY 2009	FY 2009
<u>Operating Expenses:</u>			
Personal Services:	149,572		-
Current Expenses:	261,428		-
Equipment:			-
Motor Vehicles:			-
Total Requirements:	411,000		-
Less:	174,727		-
Net General Funds:	-	-	-
	236,273		-

NOTE: The above Personal Services and Current Expense figures are for FY 08 and FY 09. No breakdown for the different fiscal years was given. However, this GIA recipient was awarded \$174,727 in FY 08 and their application reflects that they only need \$236,273 for FY 09.

COMMENTS AND RECOMMENDATIONS

Organization: Department of Business, Economic Development and Tourism

Service Activity: Grant in Aid – Polynesian Voyaging Society

Comments:

The purpose of this request is to fund the re-design and reconstruction of a canoe to serve as a floating classroom for public, private and college students. As such, there is negligible value for this request as an economic development project. It may have some impact on the visitor industry as a tool to allow residents to better understand the Hawaiian culture but the HTA has a “cultural tourism” grant program for projects of this nature.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department’s priorities as reflected in the Executive Budget Request for Fiscal Biennium 2007-2009.

COMMENTS AND RECOMMENDATIONS

Organization: Asia-Pacific Exchange & Development

Service Activity: Youth Baseball Goodwill Tournament Exchange

Comments:

Due to the unfortunate loss of lives due to an accident that involved Japanese citizens in waters surrounding the State of Hawai'i, a non-profit organization was established to help in the healing process and to keep the good relationship between Hawai'i and Japan. This annual event has been successful in reaching the youth to teach them of the importance of fellowship and the importance of keeping good relationships under any circumstances.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive Supplemental Budget Request for Fiscal Year 2009.

STATEMENT OF FINDINGS AND RECOMMENDATIONS OPERATING

Log No: 13-O Does request qualify as a POS? Yes No
 Department: DBEDT

Program ID: BED 113 If yes, what POS service activity? _____

Organization: Asia-Pacific Exchange & Development Does request comply with
qualifying standards and conditions? Yes No

Service Activity: _____ Does request serve a public purpose? Yes No

	Original Request FY 2009	Dept. Adjustment FY 2009	Dept. Recommendations FY 2009
<u>Operating Expenses:</u>			
Personal Services:			
Current Expenses:	25,000		25,000
Equipment:			
Motor Vehicles:			
Total Requirements:	25,000	-	25,000
Less:			
Net General Funds:	-	-	25,000

COMMENTS AND RECOMMENDATIONS

Organization: Waianae Coast Coalition

Service Activity: Outreach, workshops, and classes.

Comments:

Services include: (1) Improving the (Leeward) community's perception of business and increasing the number of Waianae Coast residents and provider agencies who see business development as a viable strategy to achieve economic self-sufficiency; and (2) Providing support for individuals and families to develop their business ideas, address challenges and barriers, and acquire help as their businesses develop.

Specific activities include:

- Conducting outreach to service providers.
- Conducting outreach into homeless shelters, public housing projects.
- Publicizing local role models who have started businesses on the Waianae Coast.
- Providing workshops and classes in financial literacy and micro-enterprise.
- Providing follow-up technical assistance.
- Collaborating with other service providers.
- Developing peer support groups, business networks and community partnerships to coordinate and enhance marketing of Waianae Coast products and services.

The Leeward Coast community is a community in transition. Economic revitalization is needed. Presently, there are two employment options for Leeward Coast residents, the first is to work in other regional areas, the second is to work in the Leeward Coast area comprised presently of mostly small businesses employing only 1-4 employees.

According to the 2000 Census, there were a total of 42,259 people that reside on the Leeward Coast. According to the 1990 Census Data provided by the Waianae Community Empowerment Zone Strategic Plan, for Nanakuli, Waianae Kai and Lualualei Homesteads, poverty rates ranged from 27.1% to 40.8%, unemployment ranged 6.8% to 13.5% compared to 4.5% island-wide, 22% received public assistance compared to 6% island-wide, Median household income ranged from \$24,956 to \$38,597 compared to \$40,581 island-wide.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive's Supplemental Budget Request for 2008-2009.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

OPERATING

FY 2008-2009

Log No: 236-O Does request qualify as a POS? Yes No

Department: DBEDT If yes, what POS service activity? Outreach, workshops, classes

Program ID: BED 100

Organization: Waianae Coast Coalition Does request comply with Yes No
Outreach, workshops and classes qualifying standards and conditions?

Service Activity: Does request serve a public purpose? Yes No
Outreach, workshops and classes

	Original Request	Dept. Adjustment	Dept. Recommendations
	FY 2009	FY 2009	FY 2009
<u>Operating Expenses:</u>			
Personal Services:	162,925		162,925
Current Expenses:	114,100		114,100
Equipment:	5,000		5,000
Motor Vehicles:	-		-
Total Requirements:	282,025	-	282,025
Less:			
Net General Funds:	-	-	282,025

COMMENTS AND RECOMMENDATIONS

Organization: Hawaii Construction Career Days

Service Activity: To provide the youth of Hawaii with an insight into employment opportunities and career pathways available in the construction industry.

Comments:

The Hawaii Construction Career Days has been an essential part of the DOE / UHCC partnership with regard to the highly successful Construction Academies that are currently operating in select high schools. The career day functions as a way to bridge the "gap" between education and workforce needs of the industry. It provides the youth of Hawaii with an insight into employment opportunities and career pathways available in the construction industry.

Recommendations:

DBEDT supports the intent of this grant, but does not recommend funding if it will replace the department's priorities as reflected in the Executive Budget Request for Fiscal Year 2008-2009.

