

**YEARLY ACTIVITY PLAN (YAP) - FY '10 & FY'11**

**Division/Attached Agency:**

**Program Name:**

**Program ID:**

**I. PROGRAM PURPOSE AND PRIORITIES**

**Purpose of this program:** Summarize the purpose of this program based on statutory guidelines and functional statement.

The Strategic Marketing & Support Division (SMSD) promotes industry development and economic diversification by increasing the exports of Hawaii products and professional services; expanding Hawaii's participation in global trade and commerce; linking Hawaii firms and organizations to overseas markets to increase opportunities in the global marketplace; supporting existing and emerging industries through the attraction of new business, investment, and support services; activating community based economic organizations to develop entrepreneurial skills and activities; promoting small business incentives such as the Enterprise Zones; protecting against increased business regulations via the Small Business Regulatory Review Board.

**Program Changes:** What changes in the purposes or functions of the program are anticipated or requested and why?

While most businesses throughout the state are suffering due to the recession, the small and community based sectors are suffering even more severely. This sector is also the most vulnerable and last to recover from an economic downturn. Small business, however, is the backbone of Hawaii's economy, its largest job producer, and innovator of new products and services. The division will direct its limited resources toward assisting the small business and community based sector.

**Program Priorities.** Given the existing and anticipated program purposes and responsibilities what are the core priorities going forward and why?

SMSD will concentrate on programs, projects and activities that will directly benefit existing small businesses and community based organizations—to build entrepreneurial skills, protect against business regulations, increase market and business opportunities, take advantage of available incentives, and build strategic and financial alliances with other firms.

**II. PROGRAM GOALS**

**Program Goals:** What are the specific long-term goals (up to 6 years) established to address the program's purpose and priorities?

To continue the division's programs and develop projects and activities, sources of funding other than general funds are required. The overriding long-term goal is to seek and expand outside sources of funding and revenues by developing revenue producing projects, securing grants, and cost sharing or at minimum, cost neutral, activities.

**Biennium Objectives:** What specific objectives and evaluation criteria (metrics, indicators) are planned for:

- a) Year one of the current biennium?
- b) Year two of the current biennium?

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a) Year one, FY 09-10:

Secure grants and funding from outside sources in excess of \$850,000 targeted to economic development programs in communities and small businesses.

Develop projects that promote the export of Hawaii's professional services and products that will cost \$0 in operating funds, while assisting a minimum 50 Hawaii small businesses to expand customer base and markets, and generate \$1 million in new business.

Protect small business from government regulations and promote business incentives through the support of the Small Business Regulatory Review Board and Enterprise Zone program.

b) Year two, FY10-11:

Deploy \$850,000 in funding to assist small businesses and community organizations for economic development projects and business skills training.

At \$0 cost to operating funds, assist a minimum 75 Hawaii small businesses to expand customer base and markets, and generate \$2 million in new business.

Protect small business from government regulations and promote business incentives through the support of the Small Business Regulatory Review Board and Enterprise Zone program.

**Program Challenges:** Briefly summarize what opportunities constraints, etc. the program faces in addressing the biennium goals.

Challenges:

--By year end 2009, division will lose 6 of its 11 professional staff. There will be 5 professionals remaining in the division to accomplish the goals, programs and activities. None of the division's programs and activities have been transferred to other divisions.

Opportunities:

--Given the dire State finances, B&F and the Legislature may be more open to allowing the division to establish a special fund for the Office of International affairs activities by allowing the office to accept funds from fees, private sources and grants and to pay for its projects and activities.

### III. PROGRAM ACCOMPLISHMENTS

**FY 2009 Goals and Accomplishments:** Please list the specific goals that were established for FY 2009 and indicate the extent to which those goals were accomplished.

GOAL: Assist companies to expand market opportunities and increase exports.

ACCOMPLISHMENTS:

-- Produced the Asia-Pacific Clean Energy Summit and Expo at no cost to the State, and assisted 50 Hawaii firms to increase or potentially increase sales of \$1 million.

--Secured the import of \$2.4 million of Hawaii bottled water and foodstuffs, Hawaii DC and art, Hawaii beverages, beauty products and hula supplies.

GOAL: Increase awareness of Hawaii as a location for business and investment.

--Promoted Hawaii products, services and location for investment and travel to 2.7 million Taiwanese people through 10 events that includes sporting events, trade shows, media promotions, presentations and speeches.

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GOAL: Obtain non-general fund resources to support program.

ACCOMPLISHMENTS: Obtained a \$250,000 ARRA grant to Strengthen Communities; contracted with Dept. of Health to manage the disbursement of \$600,000 in environmental grants to the Leeward Coast.

GOAL: Assist in the establishment and development of economically viable, traditional or community-based businesses in Hawaii.

ACCOMPLISHMENT: In 2008-2009, the CBED Program staff provided financial and technical assistance to:

--Waianae Coast Coalition (Waianae Business Resource Center) and Empower Oahu, for their project named Partners in Micro-enterprise Development Program (PMDP). 135 individuals graduated, 69 startups established.

--Seven communities ( Ho`okena on the Big Island for the planning and development of the community's cooperative farm, North Kohala organization to continue their mentorship programs in biotechnology, Hawaii Future Farmers of America Foundation and Hawaii Farm Bureau Federation for the planning and development of the Kohala Agricultural Products Processing Center, the Kapolei Community Development Corporation for the planning and construction of the community's Heritage Center, Hale Ku`ai Cooperative, a Native Hawaiian nonprofit of more than 150 Native artists and craftsmen, Hawaii Cooperative of Organic Farmers (HICOF) for the feasibility study and business planning and design of a Hawaii Organic Food Center and the establishment of the community owned Molokai Land Trust (MLT) and Community Development Corporation (CDC).

GOAL: Build the skill level or capacity of the community to become more economically self-sufficient.

ACCOMPLISHMENT:

--Provided technical assistance training to communities through a contract with the Council for Native Hawaiian Advancement to hold a 2-Day Grantee Forum on Oahu.

--Provided technical assistance training to communities through a contract with the Council for Native Hawaiian Advancement to hold a 2-Day Grantee Forum on the Island of Hawaii - Hilo.

-- Co-sponsored the "7<sup>th</sup> Annual Native Hawaiian Convention – Raising Change – Defining Our Future." The 3-Day convention featured training workshops in Leadership, Alternative Energy, Robotics (S.T.E.M. Education), and (Native Hawaiian) Cultural Education.

--In FY 2009, the CBED Program approved 5 grants totaling \$47,948 and reauthorized grant funding of an additional \$12,998 for 3 community nonprofits to complete their projects previously approved in FY 2008.

GOAL: Build and grow the Global Links program as part of Hawaii's 5-point Economic Plan

ACCOMPLISHMENTS:

--Successfully branded under the "Global Links" banner, various international related activities undertaken by DBEDT including publishing an on-line Global Links Newsletter, Global Links Seminars and Forums and other special events.

--Through 11 Hawaii Global Links Forums, over 420 Hawaii residents were informed about the latest developments in the political, cultural, legal and economic climate that affects business development in various foreign countries.

--The Hawaii Global Links Newsletter reaches over 1,000 readers including education professionals, business executives and government officials in Hawaii.

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- Facilitated Korea Teacher Education Program in Hawaii. As a result of DBEDT's 2008 activities in Korea, DBEDT welcomed 158 English-as-a-Second Language teachers from Korea to Hawaii for a one month teacher education program.
- Planned and organized the International Education Day at the State Capitol where 34 educational institutions and organizations showcased their creative global initiatives that emphasized the importance of international education as an industry in Hawaii.-- Completed a survey of the impact of international education in Hawaii. International students and their dependents spent \$160 million in Hawaii during the 2008-2009 academic year. 13,124 international students studied in Hawaii with the top five countries of origin being Japan, South Korea, Switzerland, Taiwan and the People's Republic of China.
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- Successfully organized business matchmaking meetings between Hawaii resort and environmental planning companies and a delegation from Guizhou Normal University led by its president.
- Planned and organized a program for a delegation from Guangdong Province, China, led by Vice Governor Wan Qingliang. Activities included protocol meetings with government and University of Hawaii officials, signing of an educational agreement with the State of Hawaii Department of Education and a forum featuring the Vice Governor to business, government and education officials interested in doing business or establishing international exchanges with Guangdong Province. Department of Education and a forum featuring the Vice Governor to business, government and education officials interested in doing business or establishing international exchanges with Guangdong Province.
- Planned and secured Niigata, Japan's Governor Hirohiko Izumida and his delegation to Hawaii. A delegation of over 30 business and government representatives from Niigata Prefecture traveled to Hawaii to celebrate the centennial celebration of Niigata immigration Hawaii.
- Successfully attracted over 70 government ministry representatives, journalists and representatives of universities from Asia Pacific nations during January – November 2008.
- Successfully planned and implemented the Asia Pacific Clean Energy Summit and Expo that attracted 800 attendees with over 60% attending from outside Hawaii.
- Drawing upon the department's extensive network including government agencies, international associations, universities, businesses and other international experts, DBEDT successfully attracted nearly 1,000 individuals representing overseas government, business and education entities to Hawaii. DBEDT facilitated briefings and individuals meetings for these groups.

**FY 2009 Evaluation:** What opportunities, constraints, unexpected events, etc. were encountered, how were they addressed, and what impact did they have on accomplishment of goals in FY 2009.

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**IV. ALIGNMENT**

Briefly describe how the program's biennium goals are expected to impact DBEDT's nine strategic objectives?	
1.	<p>Hawaii Five Point Economic Plan (tourism marketing/outreach, CIP acceleration, lower fees/taxes, investment attraction/retention, &amp; maximizing Federal dollars)</p> <p><i>Division will plan, develop and implement a world class international conference on clean and renewable energy that will bring in participants from out of state, help Hawaii companies promote their products and services, attract investment and business alliances, and create jobs in the state. This conference will be revenue generating to the Division.</i></p> <p><i>Division will deploy \$250,000 of federal grant monies for training of community organizations and leverage this funding with other state and county programs.</i></p>
2.	<p>Hawai'i Clean Energy Initiative</p> <p><i>Division will plan, develop and implement a world class international conference on <b>clean and renewable energy</b> that will bring in participants from out of state, help Hawaii companies promote their products and services, and attract investment into the state. This conference will be revenue generating to the Division.</i></p> <p><i>Division will deploy \$600,000 in economic development grants targeted environmental and clean energy projects.</i></p>
3.	<p>Hawai'i Innovation Initiative (technology development, infrastructure for innovation, STEM education, skilled workforce, emerging industries)</p> <p><i>Division will plan, develop and implement a world class international conference on clean and renewable energy that will bring in participants from out of state, help Hawaii companies promote their products and services, attract investment and business alliances, and <b>create jobs</b> in the state. This conference will be revenue generating to the Division.</i></p> <p><i>Division will deploy \$250,000 of federal grant monies for training of community organizations and leverage this funding with other state and county programs, including job training.</i></p>
4.	<p>Global Links</p> <p><i>Division will plan, develop and implement a world class <b>international conference</b> on clean and renewable energy that will bring in participants from out of state, help Hawaii companies promote their products and services, attract investment and business alliances, and create jobs in the state. This conference will be revenue generating to the Division.</i></p> <p><i>Division will work with the Chinese Ministry of Commerce to increase imports of Hawaii products and services into China by establishing a Hawaii showroom in Shanghai and Beijing, and establish a pipeline to Hawaii vendors, manufacturers and service providers.</i></p>
5.	<p>Economic research and data analysis</p>

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6.	<p>Hawai'i Open for Business</p> <p><i>Division will work with the Chinese Ministry of Commerce to increase imports of Hawaii products and services into China by establishing a Hawaii showroom in Shanghai and Beijing, and establish a pipeline to Hawaii vendors, manufacturers and service providers.</i></p> <p><i>Division will plan, develop and implement a world class international conference on clean and renewable energy that will bring in participants from out of state, help Hawaii companies promote their products and services, <b>attract investment and new business</b>, and create jobs in the state. This conference will be revenue generating to the Division.</i></p> <p><i>Division will assist the Small Business Regulatory Review Board to ensure that state government regulations do not negatively impact small business.</i></p>
7.	Workforce Housing
8.	Planning and Land Use
9.	<p>World Class Infrastructure</p> <p><i>Division will plan, develop and implement a <b>world class, annual international conference</b> on clean and renewable energy that will bring in participants from out of state, help Hawaii companies promote their products and services, attract investment and business alliances, and create jobs in the state. This conference will be revenue generating to the Division.</i></p>

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**YAP SUMMARY FORM**

**PROGRAM: SMSD**

<b>PROGRAM PURPOSE</b>	<b>Support and assist small business and community based organizations by advocating reduced state government regulations; providing incentives for manufacturers , agricultural concerns and community organizations; and linking small business to the global marketplace.</b>
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<b>PROGRAM PRIORITIES</b>	<b>LONG-TERM GOALS (up to six years)</b>	<b>BIENNIUM OBJECTIVES</b>	<b>ACCOMPLISHMENTS FY 2009</b>	
			<b>GOALS SET</b>	<b>ACCOMPLISHMENTS</b>
SMSD will concentrate on programs, projects and activities that will directly benefit existing small businesses and community based organizations—to build entrepreneurial skills, protect against business regulations, increase market and business opportunities, take advantage of available incentives, and build strategic and financial alliances with other firms.	<p>To continue the division's small business programs (Small Business Regulatory Review Board, Enterprise Zones, Community Based Economic Development and export projects and activities despite a more than 50% reduction of professional staff (from 11 professionals to 5 professionals).</p> <p>Seek and expand outside sources of funding and revenues by developing revenue producing projects, securing grants, sharing costs and developing cost neutral, activities.</p>	<p><b>YEAR 1:</b> Secure grants and funding from outside sources in excess of \$850,000 targeted to economic development programs in communities and small businesses.</p> <p><b>YEAR 1 AND 2:</b> Develop projects that promote the export of Hawaii's professional services and products that will cost \$0 in operating funds, while assisting a minimum 50 Hawaii small businesses to expand customer base and markets, and generate \$1 million in new business.</p> <p>Protect small business from overburdening state government regulations.</p>	<p>Secure funding for programs from non-general fund sources</p> <p>Develop cost neutral projects that will help Hawaii companies generate \$1million in new business and assist 50 Hawaii small businesses.</p> <p>Continue small business support for the Small Business Regulatory Review Board despite cut of funds and personnel for the mandated program.</p>	<p>Secured \$850,000 in funding from outside sources for the community and small business economic development programs.</p> <p>Produced the Asia-Pacific Clean Energy Summit and Expo at no cost to the State, and assisted 50 Hawaii firms to increase or potentially increase sales.</p> <p>Built up and grew Global Links program—one of the Dept's 5-pt. economic plan.</p>

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### SUPPLEMENTARY INFORMATION

1. Please elaborate on the Challenges the program faces over the current biennium.  
**Reduction of professional staff from 11 to 5.**
2. Please elaborate on optional program changes, strategies, leveraging with other efforts, and assistance from other programs that could help this program accomplish its biennium goals.
3. Describe efforts to explore additional sources of funding including Federal stimulus grants.  
**Secured additional sources of funding but because of reduction in force presently lacking manpower to adequately implement funds.**
4. Summarize your anticipated 2010 supplemental legislative requests and their relationship to the program's biennium or long term goals.