

PROJECT DIRECTIVE

Project Details

Project Title: State of Hawaii (DIA)

Project Number: ST1603

Project Location:

City: Honolulu

County: Honolulu

State: Hawaii

Country: United States

Project Type: ST

Service: DOD

Purpose: To evaluate the needs and capabilities of the State of Hawaii to assist regional efforts to mitigate impacts related to the proposed FY 2016 Defense budget, as well as Defense-related implications of the Budget Control Act (BCA) of 2011.

Background: Since FY 2010, total obligational authority for acquisitions has declined by \$68.7 billion or 29 percent. While the proposed FY16 Department of Defense budget complies with the limits established for FY2016 in the Bipartisan Budget Act of 2013, over the remainder of the Future Years Defense Program, it exceeds the estimated limits on base budget discretionary DoD funding under current law by \$115 billion. These estimated limits reflect the automatic reductions of the caps on Government-wide discretionary funding established in the Budget Control Act of 2011. These caps create uncertainty for the both the Department of Defense and the industrial base.

For 2014, defense spending in Hawaii represented 9.9 percent of the state's share of gross domestic product (GDP). (Source: Defense Spending By State Fiscal Year 2014, Chmura Economics and Analytics for the Office of Economic Adjustment) This share is the 2nd highest in the country and is well above the national average of 2.4 percent. In FY14, procurement spending was \$2 billion which represents over 26% of the total defense spending in the state. Since FY11/12, procurement spending has dropped by approximately 20%. Roughly 80% of defense spending in Hawaii is in the Honolulu County.

Due to a higher than average contribution of defense spending to the states GDP, individual defense related events in the State of Hawaii will have a major impacts on communities and suppliers. Future reductions of activity in the defense industry would have an intense and direct impact on these defense contractors including the Tier 2 and Tier 3 suppliers who contribute to production of defense related products and services. This would also have ripple effects throughout the state beyond the defense industrial base and potentially impacting local small business and community services.

Project Rationale and Scope: 10 U.S.C. §2391 authorizes the Office of Economic Adjustment (OEA) to make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government to assist businesses and workers affected by defense program changes. These efforts can also promote opportunity for economic development and adjustment activities focusing on regional job creation through business development and expansion, workforce development, and community economic adjustment programs.

Accordingly, OEA staff is authorized to travel and undertake activity to determine if technical and/or financial assistance to State or local governments may be required in response to defense program changes and develop assistance to State or local governments may be required in response to defense program changes and develop and manage such assistance consistent with the authorities under 10 U.S.C. §2391.

Project Manager: Csicsery, Sigmund

Timeframe: TBD

Resources (Trips/Grants): Technical and financial assistance, as required.

Community Point of Contact: (b)(6) Executive Director

Community Organization: Dept of Labor and Industrial Relations

Signed
Patrick O'Brien

Routing/Signatures

Date Routed to Regional Director	10/25/2015 Sigmund G Csicsery
Date Routed to Deputy Director	10/28/2015 Gary Kuwabara
Date Routed to Director	10/28/2015 Michael P Gilroy
Date Director Approved	10/28/2015 02:59:22 PM Patrick O'Brien



Program Type: Defense Industry Adjustment

Program Director: Michael Gilroy

Project Manager: Sigmund Csicsery

OGC Comments

Project Details

Project State: HI

Project Year: 2016

Project Number: ST1603

Project Type: State Grants

Please click **Save Draft** after changing Program Type to see updated options.

Congressional District: 01;02

Auto lookup, please start typing and system will display matching options

Project Directive

Project Purpose

To travel to conduct or participate in site visits, training events, conferences, working groups, meetings, and other activities that directly support the Office of Economic Adjustment (OEA) mission and/or add value to OEA human capital development.

To evaluate the needs and capabilities of the State of Hawaii to assist regional efforts to mitigate impacts related to the proposed FY 2016 Defense budget, as well as Defense-related implications of the Budget Control Act (BCA) of 2011.

Project Background

OEA is a Department of Defense Field Activity reporting to the Under Secretary of Defense (Acquisition, Technology, and Logistics) through the Assistant Secretary of Defense (Energy, Installations and Environment). OEA responds to emergent requirements directed by SECDEF, assists states and communities to plan and carry out Defense economic adjustment strategies in response to impacts from Defense program activity (BRAC, budget reductions, compatible use, etc.), and directs a program of technical and financial assistance across Federal Agencies under the Defense Economic Adjustment Program (DEAP) to support DoD's mission and impacted state and local governments. It develops policies, plans and programs; evaluates the economic impacts of Defense activity and responsiveness of potential local industrial and economic development to those impacts; and enlists the help of other elements of the Federal Government, state and local governments, and the private sector.

Since FY 2010, total obligational authority for acquisitions has declined by \$68.7 billion or 29 percent. While the proposed FY16 Department of Defense budget complies with the limits established for FY2016 in the Bipartisan Budget Act of 2013, over the remainder of the Future Years Defense Program, it exceeds the estimated limits on base budget discretionary DoD funding under current law by \$115 billion. These estimated limits reflect the automatic reductions of the caps on Government-wide discretionary funding established in the Budget Control Act of 2011. These caps create uncertainty for the both the Department of Defense and the industrial base.



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Due to a higher than average contribution of defense spending to the states GDP, individual defense related events in the State of Hawaii will have a major impacts on communities and suppliers. Future reductions of activity in the defense industry would have an intense and direct impact on these defense contractors including the Tier 2 and Tier 3 suppliers who contribute to production of defense related products and services. This would also have ripple effects throughout the state beyond the defense industrial base and potentially impacting local small business and community services.

Project Scope (Objectives)

10 U.S.C. 2391 authorizes the OEA grants, conclude cooperative agreements, and supplement funds available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments in planning community adjustments and economic diversification responses to Defense program changes. In order to perform its mission, OEA personnel is required to travel to participate in events that are directly and indirectly tied to specific OEA projects or programs and supports the OEA mission and staff development.

10 U.S.C. §2391 authorizes the Office of Economic Adjustment (OEA) to make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government to assist businesses and workers affected by defense program changes. These efforts can also promote opportunity for economic development and adjustment activities focusing on regional job creation through business development and expansion, workforce development, and community economic adjustment programs.

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Legal Rationale

10 U.S.C. 2391 authorizes the OEA to make grants, conclude cooperative agreements, and supplement funds available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments in planning community adjustments and economic diversification responses to Defense program changes. In order to perform OEA's mission, OEA personnel are required to travel to participate in events that are directly and indirectly tied to specific OEA projects or programs and that support the OEA mission and staff development.

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Upload any additional materials

#	File Name	Size	Date
1.	Project Directive.pdf	79 KB	12/11/2017 15:55



Program Type: Defense Industry Adjustment

Program Director: Michael Gilroy

Project Manager: Sigmund Csicsery

Project Authority

Grant Title: State of Hawaii (DD)

D&F Required?: No

Please explain why a legal authority document is not required

State planning assistance under CFDA 12.617 & 10 U.S.C. 2391 (b)(5)(B)

Formal recognition of an LRA required?: No

Authority Background

Project Requirements

Project Determination

Attach Approved D&F

Funding

Please enter your sources of funding other than OEA

The grant funding is added from the Grants module automatically

Funding Source	Funding Description	Funding Amount	Date Funds Awarded
OEA Grant	State of Hawaii	\$763,856.00	2016-06-27
State of Hawaii	State of Hawaii	\$85,320.00	2016-06-27
TOTAL		\$849,176.00	

Fact Sheet

Project Background

Since FY 2010, total obligational authority for acquisitions has declined by \$68.7 billion or 29 percent. While the proposed FY16 Department of Defense budget complies with the limits established for FY2016 in the Bipartisan Budget Act of 2013, over the remainder of the Future Years Defense Program, it exceeds the estimated limits on base budget discretionary DoD funding under current law by \$115 billion. These estimated limits reflect the automatic reductions of the caps on Government-wide discretionary funding established in the Budget Control Act of 2011. These caps create uncertainty for the both the Department of Defense and the industrial base.

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Main Issue

Milestones

To include more, click Edit Milestones button then select "Include in Fact Sheet" per milestone

Milestone Name Description Estimated Completion Date

Funding

Funding Source	Funding Amount	Funding Description
State of Hawaii	\$849,176.00	OEA Grant

TOTAL

Recent Project Activity

Attach Fact Sheet

Milestones

Name	Description	Status	Resume
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