

HTDC FY27 Operating Plan

July 2026 – June 2027

Contents

Table of Contents

Executive Summary 3

Key Terms 8

1. Programmatic Goals | Aligning Old Programs and Demonstrating Value Through Early Wins..... 9

2. Operational | Build The Organizational Capacity To Deliver 13

4. Financial | Aligning Budget to Strategy and Charting a Path to Sustainability..... 19

Risks and Mitigation 22

Appendix 23

Executive Summary

Hawai‘i’s economy is stable on the surface, but stagnant wages, high costs, and persistent out-migration are making it increasingly difficult for local families to build a future here. Technology and innovation offer one of Hawai‘i’s clearest opportunities to create high-wage, high-mobility jobs, retain local talent, and diversify the economy beyond traditional industries. As the only state agency tasked to grow Hawaii’s tech economy, HTDC is pivotal to the State’s future.

That said, over the past decade, HTDC has made substantial investments in growing the local technology and innovation sector through well-known legacy programs like SBIR, MAP, HCATT, HI-CAP, and the Accelerator program. But, results remained limited as the state’s tech and innovation sector is still quite small, sitting at ~\$4B, which is still only ~4% of our total GDP.

Recognizing a need for change, FY26 marked the beginning of a transition for HTDC. We clarified our role within Hawai‘i’s innovation ecosystem, updated our mission and vision, identified a new theory of change, developed new data-backed strategic priorities, strengthened relationships with key partners, and began moving from broad tech sector development toward focusing on interventions specific to ocean, space, advanced manufacturing, and AI.

This led to **exciting early momentum for the agency.** We:

- Hosted **5 Ecosystem Conferences** with **450 attendees** across all events
- Launched and grew our **Ocean Innovation Hui** to 90+ members, gathering monthly
- **Passed SB2907/Act 186 on Marine Affairs** on the first introduction, something less than **8% of bills** achieve
- **Launched Q34**, the state’s first shared advanced manufacturing space
- Developed an **MOU with the Port of San Diego**, and helped facilitate **7 one-on-one company meetings**, 2 of which might lead to demonstration projects with the Port
- Distributed **\$40K in sponsorships** across **12 partner events**, which reached **6.6K+ attendees**

Despite these promising early wins, over the past six months, Hawaii has faced significant funding pressures because of numerous natural disasters. Paired with the lingering concerns regarding HTDC’s efficacy, HTDC was removed from the State’s general fund leading to new questions about the agency’s long-term funding and stability.

These pressures highlighted a critical organizational reality: **HTDC cannot merely continue with the status quo. The organization must fundamentally shift its strategy, demonstrate results, and communicate its value clearly to stakeholders whose support is essential to sustaining the work.**

FY27 is therefore a critical year to turn this transition into measurable results. Our priorities are to:

1. **Programmatic | Evolve old programs and demonstrate new program value through early wins.** Align or sunset legacy programming as appropriate and begin to deliver a targeted set of initiatives around our emerging sectors that demonstrate HTDC’s ability to identify opportunities, bring partners together, execute effectively, and produce tangible results, while continuing to gather the data necessary for further strategic clarity.
2. **Operational | Build the organizational capacity to deliver.** Realign HTDC’s team, systems, and capabilities around the work now required, while using contractors and other external expertise strategically where appropriate.
3. **Financial | Align budget to strategy and find financial stability.** Begin transitioning HTDC’s budget from legacy programs toward strategic priorities, while using demonstrated results, stronger partnerships, and better data to build confidence among legislators, government partners, federal agencies, philanthropy, and the private sector—and secure the resources needed to sustain and scale what works.

The Board is asked to consider whether the plan is sufficiently focused, resourced, and disciplined to achieve these objectives.

While reading this FY27 Operating Plan, please consider the following key questions:

- Are these the right three priorities for HTDC in FY27?
- Are the proposed FY27 wins and deliverables sufficiently concrete to demonstrate value?
- Does the proposed staffing and contractor investment provide the capacity needed to execute the plan?
- Is the financial approach appropriately disciplined given the funding uncertainty and supported by adequate contingencies?

1. Programmatic | Aligning Legacy Programs and Demonstrating Value Through Early Wins

HTDC has initial stakeholder buy-in, a growing coalition of partners, and a clearer strategic direction around its emerging focus sectors of **ocean, space, AM, and AI**. The priority now is to convert that momentum into a **focused set of early wins around these sectors**, while beginning to transition legacy programming to better align. To note, HTDC's four focus sectors are at different stages of development, with **ocean being the most mature, and AI being the least mature**. HTDC will apply a consistent theory of change across its priority sectors while tailoring interventions to the maturity and specific needs of each ecosystem:

Figure 1: FY27 Programmatic Goals Snapshot

		OCEAN	SPACE	ADVANCED MANUFACTURING	AI	LEGACY
	FY27 Focus	Move Hawai'i's ocean innovation ecosystem from alignment to execution by advancing targeted pilots while continuing to build the ecosystem's knowledge base around infrastructure, workforce, and the innovation pipeline.	Build the foundation for Hawai'i's space economy by establishing governance, developing a shared strategy, building community buy-in, and advancing key infrastructure investments.	Develop a coordinated, multi-nodal advanced manufacturing network by establishing governance, clarifying HTDC's role, and proving market demand via Q34.	Establish the foundation for HTDC's AI work by creating strategic clarity, and building initial governance structures.	Transition legacy programming to better align with new strategy.
	FY27 Win	Hawai'i has a more coordinated ocean innovation ecosystem with a multi-layered governance structure, infrastructure, market pathways, partnerships, and policies in place to thoughtfully implement new pilots, and cross-Pacific partnerships to scale growth.	Hawai'i has stronger governance and a shared development strategy for the space sector, with priority infrastructure investments actively advancing.	Hawai'i has a clearer strategy and governance structure for advanced manufacturing, with multiple key partners, and Q34 operational.	HTDC has a clear role and strategic direction for AI, with initial governance structures and priority areas established to guide future investment and cross-sector action.	All legacy programs including HI-CAP, SBIR, Sponsorships, and HCATT are aligned with a focus sector.
Key FY27 Milestones	Goal 1: Coordinate	Grow the Hawai'i Ocean Innovation Hui to 100+ members and convene at least 4 times; launch and convene the Marine Affairs Governing Board at least 3 times; hire the Marine Affairs Coordinator; launch and convene working groups across workforce, piloting and permitting, regenerative wealth, and policy advocacy.	Launch the Aerospace Board Working Group and, with MEDB, launch an aerospace advisory council that meets 4x annually. Develop and launch a 5-year aerospace development plan with strategies relevant to each island.	Launch HTDC Board AM working group; clarify HTDC's role in the ecosystem; sign MOU with at least 3 key partners including UH; develop AM strategy, recompet and win NIST MEP funding; compete for APEX OTA Phase II.	Launch AI Board Working Group and develop and launch an externally facing AI advisory council. Create an overarching vision and priority focus areas for HTDC's AI strategy.	Event sponsorships are updated to support events related to focus sectors.
	Goal 2: Regen. Wealth	Key partners are identified and a working group is kicked off, initial frameworks and KPIs around regenerative wealth building are created.			N/A	HTDC incorporates regenerative practices into at least 1 pre-existing program.
	Goal 3: Build Infra	Key state agency partners are solidified, a landscape map of latest piloting and manufacturing sites is available to the public, 2-3 target sites for permit improvements are identified, and a pilot for an Oahu manufacturing location is launched.	Advocate for the Hilo horizontal launch hangar bill and funding; upgrade and rebrand MRTC as an aerospace hub to attract SDA companies.	Bring Q34 to 85% capacity; identify supplementary programming for tenants; document initial learnings and provide an annual report to the Board.	N/A	N/A
	Goal 4: Inno Pipeline	Innovation challenge partners and funding secured with clearly defined problem sets and problem owners, financing landscape and innovation pipeline are mapped with clear gaps. MOUs signed with 1-2 cross-Pacific partners to support company offramps.	Support the work of other stakeholders by providing facility and resources at MRTC for SDA companies	Seek continued MAP funding and deploy \$450K in MAP funding.	N/A	Accelerator program is sunset, HI-CAP and SBIR launch new strategy to support focus sectors.
	Goal 5: Workforce	A mapping of existing workforce programming and gaps are identified, with recommended pathways. HTDC has identified 2-5 interventions, 1-2 workforce development partners (e.g., COC, UH), 1-2 industry partners to develop workforce development initiatives.	A mapping of existing workforce programming and gaps are identified, with recommended pathways.	Sign MOU with Kui Hao and launch an internship program at Q34.	N/A	N/A

2. Operational | Realign the Organization to Match Growth and Needs

HTDC enters the coming year with a clearer understanding of the organizational capacity required to deliver on its expanded role as a field catalyst. In FY26, HTDC operated with 12 FTE, often stretching existing staff capacity to cover functions outside their areas of expertise. While the team delivered significant progress, the year also demonstrated a clear lesson: **strategy is only as effective as the organization's ability to execute it**. In 2027, our priorities are:

Figure 2: FY27 Organizational Goals Snapshot

Goal	2027 Win	What We Will Deliver	What This Enables
Build the team	Fill critical vacancies and add essential expertise	3 FTE positions filled (CFO, Marine Affairs Coordinator, Economic Dev Specialist), 3 contracted positions filled for marketing, grant writing, and legislative advocacy	The HTDC team can focus on what they are good at, executing faster and with higher quality.
Strengthen the systems	Leverage AI to automate 5 hours/week of administrative work	10 SOPs created, 3 processes automated using AI agents	Staff get back additional time and capacity to use on delivering impact
Communicate impact	Build legislative confidence in HTDC and establish a stronger case for continued State investment.	Marketing and legislative advocacy contractors hired , develop and execute legislative engagement strategy; regularly communicate HTDC results and impact to legislators.	Impact is being heard and felt by legislators who are more willing to fund us

Together, these priorities are designed to ensure that HTDC has the organizational capacity to turn its strategic ambitions into results—and the ability to demonstrate those results clearly enough to build the trust and support required to sustain and scale its work.

3. Financial | Aligning Budget to Strategy and Charting a Path to Sustainability

HTDC's FY27 budget is funded, but the funding model is fragile. The total budget was finalized in May 2026 and is \$10.4M, including \$2.4M in state appropriations, \$5.7M in federal funding, and \$2.4M from real estate, investment income, and reserves. This provides sufficient resources to execute the FY27 Operating Plan, but much of the funding supporting HTDC's current operations is temporary, restricted, or subject to renewal.

FY27 is a transition year for how HTDC allocates its resources. 43% of the current budget remains tied to legacy programs developed under HTDC's previous operating model, which do not necessarily align with the agency's emerging strategic and operational priorities. As HTDC shifts toward its new role and focuses on priority sectors including Ocean, Space, Advanced Manufacturing, and AI, FY27 will be used to evaluate, realign, and gradually redirect resources toward the programs and capabilities needed to execute the new strategy. This is an overarching lens by which we will think about our financial goals.

At the same time, HTDC must transition to a more sustainable funding model. The agency's removal from state general funds earlier this year makes financial sustainability a core priority for FY27. While HTDC has sufficient near-term resources to maintain core operations and execute this year's priorities, it must use FY27 to build organizational capacity, demonstrate measurable results, strengthen the case for continued state investment, and diversify its funding base through federal funding, real estate revenue, and other sources. The FY28 legislative session will be a key inflection point, with the level of state support helping determine whether HTDC can sustain, expand, or recalibrate its investments.

Together, these two transitions—realigning what HTDC funds and building a more sustainable funding base—are central to FY27. The goal is not simply to find more funding, but to ensure that HTDC's resources are increasingly aligned with the work that will deliver the greatest economic impact for Hawai'i.

As such, HTDC's FY27 financial goals are as follows:

Figure 3: FY27 Financial Goals Snapshot

Priority	2027 Win	What We Will Deliver	What This Enables
State Funding	Establish a clear case for state investment in emerging sector programming	Develop and communicate a results-based case for HTDC's value; align FY27 accomplishments with the outcomes and priorities of the State; strengthen legislative engagement	Creates a stronger foundation for future State funding in emerging sector work and matching resources
Federal Funding	Establish capacity to compete for larger federal grants, especially in emerging sectors, develop a strong pipeline of fundable projects and applications	Hire a grant writer (contract), apply for 3 core opportunities (MEP, APEX OTA), and 1-2 "reach" opportunities (e.g., NSF Tech Hubs) to build out in-house capacity, build pipeline for FY28 applications	Increases HTDC's ability to compete for federal resources and reduces reliance on any single funding source
Real Estate	Establish a plan for real estate investment	Develop a portfolio strategy, assess revenue and investment opportunities, and establish the management capacity needed to execute a real estate strategy	Creates a more predictable source of recurring revenue to support core organizational capacity
Investment Returns	Deploy capital into investments with recurring revenue	Invest in revenue-based financing funds to provide quicker returns	Instead of sitting invested for 7+ years before we see returns, RBF allows us to get money back quickly

4. Legislative Asks

To execute the FY27 Operating Plan, demonstrate measurable results, and build a more sustainable funding model, HTDC is seeking targeted legislative support in the following areas. Finalized details for each of these bills will be presented during the December board meeting.

Figure 4: FY28 HTDC Direct Legislative Asks

Title	Amount	Fund Type	Description	Why
FY28 General Program Funding	~\$2.5M (TBC)	General Funds	Annual general fund support for HTDC programming across Ocean, Space, AI, and Advanced Manufacturing.	Provides core programmatic funding needed to execute HTDC's FY28 priorities. Stable program funding also allows HTDC to leverage additional outside funds rather than relying on a single funding source.
Ocean Innovation Challenge	~\$250K	TBD	Up to \$250K in matching funds to launch an Ocean Innovation Challenge, in which government agencies identify pressing challenges and innovators compete to develop and pilot ready-to-test solutions in Hawai'i.	Creates a direct pathway from government-identified needs to technology adoption, while attracting outside innovators and capital to Hawai'i. The Challenge would also establish a repeatable model for using public-sector demand to accelerate commercialization of ocean technologies.
Marine Affairs	~\$180K	Special	Funding to establish the Marine Affairs Coordinator as a permanent HTDC position. The role is currently supported as a special project and would provide dedicated capacity for blue economy development and coordination.	Creates dedicated capacity to advance Hawai'i's growing blue economy and implement priorities emerging from the state's new marine affairs structure. A permanent position also establishes a counterpart to HTDC's existing aerospace-focused capacity and provides continuity for long-term sector development.
Resiliency for Real Estate	~\$1-7M (TBC)	CIP	Capital Improvement Project funding to improve disaster resilience across HTDC facilities, including backup power, battery storage, and connectivity at the Entrepreneurs' Sandbox, MRTC, KEDB, and FTZ Hilo.	Protects critical facilities and the businesses that rely on them during disasters and reduces operational disruption. Where feasible, investments in solar and battery systems could also reduce long-term operating costs and improve the financial resilience of HTDC's real estate portfolio.

Figure 5: FY28 Legislative Asks through DBEDT

Title	Amt	Type	Description	Goal It Supports
Advanced Manufacturing Site	\$16M	G.O. Bonds	Funding to acquire land at Mililani Tech Park and develop an advanced manufacturing site.	Permanent, state-owned facility to scale after Q34 pilot, creates dedicated physical infrastructure for advanced manufacturing
Aerospace Hanger/Support Infrastructure	\$22M	G.O. Bonds	CIP funding for plans, design, construction, and equipment for an approximately 50,000-SF aerospace hangar and related support infrastructure at Hilo International Airport	Provides critical infrastructure needed to grow Hawai‘i’s aerospace sector and attract new commercial and federal activity to the state.
Fashion Industry Site	\$13.2M	G.O. Bonds	CIP funding for facility and land to support fashion design and manufacturing in Honolulu	Provides critical infrastructure for the Creative Industries sector.

Key Terms

Field Catalyst

An organization that strengthens an ecosystem by **creating and sharing knowledge, convening stakeholders, and advocating for resources** to address shared challenges and unlock opportunities. Rather than directly delivering every solution, a Field Catalyst helps align stakeholders, build the conditions for action, and accelerate progress across the field.

Theory of Change (TOC)

A framework that explains **how and why HTDC's activities are expected to lead to the outcomes and long-term impact it seeks to achieve**. It connects HTDC's role and actions—such as convening, research, partnerships, and resource alignment—to measurable changes in the innovation ecosystem and, ultimately, broader economic outcomes for Hawai'i.

Financial Terms

Revenue Streams

Where HTDC's money comes from

Revenue Type	Context
State	Appropriations, Capital Improvement Projects, Grant-In-Aid
Federal	Federal grants and programs (HCATT, MEP, FAST, HI-CAP)
Real Estate	Rental income from properties (MRTC, Sandbox, etc.)
Investment Returns	Interest or VC returns from HI-CAP program
Program Income	Ticket sales from events, and other earned revenue

Funding Buckets

What restrictions are on HTDC's money, and therefore how it can be used:

Fund Type	Where Does it Come From	Carryover	What Can It Be Used On
General Funds	Comes from state	Expires on an annual basis	Must be used on specific appropriations, typically used for overhead or general programming (e.g., SBIR)
Special Funds	Comes from state or federal or program income	<i>Does not expire</i> on an annual basis, meaning you can carry over funds YOY.	Must be used for special ad-hoc projects
Revolving Funds	Comes from investments returns , real estate revenue	<i>Does not expire</i> on an annual basis, meaning you can carry over funds YOY.	Can be used on any strategic initiatives, operations, and administration. Least restrictive funding source

1. Programmatic Goals | Aligning Old Programs and Demonstrating Value Through Early Wins

FY26 was a year of listening, learning, and re-establishing the foundation for HTDC's work. After multiple years without stable leadership, HTDC needed to get back to basics: understanding the status of Hawaii's technology ecosystem, aligning with the ecosystem on a shared vision and values, and clarifying where HTDC could have the greatest impact.

Key cross-sector accomplishments included:

- **Engaged the ecosystem in shaping HTDC's strategic direction** through the Ecosystem Conference series, with **5 gatherings and 450 participants** contributing to the development of the strategic plan.
 - **Identified Ocean and Space as priority sectors**, with Advanced Manufacturing and Artificial Intelligence serving as enabling capabilities across the portfolio.
 - **Identified shared values** for collaboration and economic development including regenerative wealth
 - **Identified a clear role and theory of change for HTDC as a field catalyst**—an organization that helps coordinate the ecosystem, align resources, and create the conditions for innovation-driven economic growth.
- **Strengthened key ecosystem partnerships** and began building the coordination structures needed to move from individual programs toward a more connected, ecosystem-wide approach.

At the same time, we continued legacy programs which included:

- **Strengthened the innovation pipeline** by distributing \$40K across 12 partner events, providing \$1.3M in SBIR funding, and supporting 20+ companies through **accelerator funding**.
- **Moving large scale PEARL project to final stage** of commissioning led by the HCAT team and contractor Burns & McDonnell
- **\$5M in new allocation** of HI-CAP funding to VC firms providing funding support for local startups.

FY27 is the year we begin to bridge our old programming with our new strategic direction, and close the gap from planning to implementation. With a clearer strategic direction and stronger ecosystem relationships in place, HTDC will shift from primarily understanding the ecosystem to identifying, developing, and advancing a focused pipeline of projects and programs across its focus sectors of **ocean, space, advanced manufacturing and AI**.

Development will not look the same across all HTDC's focus sectors. Ocean, Space, Advanced Manufacturing and AI are at different stages of development and have different infrastructure, workforce, capital, and market needs. HTDC will therefore tailor its approach to the maturity and specific needs of each sector while applying our overarching programmatic goals as a framework to identifying opportunities, testing solutions, measuring results, and determining where further investment is warranted. **As such, the following section provides a FY27 breakdown of priorities and activities for each focus sector, as well as transition planning for legacy programs.**

Ocean

This focus sector is the furthest along. **Hawaii has a strong foundation of research institutions, federal partnerships, ocean assets, businesses, and ecosystem organizations, and HTDC has already brought these stakeholders together around a shared strategy.** The next phase is to move from alignment to detailed planning and execution—advancing targeted pilots, while continuing to do the research necessary to identify infrastructure, workforce, policy, and investment opportunities.

Figure 5: Ocean Strategic Priority Overview

Strategic Goal	Progress to Date	FY27 Desired Win	FY27 Expected Outputs
1. Invest in Intangible Infrastructure	- Launched the Hawai'i Ocean Innovation Hui, growing to 90 members - Created the 5-year Ocean Tech Strategy - Passed SB2907 (Act 186), recognizing Hawai'i's leadership in the blue economy and establishing the Office of Marine Affairs and Marine Affairs Governing Board	Continue to build upon Hawaii's multi-layered governance structure for the ocean tech and innovation ecosystem.	- Continue to convene and grow the Hawai'i Ocean Innovation Hui and Working Groups to 100+ members, gathering at least 4 times (once every 2 months) - Hire Marine Affairs Coordinator - Launch and convene Marine Affairs Board at least 3 times - Publish Blue Economy strategy, which will serve as a parent to the Ocean Tech Strategy

2. Develop Physical Infrastructure	- Identified the need for an O'ahu-based ocean tech and innovation hub - Established a working group for Piloting and Permitting	Develop an investment-ready vision for Hawai'i's validated ocean testbed and advanced manufacturing infrastructure network, including a clear business case for an O'ahu-based hub.	- Map statewide ocean technology infrastructure, capabilities, and gaps - Define the essential capabilities and functions required for an O'ahu-based ocean tech hub - Map current gaps in permitting, and piloting, identify 2-3 locations for quick permitting improvements - Develop and advocate for 1-2 policies to make piloting technologies easier
3. Embed Regenerative Wealth	- Identified regenerative wealth as a key value for economic resiliency and growth - Established a working group for regenerative wealth building	Define what regenerative economic resiliency for ocean tech means, improve one current program, and present actionable next steps	- Work with one or more partners to develop regenerative wealth principles/framework - Identify potential financial tools and regenerative investing mechanisms
4. Strengthen the Innovation Pipeline	- Identified Innovation Challenges as a new program opportunity - Signed an MOU with Port of San Diego and facilitated 7 one-on-one company meetings - Started engaging in partnership conversations with the Pacific Northwest's ocean cluster, Maritime Blue	Create two clear improvements to the current innovation pipeline by launching an innovation challenge, and expanding partnerships with other Pacific ocean clusters.	- Launch first-ever innovation challenge - Develop partnerships with at least 2 additional Pacific Ocean clusters and facilitate at least 5 company introductions
5. Build an Industry-Led Workforce	- Established working group for workforce development	Identify gaps in the current workforce pipeline and present actionable next steps	- Work with one or more industry partners to launch workforce working group - Map priority career pathways and skills analysis - Identify 2-5 interventions - Confirm one industry partner to co-design a workforce initiative - Present strategic recommendations to address workforce development gaps

Space

This focus sector is still developing, with traction in space domain awareness (SDA) in Kihei, Maui and growing interest in horizontal launch in Hilo, Hawaii. In FY26, HTDC built internal capacity by hiring an Aerospace Coordinator and Assistant. In FY27, the Space team will focus on building the sector's foundation—establishing governance, co-developing a shared strategy, and building community buy-in—while also advancing tangible next steps toward long-term infrastructure investments.

Figure 6: Space Strategic Priority Overview

Strategic Goal	Progress to Date	FY27 Win	What We Will Accomplish in FY27
1. Invest in Intangible Infrastructure	- Hired an aerospace coordinator and assistant	Build essential governance structures and find strategic clarity	- Launch the Aerospace Board Working Group - Partner with MEDB to launch an aerospace advisory council meeting 4x per year - Create and launch a 5-year aerospace development plan with strategies relevant to each island
2. Develop Physical Infrastructure	- Identified Hilo as the ideal location for a horizontal launch hangar	Garner funding for key infrastructure, and renovate existing facilities	- Advocate for Hilo Hangar bill - Upgrade and rebrand MRTC as an aerospace hub to attract SDA companies

Strategic Goal	Progress to Date	FY27 Win	What We Will Accomplish in FY27
	- Supported HB1608/SB2077 \$40M bond for Hilo hangar		
3. Embed Regenerative Wealth			Due to the less mature nature of the Aerospace vertical, we are currently prioritizing Goals 1-2
4. Strengthen the Innovation Pipeline			Due to the less mature nature of the Aerospace vertical, we are currently prioritizing Goals 1-2
5. Build an Industry-Led Workforce			Due to the less mature nature of the Aerospace vertical, we are currently prioritizing Goals 1-2

Advanced Manufacturing

This cross-sector capability is still developing, with decent traction and strong interest demonstrated by partner organizations, the DOD, and local startups. FY26 was about identifying Advanced Manufacturing as a focus area beyond the MEP/MAP programs. FY27 is about continuing programming through MEP/MAP while developing a strategy for a multi-nodal advanced manufacturing network, and the governance structures to implement that strategy.

Figure 7: Advanced Manufacturing Strategic Priority Overview

Strategic Goal	Progress to Date	FY27 Win	What We Will Accomplish in FY27
1. Invest in Intangible Infrastructure	- Initial diligence on current advanced manufacturing capabilities	Build governance structures and find strategic clarity	- Launch HTDC Board AM working group - Identify what HTDC's role is for Adv Mfg (APEX OTA Phase I grant) - Recompete and win NIST MEP funding - Compete for APEX OTA Phase II - Sign MOU with UH
2. Develop Physical Infrastructure	- Launched Q34, Hawaii's first advanced manufacturing facility for high-tech companies	Q34 is operational, with initial key learnings documented	- Q34 to 85% capacity - Supplementary programming to support Q34 tenants identified - Annual report to the board with key learnings
3. Embed Regenerative Wealth			
4. Strengthen the Innovation Pipeline	- Distributed \$890K in MAP funding, supporting XX companies	Continue and refine	- Ask for continued MAP funding - Deploy \$450K in MAP funding
5. Build an Industry-Led Workforce		Create a pipeline from training programs to Adv Mfg jobs	- Sign an MOU with Kui Hao - Partner with Kui Hao to launch an internship program at Q34

AI

AI is the least mature of HTDC's cross-sector capabilities and the broader ecosystem in Hawai'i is still emerging. At the same time, AI is rapidly reshaping the economy and will increasingly affect each of HTDC's focus sectors. Given the limited staff capacity available, FY27 will therefore focus on establishing the foundation for HTDC's AI work: developing governance, building strategic alignment across sectors and stakeholders, and identifying opportunities to capture economic value while preparing Hawai'i to manage the workforce and economic impacts of continued AI adoption.

Figure 8: AI Strategic Priority Overview

Strategic Goal	FY27 Win	What We Will Accomplish in FY27
1. Invest in Intangible Infrastructure	Find strategic clarity	- Launch AI Board Working Group - Create overarching vision and focus areas for AI strategic plan - Develop and launch externally facing AI advisory council
2. Develop Physical Infrastructure	NA	Due to the less mature nature of the AI vertical, we will prioritize Goal 1 only
3. Embed Regenerative Wealth	NA	Due to the less mature nature of the AI vertical, we will prioritize Goal 1 only
4. Strengthen the Innovation Pipeline	NA	Due to the less mature nature of the AI vertical, we will prioritize Goal 1 only
5. Build an Industry-Led Workforce	NA	Due to the less mature nature of the AI vertical, we will prioritize Goal 1 only

Legacy Programs

Legacy Programs

HTDC's legacy programs remain important assets, but their design and resource allocation were developed under a different strategic model. In FY27, HTDC will **realign these programs with its focus sectors and Field Catalyst role**, preserving what works while updating criteria, partnerships, and delivery models to more directly support strategic priorities.

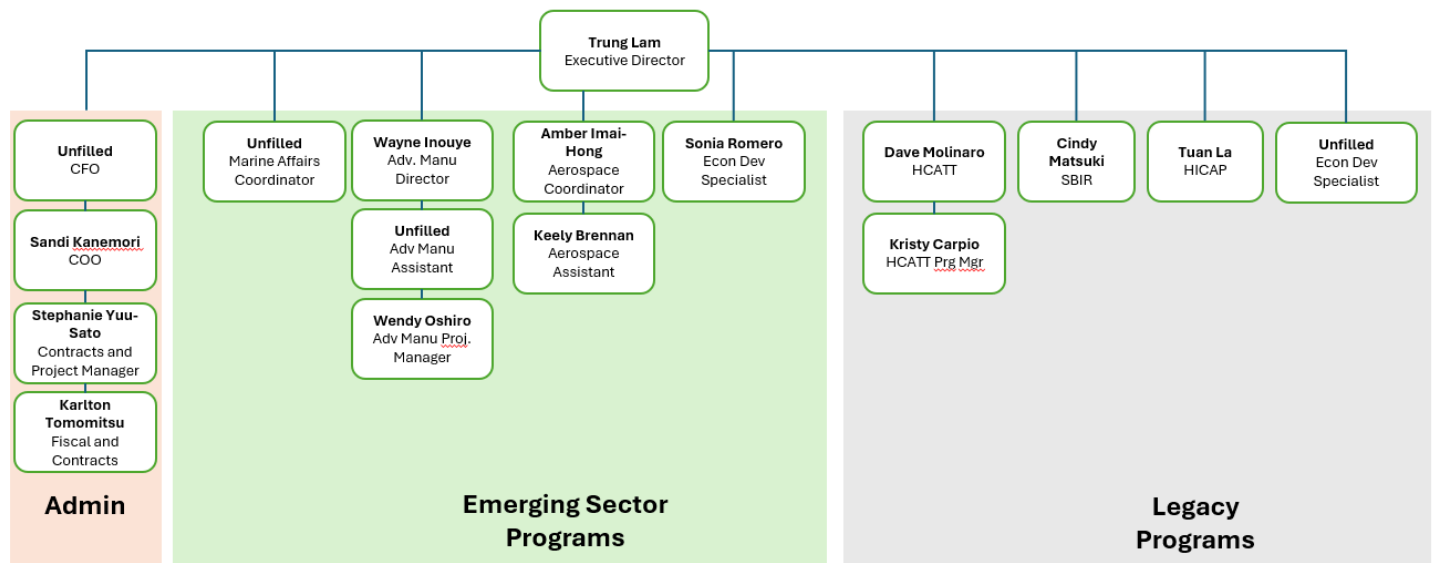
Figure 9: AI Strategic Priority Overview

Program	FY27 Win	What We Will Accomplish in FY27
SBIR	Realign SBIR to better support HTDC's focus sectors and connect companies to downstream commercialization opportunities.	• Update SBIR evaluation criteria to prioritize Ocean, Space, Advanced Manufacturing, and AI • Establish a defined pathway between SBIR companies and Ocean Innovation Challenges
HCATT	Refocus HCATT to strengthen Hawai'i's advanced manufacturing ecosystem and industry connections.	• Define HCATT's role within HTDC's updated sector strategy, building on its relationship with DoD
Accelerator Program	Complete an orderly sunset of the Accelerator Program and transition resources toward higher-priority strategic initiatives.	• Complete remaining program commitments • Develop transition/closeout plan • Redirect staff and financial resources toward priority sector initiatives
Sponsorships	Shift sponsorships from broad event support toward strategic ecosystem-building in HTDC's focus sectors.	• Update sponsorship criteria to prioritize strategic alignment and measurable ecosystem value • Map key event gaps across focus sectors and develop targeted sponsorship opportunities
HI-CAP	Position HI-CAP as a stronger capital pathway for companies and investment opportunities in HTDC's focus sectors.	• Update investment criteria to align with focus sectors • Identify capital gaps within Ocean and Space • Explore mechanisms to catalyze new sector-specific investment, including a potential Blue Economy fund

2. Operational | Build The Organizational Capacity To Deliver

HTDC enters the FY27-FY31 strategy with a team of **15 employees (3 vacancies)**, with **10 staff supported by state funds**, and **5 staff supported by federal funds**. The current staffing structure reflects the organization's historical evolution: **most positions are mid-to-senior level and report directly to the Executive Director**; **programs operate largely in silos**; and **the agency's strongest concentration of expertise is in program management**. At the same time, the lack of clearly defined roles and focus within economic development has resulted in those positions being used as **generalist capacity to fill gaps across the organization**, rather than being deployed toward clearly defined strategic priorities.

Figure 10: FY26 Org Chart



Over the past year, as HTDC has transitioned toward its new strategic role, it has become increasingly clear that the organization's existing structure is not fully aligned with its current priorities or operating model. **The shift from a legacy program model to a more strategic, sector-focused field catalyst role requires corresponding changes in how HTDC is organized, staffed, and resourced.** Several key takeaways have emerged:

- HTDC's new strategy requires an updated set of specialized competencies, which HTDC does not have.** Under this strategy, HTDC is expanding its role as a field catalyst where the team requires skills such as **coordinating stakeholders, fundraising federal and philanthropic funds, advancing policy, generating and disseminating knowledge**, and building conditions for long-term technology-sector growth. This evolution changes not only what HTDC does, but also the capabilities and organizational infrastructure required to do it effectively. Right now, staff are often asked to cover these functions with any additional time they might have, leading the organization to lose effectiveness in that original function.
- Our current management structure limits leadership capacity.** With 9 staff reporting directly to the Executive Director, too much organizational management, coordination, and decision-making is concentrated at the top. As HTDC's portfolio has expanded, this structure has made it increasingly difficult for executive leadership to maintain sufficient time for strategy, external relationships, legislative engagement, resource development, and ecosystem leadership. FY27 requires clearer layers of ownership, decision rights, and accountability.
- Senior staff capacity needs to be protected for high-value work.** FY26 showed that senior staff are frequently pulled into research, administrative coordination, meeting preparation, and other work that can be standardized, delegated, or supported through additional entry-level capacity. As HTDC moves into implementation, senior staff need to spend more time on strategic decision-making, partnerships, legislative relationships, resource development, and project leadership.
- A growing portfolio requires stronger organizational infrastructure.** As HTDC has moved from individual programs toward a portfolio of cross-sector initiatives, partnerships, grants, facilities, and strategic projects, the need for consistent systems and processes has become more apparent. FY26 efforts to strengthen shared systems and institutional knowledge highlighted the importance of standardized workflows, clear ownership, knowledge management, and better use of technology to reduce administrative friction and preserve organizational memory.
- Demonstrating value requires dedicated external-facing capacity.** FY26 reinforced that doing good work is not enough; HTDC must also consistently communicate what it is accomplishing, why it matters, and how partners and public investment are contributing to results. Marketing, communications, legislative engagement, and stakeholder relations are therefore core organizational capabilities that support execution, visibility, trust, and resource development.

Taken together, these lessons point to a clear organizational need: **HTDC does not simply need more capacity; it needs the right capacity, structure, and systems to deploy its existing team effectively.** This will allow HTDC to move faster, execute more effectively, communicate its results clearly, and build the credibility and partnerships needed to sustain and scale its work.

Summary of Strategic Priorities

1. Build the team and the organizational structure we need to execute. Fill critical vacancies and add targeted expertise where there are demonstrated capacity gaps, while using contractors strategically for specialized functions. Restructure the organization to more effectively absorb this new capacity. Our approach will prioritize capability over headcount and ensure that any new investment in personnel is tied to a clear organizational need.

2. Strengthen the systems that allow us to scale. Standardize core operating processes, improve knowledge management and internal collaboration, clarify roles and decision rights, and strengthen the tools and systems needed to manage a growing portfolio of projects, partnerships, and funding opportunities.

3. Build the capacity to communicate and demonstrate impact. Strengthen marketing, communications, legislative engagement, and external storytelling so that HTDC can consistently communicate its progress and value to legislators, partners, funders, and the broader community. As HTDC moves into implementation, effectively communicating results will be essential to building trust, demonstrating the value of public investment, and creating support for future funding.

Together, these priorities are designed to ensure that HTDC has the organizational capacity to turn its strategic ambitions into results—and the ability to demonstrate those results clearly enough to build the trust and support required to sustain and scale its work.

Goal 1: Build the team

Objective 1: Fill priority positions. Given HTDC’s constrained budget, we are **not pursuing broad-based headcount growth.** Instead, we are taking a targeted, mixed-model approach: fill 3 -4 existing vacancies, 3 contracts for specialized expertise where it is more efficient.

Figure 11: Hiring Plan

Role / Capacity	Employment Type	Primary Responsibilities	Why We Need It	Timing
CFO	Full-time	Budgeting; forecasting; financial controls; grant/contract management; financial reporting	The current CFO position is unfilled, and it is a critical role to align strategy to funding, as well as ensure budgets and expenses are well controlled.	Q1
Economic Dev Specialist - Ocean	Full-time	Coordinate ocean sector activities including stakeholder meetings, and legislative priorities.	HTDC’s ocean work is rapidly growing and requires analyst-level support	Q2
Marine Affairs Coordinator (MAC)	Full-time	Coordinate marine affairs activities; manage stakeholder coordination; advance ocean initiatives	In addition to being mandated by Act 186, hiring a MAC will build dedicated capacity for HTDC’s growing blue economy work and implementation of marine affairs priorities	Q2
Legislative / Government Affairs Support	Contract	Develop HTDC’s legislative strategy; bill tracking; government relations; policy development	There is currently no one on staff with legislative expertise.	Q2
Marketing & Communications	Contract	Lead all marketing and communications; manage website relaunch; run key events; stakeholder communications	There is currently no one on staff with marketing and communications expertise	Q2
Grant Writer	Contract	Lead grant-writing, grant sourcing, and other business development	There is currently no one on staff with grant writing expertise	Q2

Role / Capacity	Employment Type	Primary Responsibilities	Why We Need It	Timing
Senior Director, Emerging Cluster Development (formerly Project Development Manager)	Full-time	Manage and lead ocean, space, and advanced manufacturing teams;	Removes 3 direct reports from Trung and coordinates emerging sector teams. Will fill if funding conditions are optimistic	Q3

Objective 2: Redescribe two existing positions. HTDC has two current positions whose responsibilities and titles no longer meet the current needs of the organization. We will go through the administrative processes to redescribe these positions.

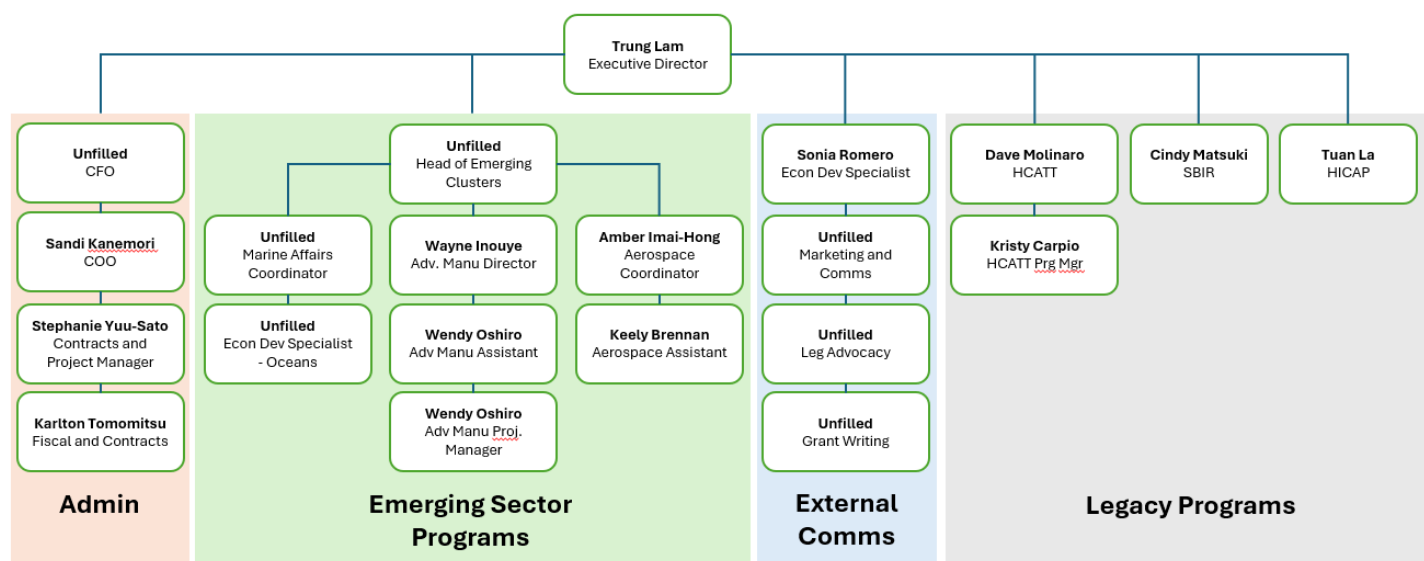
Figure 12: Updated Role Title and Descriptions

Note: We are updating the role title and responsibilities. Pay will remain consistent.

Role / Capacity	Manages	Primary Responsibilities	Why We Need It
Senior Economic Program Manager>> Head of Operations	2 FTE	Manage operational goals, oversight over administrative team, and real estate assets.	As the agency grows, HTDC needs greater administrative capability. The current Senior Economic Development Specialist is one of the most tenured members on the team and has an excellent understanding of the procedures necessary to get things done. She has functionally been playing this role for the past year.
Project Development Manager >> Senior Director, Emerging Cluster Development	7 FTE	Manage and lead ocean, space, and advanced manufacturing teams; develop initiatives; identify funding opportunities	HTDC needs additional management and leadership capabilities to drive rapid and consistent growth across all sector focus areas.

Objective 3: Restructure the organization. Create clearer lines of accountability and more focused management across teams, while reducing the Executive Director's span of control and enabling greater focus on strategic leadership, external relationships, and resource development.

Figure 13: Updated Org Chart



With these updates, HTDC will have the necessary staff to carry out its programmatic objectives will also having the organizational structure to manage these changes.

Goal 2: Improve Operating Systems

Objective 1: Standardize and automate core processes. Develop standardized processes, templates, and SOPs for recurring administrative and operational functions, and use automation and AI where appropriate to reduce manual work and improve consistency. Priority areas include:

- Purchasing and P-card processes
- Contracts and agreements
- Grant and funding management
- Board meeting preparation and follow-up
- Event planning and execution
- Newsletter and external communications workflows
- Document management and institutional knowledge
- Staff onboarding and offboarding

Why we need it: As HTDC's portfolio grows, relying on individual staff knowledge and informal processes creates unnecessary administrative burden and organizational risk. Standardizing recurring work will reduce duplication, improve consistency, preserve institutional knowledge, and allow staff to spend more time on strategic and programmatic work.

Objective 2: Strengthen the CRM and organizational data infrastructure. Establish a clear CRM strategy and improve HTDC's ability to manage relationships, track engagement, and use organizational data to inform decision-making.

Key actions:

- Define what information HTDC needs to track and why
- Establish consistent data standards and ownership
- Clean and organize existing contact and stakeholder data
- Develop a manageable process for maintaining the CRM
- Integrate CRM data into program, partnership, and stakeholder reporting where appropriate

Why we need it: HTDC's role as a field catalyst depends on its ability to understand and coordinate relationships across a growing ecosystem. A stronger CRM will reduce reliance on individual staff knowledge, improve continuity, and provide a more useful foundation for stakeholder engagement, reporting, and resource development.

Goal 3: Strengthen Communications and Brand

Objective 1: Launch the HTDC rebrand and strengthen the organization's external presence. Implement the HTDC rebrand and establish a consistent visual and messaging identity across the organization's primary external channels.

Key actions:

- Finalize the HTDC brand identity and messaging
- Relaunch and update the website
- Develop updated presentation, document, and event templates
- Establish core messaging for HTDC's role as a field catalyst
- Create consistent messaging for priority sectors and initiatives

Why we need it: As HTDC takes on a clearer role in Hawai'i's innovation ecosystem, the organization needs a consistent external identity that makes its purpose, priorities, and value proposition easy to understand.

Objective 2: Establish a consistent communications and external storytelling function. Develop a coordinated approach to communicating HTDC's work, progress, partnerships, and results to legislators, government partners, industry, funders, and the broader community.

Key actions:

- Hire marketing and communications contractor
- Establish communications standards and workflows
- Develop an annual communications calendar
- Coordinate 2-3 key externally facing flashy events to build credibility

Why we need it: FY26 demonstrated that HTDC is doing more work than is consistently visible externally. Stronger communications will help translate that work into a clear narrative about results, demonstrate the value of HTDC's role, and strengthen relationships with the stakeholders whose support is critical to the organization's success.

Objective 3: Build an internal system for measuring and communicating impact. Develop an internal impact measurement and reporting system aligned with HTDC's updated strategic goals and KPIs, and use it to support regular performance reporting to leadership, the Board, legislators, partners, and funders.

Key actions:

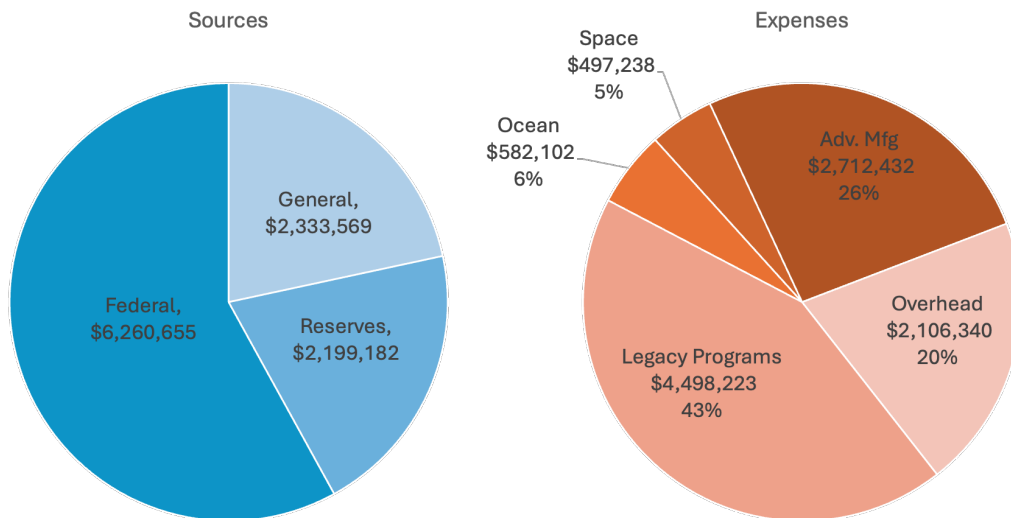
- Develop an internal impact dashboard aligned with strategic KPIs
- Create quarterly performance reporting
- Develop consistent reporting formats for major initiatives

Why we need it: As HTDC moves from strategy development into implementation, it needs a consistent way to demonstrate what is changing as a result of its work. Impact measurement will strengthen internal decision-making while providing the evidence needed to demonstrate value and build confidence among current and prospective funders.

4. Financial | Aligning Budget to Strategy and Charting a Path to Sustainability

With a clear strategic direction and a plan to operationalize it, FY27 is about ensuring HTDC has the resources to deliver and sustain that work. **Financially, this will be a “prove and build” year—beginning to realign resources with strategic priorities while using results, partnerships, and demonstrated value to build a more diversified and sustainable funding base.**

HTDC is funded for FY27, but the funding model is fragile and the current allocation of resources does not yet fully reflect the organization’s new strategic direction. The FY27 budget was appropriated by the State Legislature in May 2026 and provides sufficient resources to execute the FY27 Operating Plan. The budget includes approximately \$2.5M in state funds, \$5.6M in federal funding, and approximately \$1.8M in revolving funds. When we look at how this budget will be spent, we can see that 20% will be on overhead, 43% on legacy programs, and 37% on emerging sector programming.



That said, HTDC enters FY27 in a fundamentally different funding environment than in previous years. For the past 6 years, the organization relied on State General Funds to support core organizational capacity and programming, supplemented by federal grants, and revenues associated with its real estate portfolio. In FY26, HTDC received \$0 in the budget bill and had all its positions moved from general to revolving funded. In a separate emergency funding bill, HTDC received \$2.5 million in general funds to cover operations and programs for FY27.

This represents a significant shift in HTDC’s funding relationship with the Legislature and underscored three important takeaways from legislative discussions and testimony:

1. **The Legislature is seeking a new approach to State investment.** Legislators expressed concern about continuing to fund the same programs year after year without a clear evolution in approach, outcomes, or demonstrated return on public investment. This reinforces the need for HTDC to demonstrate how its current strategy differs from historical programming and how State resources are being used to create measurable economic impact.
2. **HTDC is expected to diversify its funding base.** Legislators indicated that, as an economic development agency, HTDC should have the capacity to generate and attract resources beyond State general funds. This reinforces the need to build a more diversified funding model that leverages federal, real estate, private, philanthropic, and other sources of capital alongside State investment.
3. **Future State investment will depend on demonstrated results.** Legislators indicated that continued or restored State funding should be supported by evidence that HTDC is delivering tangible results. This makes FY27 an important year for demonstrating execution, communicating outcomes, and building a clear case for continued public investment.

HTDC can no longer assume that its historical funding model will return in the near term. The organization must build a funding model that is more diversified, predictable, and aligned with the different roles that each funding source can appropriately play. At the same time, HTDC must make it clear how important the agency is and advocate to continue to receive general funds for its programs and personnel.

FY27 is therefore a transition year in two important respects.

First, HTDC is transitioning its program portfolio. Much of the agency’s current programmatic funding remains tied to legacy programs developed under its previous operating model. While these programs have played an important role in Hawai‘i’s technology ecosystem, they do not all directly align with HTDC’s emerging strategic priorities or field catalyst role. FY27 provides an opportunity to maintain essential legacy programs while beginning to realign resources toward the sectors, initiatives, and capabilities identified in the new strategy. For example, SBIR and MAP remain important ecosystem investments, but their FY27 funding levels are significantly below historical levels, creating an opportunity to reconsider how these programs are structured and integrated with HTDC’s broader strategy beginning in FY28.

Second, HTDC is transitioning its funding model. For the past six years, the agency relied substantially on State general funds to support both core operations and programming. In FY26, HTDC received no programmatic general funds and its positions were moved from general fund to revolving fund support. A separate emergency appropriation subsequently provided approximately \$2.5M in general funds for FY27 programming and operations. This represents a significant change in HTDC’s relationship with the Legislature and means the agency can no longer assume that its historical funding model will continue.

The near-term position is stable, but the medium-term outlook requires action. Revolving funds provide sufficient capacity to cover approximately \$1.8M in annual core personnel costs. Based on current reserves and real estate revenues, this provides several years of runway for core organizational capacity. However, this should be viewed as a bridge rather than a sustainable long-term funding solution: continued use of revolving funds reduces the resources available for future investment.

HTDC’s primary financial exposures are:

Funding Source	FY27 Position	Key Risk
State funding	~\$2.5M appropriation; ~\$2.3M available after holdback	Program funding is temporary and not guaranteed beyond FY27. Loss of this funding would require reductions to programs or increased reliance on revolving funds.
Federal funding	~\$5.6M	Several major awards are approaching the end of their current terms. INNOVATE Hawai‘i, for example, will compete for a new long-term award, while HCATT and HI-CAP are also approaching major funding transitions.
Revolving funds	~\$1.8M supporting FY27 payroll	Provides near-term stability but is not a recurring revenue source. Continued use reduces reserves and exposes HTDC to potential future State decisions regarding these funds.

The immediate financial risk is not an inability to operate in FY27; it is failing to use FY27 to build a more sustainable organization. HTDC’s long-term objective is **not simply to replace lost State general funds dollar-for-dollar**. It is to establish a balanced funding model in which different sources of capital serve different purposes:

- **Real estate and other recurring revenues** provide a stable base for core organizational capacity and essential operations.
- **Federal funding** supports programs, projects, and initiatives aligned with federal priorities and Hawai‘i’s strategic opportunities.
- **State funding** provides flexible capacity to pilot new initiatives, provide matching funds, and invest in priorities where federal or private funding alone is insufficient.
- **Private, philanthropic, and other strategic funding** supports pilots, innovation challenges, ecosystem initiatives, and other opportunities that benefit from flexible capital.

As such, HTDC has the following financial goals:

- 1. Increase State Legislative Support:** Build a stronger case for sustained State investment by demonstrating measurable results, clearly communicating HTDC’s economic value, and aligning legislative requests with statewide priorities.
- 2. Increase Federal Funding Flows:** Expand and diversify federal funding by strengthening HTDC’s grant pipeline, building federal partnerships, and positioning Hawai‘i’s priority sectors for competitive federal investment.
- 3. Increase Earned Revenue Through Real Estate:** Strengthen HTDC’s real estate portfolio as a reliable source of recurring revenue by improving asset performance, pursuing strategic investments, and identifying opportunities to increase long-term returns.

Goal 1: State Legislative Support

Build sustained legislative confidence in HTDC by demonstrating the agency's value, communicating tangible results, and clearly connecting HTDC's work to statewide economic priorities. Use stronger legislative relationships, consistent performance reporting, and a compelling case for public investment to secure continued State support and funding for HTDC's core capabilities and priority initiatives.

Key Actions

- Hire legislative advocacy and communications contractors
- Develop CRM profiles for each legislator with key information regarding likes, dislikes, etc.
- Develop and execute a legislative engagement strategy focused on building year-round relationships with key legislators, committees, and State partners.
- Provide consistent, targeted communications to legislators including project updates, success stories, performance data, and briefings on HTDC priorities.

KPIs

- 10+ substantive one-on-one meetings with legislators discussing new emerging sector work
- 100% of legislators mapped in CRM tool
- Increase number of legislative allies from 3 to 7
- \$2.5M in funding secured for HTDC's emerging sector programming

Goal 2. Increase federal funds flowing to HTDC

Establish a coordinated federal funding strategy and build the pipeline, partnerships, and internal capacity needed to significantly increase federal funding to HTDC.

Key Actions

- Contract a grant writer
- Map priority federal funding programs across HTDC's emerging focus sectors.
- Develop a pipeline of priority applications, including lead organization, partners, funding amount, and timing.
- Apply to 2-3 priority grants with high probability of success
- Apply to 1-2 "reach" grants aligned with emerging focus sectors

KPIs

- \$100M in federal opportunities identified
- \$30M in applications submitted
- \$3M in federal funding awarded

Figure 14: FY27 Grant Pipeline

Grant	Amount	Status	Due Date
APEX OTA Phase II	\$20M	Waiting on Phase I results	March 2027
EPSCoR E-RISE	\$8M	Application period	July 2027
NIST MEP	\$8M	Recompete in March 2027	March 2027
NSF: 24-584, Advanced Technological Education	\$1M	Submitted in support of UH, waiting on results	October 2026

Goal 3. Increase earned revenue through real estate

Establish a long-term real estate and asset strategy while increasing utilization and revenue from existing HTDC facilities and identifying opportunities for strategic portfolio growth.

Key Actions

- Assess the current portfolio, utilization, revenue, and operating costs.
- Develop strategies to increase occupancy and/or revenue.
- Develop strategies to reduce operating costs including PV + Battery and other energy saving measures

- Define criteria for future acquisitions, development, and disposition.
- Identify 2-3 potential real estate investment opportunities

KPIs

- Real estate/asset strategy completed
- Earned revenue across real estate assets increased by \$50K annually
- 1 potential acquisition/development opportunities evaluated

5. Risks and Mitigation

HTDC has identified the following risks, issues, and mitigation strategies that could affect the FY27 operating plan.

Risk	Issues Created	Mitigation
No future General Funds	Without general funds, HTDC cannot grow its emerging programs.	Ensure the ROI of our work is clear. We have created a scenario analysis depending on the level of general funds allocated that will influence our hiring and program strategy after FY27. SEE APPENDIX.
Revolving Funds taken away	We currently rely on revolving funds to pay for overhead. This would shorten HTDC's runway by multiple years.	Ensure legislators understand the importance of HTDC's work and how the funding ties into the long-term strategic plan. We have created a scenario analysis if this occurs and how that will influence our hiring and program strategy after FY27. SEE APPENDIX.
HTDC loses NIST MEP recompetete	No longer have funding to focus on advanced manufacturing.	Create a strong strategic plan for growing the Adv Mfg sector, focused on program income, and ensure we hit our goals in our final year of the program.
Additional focus areas assigned to HTDC	HTDC is at capacity with our current focus areas. Spreading ourselves too thin would make it impossible to move the needle in building the tech economy.	Show strong results in Ocean/Space/Adv Mfg so we can justify focusing. In addition, ensure that any new focus areas for HTDC come with additional funding and positions.
Loss of KEDB and FRTC land	Valuable but underutilized real estate properties leave HTDC's balance sheet reducing our assets.	Trade or sell the parcels for other assets that can provide value to HTDC.
Q34 pilot is unable to get to 85% occupancy	Doesn't allow HTDC to develop the Adv Mfg opportunity in Hawaii and take advantage of \$30M+ in federal spending coming to the state	Ensure Q34 tenants succeed, and are in alignment with federal priorities.

6. Appendix

Accountability Matrix

Figure 15: Operational Goal Accountability Matrix

Goal	Key FY27 Initiative	Lead	Key Support
Goal 1: Invest in Intangible Infrastructure	Establish ecosystem coordination infrastructure	Senior Director, Emerging Clusters	Executive Director; Communications
	Develop and maintain sector landscape maps	Senior Director, Emerging Clusters	Research/Data; sector leads
	Convene cross-sector stakeholders around shared priorities	Senior Director, Emerging Clusters	Marine Affairs Coordinator; Communications
Goal 2: Develop Physical Infrastructure	Advance priority infrastructure projects	Senior Director, Emerging Clusters	Project/Program Support; Finance
	Identify funding opportunities for infrastructure	Senior Director, Emerging Clusters	CFO; Legislative/Government Affairs
Goal 3: Embed Regenerative Wealth	Define regenerative wealth principles	Senior Director, Emerging Clusters	Sector leads; Native Hawaiian partners
	Develop projects/programs that operationalize those principles	Senior Director, Emerging Clusters	Project/Program Support
Goal 4: Strengthen the Innovation Pipeline	Identify and advance high-potential innovation opportunities		Accelerator/SBIR teams
Goal 5: Build an Industry-Led Workforce	Map workforce needs and gaps		Workforce partners; sector leads
	Develop industry-led workforce initiatives		Project/Program Support

Figure 16: Operational Goal Accountability Matrix

Goal	Key FY27 Initiative	Lead	Key Support
Goal 1: Build the team	Hire key positions	Director of Operations	NA
	Implement an updated organizational structure	Director of Operations	NA
Goal 2: Improve our current systems	Build out SOPs	Director of Operations	NA
	Integrate 1-2 automations	Director of Operations	NA
	Increase use of CRM	Director of Operations	NA
Goal 3: Improve the brand	Launch HTDC rebrand	Econ Dev Spc	Marketing and Comms
	Update HTDC website	Econ Dev Spc	Marketing and Comms
	Establish communications standard	Econ Dev Spc	Marketing and Comms, Leg Advocacy
Goal 4: Improve our measurement and evaluation	Develop an internal impact measurement dashboard	Econ Dev Spc	Marketing and Comms
	Establish quarterly performance reporting	Econ Dev Spc	Marketing and Comms

Figure 17: Financial Goal Accountability Matrix

Goal	Key FY27 Initiative	Lead	Key Support
Goal 1: Increase state funding flows	Develop engagement strategy and materials	Leg advocacy contractor	Trung
	Meet with legislators	Leg advocacy contractor	Trung
Goal 2: Increase federal funding flows	Map priority federal programs	Econ Dev Spc	Grant writer
	Apply to core grants	Econ Dev Spc	Grant writer, Adv Manu Lead
	Apply to reach grants	Econ Dev Spc	Grant writer, MAC, Econ Dev Specialist (Ocean)
Goal 3: Increase earned revenue through real estate	Assess current portfolio	Trung	TBD
	Develop strategy to increase revenues	Trung	TBD
	Identify additional investment opportunities	Trung	TBD

Scenario Analysis

HTDC's FY27 planning must account for significant uncertainty around future State funding. The scenarios below are not predictions; they illustrate how HTDC could respond to different levels of legislative support and fiscal capacity. In each scenario, FY27 serves as an important decision point for determining the pace and scale of future investment.

Scenario 1: Investing in HTDC — Optimistic

Assumptions:

HTDC continues to build momentum through FY27, demonstrates tangible results from its priority initiatives, and strengthens its relationships with legislators and other stakeholders. Legislative confidence in HTDC improves, and the Legislature provides at least \$2.5 million in State funding for programming, along with additional resources for priority legislation or initiatives. The broader State fiscal environment also begins to stabilize.

Path Forward:

Use FY27 as a bridge year to maintain momentum and build the organizational capacity required for larger-scale implementation beginning in FY28. Continue demonstrating results, strengthening partnerships, and positioning HTDC for a larger investment cycle in FY30.

Implications for FY27:

- Fill priority positions and restructure the organization as outlined in the operating plan.
- Invest in marketing, communications, and legislative advocacy to strengthen HTDC's visibility and case for continued State investment.
- Continue targeted investment in priority initiatives rather than broad-based program expansion.
- Use new State resources to complement—not replace—federal, real estate, and other funding sources.
- Preserve sufficient revolving resources to maintain financial flexibility and reduce reliance on finite reserves.

Implications beyond FY27:

Strong FY27 results would position HTDC to move from proving its model to scaling successful initiatives, supported by increased legislative confidence and investment. This would create the foundation for a larger FY28–30 investment cycle while continuing to diversify HTDC's funding base and build the organizational capacity needed to sustain growth.

Scenario 2: Cautious Growth — Base

Assumptions:

HTDC continues to demonstrate progress, but legislative confidence remains mixed. The Legislature recognizes the agency's potential but remains cautious about restoring funding, particularly given continued pressure on the State budget following recent storms and other fiscal demands. The Legislature provides some State funding, but less than \$2.5 million, and most additional funding requests are not approved.

Path Forward:

Prioritize organizational stability and proof of impact over expansion. Use FY27 to strengthen the capabilities most directly tied to execution, legislative confidence, and future resource development while preparing for a more constrained operating environment if State funding does not materially improve.

Implications for FY27:

- Fill only the highest-priority FTE positions, potentially limiting hiring to 1–2 of the identified positions.
- Prioritize marketing, communications, and legislative advocacy capacity because these functions are directly tied to demonstrating value and building future State support.
- Continue core strategic initiatives, but prioritize projects based on impact, funding availability, and alignment with HTDC's core role.
- Increase reliance on federal, real estate, and other external funding sources to support programmatic work.
- Develop a prioritized list of potential programmatic and staffing reductions so the organization can respond quickly if funding deteriorates.
- Establish clear financial triggers for when additional cost reductions or program prioritization would be required.

Implications beyond FY27:

Limited State funding would require HTDC to remain focused on core priorities and continue to use FY28-FY30 to build its case through demonstrated results rather than expanding its portfolio.

Scenario 3: Protecting Core Capacity — Pessimistic**Assumptions:**

HTDC is unable to demonstrate sufficient momentum or results to materially change legislative sentiment. The Legislature provides no additional State funding and does not approve major funding requests. Continued pressure on the State budget results in additional reductions or restrictions on revolving resources, shortening HTDC's financial runway.

Path Forward:

Shift from growth and capacity-building to preservation of the organization's core functions and highest-value assets. Protect the capabilities necessary to manage existing obligations, pursue federal funding, manage the real estate portfolio, and maintain a pathway for future recovery.

Implications for FY27:

- Freeze most hiring and evaluate existing positions against core organizational needs.
- Reduce discretionary operating expenses and non-essential contracted services.

Implications beyond FY27:

Under this scenario, HTDC would need to begin reducing its cost structure immediately rather than relying on continued use of revolving resources to maintain the current organization. The priority would shift from building capacity to **preserving a viable core organization and extending the financial runway** while maintaining the capabilities needed to pursue future funding opportunities.

Figure XX: FY27 Revenue Broken Down by Category

Sources

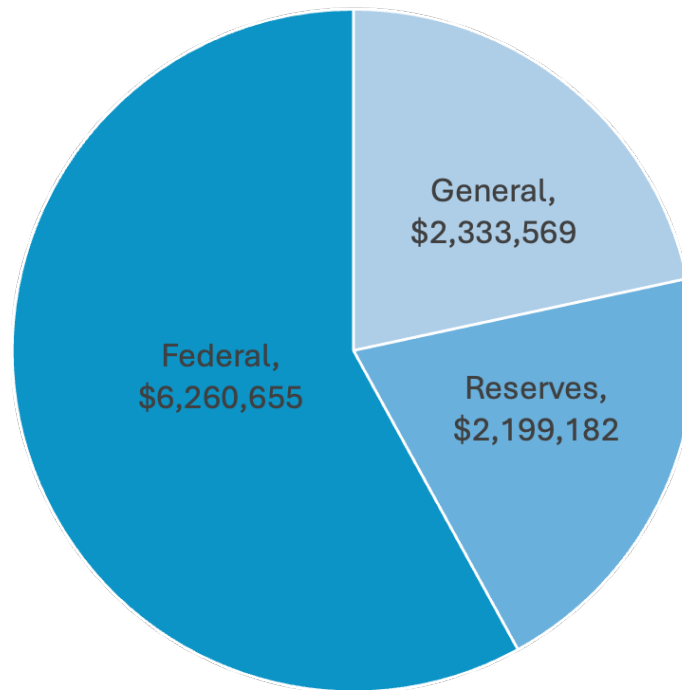


Figure XX: FY27 Expenses Broken Down by Category

Expenses

