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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

November 11, 2016

FINANCE MEMORANDUM

MEMO NO. 16-17

TO: All Department Heads

FROM: Wesley K. Machida *Wesley Machida*
Director of Finance

SUBJECT: Department of Budget and Finance's Recommendations on FB 2017-19
Executive Budget Requests

Your department's FB 2017-19 Executive Budget requests for operations and capital improvement program (CIP) projects, as applicable, have been jointly reviewed with the Governor's Office with due regard to program requirements, the Administration's priorities, and the State's fiscal condition. In total, over \$1.2 billion for FB 2017-19 in general fund requests were submitted and considered in light of the State's limited general fund resources.

Attached are the Department of Budget and Finance's (B&F) recommendations on your department's requests. Please review these recommendations.

Should you wish to appeal any of the proposed actions, the Governor and I will be available to discuss your concerns from Tuesday, November 15, 2016, to Thursday, November 17, 2016, and Saturday, November 19, 2016. As you may know, the Governor's Office has already scheduled appointments for budget appeals. All meetings will be held at the Governor's Conference Room.

Your appeal should focus on higher priority requests which are reasonable and sustainable. Departments with budget appeals should prepare an appeal list using the revised Form B (*Department Summary of Operating Budget Adjustment Requests*) or Form S (*Department Summary of Proposed CIP Lapses and New CIP Requests*), which reflects B&F's recommendations (electronic files will be e-mailed by your B&F analyst). Please refer to the attached sample layouts for the operating and CIP appeal lists and comments for operating appeals (comments for CIP appeals should be made on the Form S appeal list).

Appeal lists should adhere to the following guidelines:

- Keep all original budget requests intact. Do not delete requests from the revised Form B or S that are not being appealed or change the priority order or amounts of your original requests.
- Highlight the entire row for each request being appealed.
- Indicate additional amounts only (delta). Amounts requested on appeal should be in addition to the B&F recommendation. For example, if \$500,000 was requested and \$300,000 was recommended but full funding (\$500,000) is a priority requirement, the appeal amount should be \$200,000.
- Tradeoffs are encouraged. Indicate the B&F recommended amount to be traded off with a negative (-) amount. Your comments should indicate that it is a tradeoff and should identify the request proposed to be funded in its place.

Please bring ten copies of your department's appeal list(s) to your appointment and e-mail the electronic file(s) to your B&F analyst prior to your appointment.

As a reminder, note that the following due dates are quickly approaching in the budget process:

1. By Wednesday, November 30, 2016, the following must be submitted, reflecting the Governor's final budget decisions:
 - a. For all departments except the Department of Education (DOE), University of Hawaii (UH), and the Department of Transportation (DOT): Updated BJ Summary Tables in eBUDDI. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision.
 - b. For DOE, UH, and DOT: Hard copies, Excel files, or other electronic files of the updated BJ Summary tables. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision.
 - c. All departments: Two copies of the updated Budget Narratives; Forms PAB, CIPOp and CIPOpB.
 - d. All departments: Updated Tables P, Q, and R in eCIP and Tables A, B and C (Performance Measures) in eAnalytical.
 - e. All departments: All Excel files which reflect the Governor's final budget decisions of Forms A, and A-Attachment (relating to the operating budget); and Forms CIPOp, CIPOpB, and PAB (relating to CIP budget) should be transmitted to your B&F analyst.

2. By Wednesday, November 30, 2016: Two copies of Form DMC (additional requirement for deferred maintenance costs). The Excel file of Form DMC must be transmitted to your B&F analyst.
3. By Friday, December 30, 2016: The BJ details updated in eBUDDI reflecting the Governor's final budget decisions for all departments except DOE, UH, and DOT for which Excel or other electronic files are required.

Additional information regarding the above submission requirements may be found in Finance Memorandum No. 16-12, Fiscal Biennium 2017-19 Executive Budget Request and the Program and Financial Plan for the Period 2017-23.

Thank you for your prompt attention and understanding in this matter.

Attachments

FB 2017-19 Executive Budget Review
Appeals to Department of Budget and Finance Recommendations
Comments on Operating Budget Appeals
Department of

Dept. Priority	Prog ID	Description	MOF

[Provide comments and justification here]

Dept. Priority	Prog ID	Description	MOF

[Provide comments and justification here]

CIP Appeal List Guidelines:

- Keep all original requests intact.
- Highlight the entire row for each request being appealed.
- Indicate delta amounts requested in addition (+) to the B&F recommendation or negative (-)/positive (+) amounts for tradeoffs.
- Print on legal size (8 1/2"x14") paper, narrow (.25" left and right) margins, 80% scale.

FORM S

Date Prepared/Revised:

FB 17-19 BUDGET
DEPARTMENT SUMMARY OF PROPOSED CIP LAPSES AND NEW CIP REQUESTS
DEPARTMENT OF

PART A: PROPOSED LAPSES				Amount		B&F RECOMMENDATION		DEPARTMENT APPEAL		
Dept	ActYr	Item No.	Proj No.	Project Title and Reason for Lapsing	MOF	FY 18	FY 19	FY 18	FY 19	COMMENTS
TOTAL										
BY MOF										
				General Fund A						
				Special Funds B						
				General Obligation Bonds C						
				Reimbursable GO Bonds D						
				Revenue Bonds E						
				Federal Funds N						
				Other Federal Funds P						
				Private Contributions R						
				County Funds S						
				Trust Funds T						
				Interdepartmental Transfers U						
				Federal Stimulus Funds V						
				Revolving Funds W						
				Other Funds X						
TOTAL										
PART B: NEW CIP REQUESTS										
Req	Dept	Proj ID	Proj No.	Project Title	MOF	FY 18	FY 19	FY 18	FY 19	COMMENTS
TOTAL - REQUESTS										
BY MOF										
				General Fund A						
				Special Funds B						
				General Obligation Bonds C						
				Reimbursable GO Bonds D						
				Revenue Bonds E						
				Federal Funds N						
				Other Federal Funds P						
				Private Contributions R						
				County Funds S						
				Trust Funds T						
				Interdepartmental Transfers U						
				Federal Stimulus Funds V						
				Revolving Funds W						
				Other Funds X						
TOTAL										

Request Category:
M Major R&M of Existing Facilities
C Completion of Ongoing CIP
HS Health, Safety, Court Mandates
EE Energy Efficiency
PI Public Infrastructure Improvements
O Other