

DAVID Y. IGE  
GOVERNOR



NEAL H. MIYAHIRA  
DIRECTOR

ROBERT YU  
DEPUTY DIRECTOR

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

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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

November 8, 2019

FINANCE MEMORANDUM

MEMO NO. 19-17

TO: All Department Heads

FROM: Neal H. Miyahira *Neal Miy*  
Director of Finance

SUBJECT: Department of Budget and Finance's Recommendations on FY 21  
Supplemental Budget Requests

Your department's FY 21 Supplemental 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. The Department of Budget and Finance's (B&F) recommendations on your department's requests are attached.

Please review these recommendations. Bear in mind, however, that the amount of general fund budget requests by far exceeded the State's limited general fund resources. Further, departments should be aware that reductions to the B&F recommended amounts may be necessary due to revenue constraints.

Appointments to appeal any of the proposed actions have already been scheduled. The Governor and I will be meeting with departments to discuss concerns regarding these recommendations on the following dates:

- Wednesday, November 13, 2019 from 9:30 a.m. to 2:45 p.m.;
- Thursday, November 14, 2019 from 10:45 a.m. to 4:30 p.m.; and
- Friday, November 15, 2019 from 1:30 p.m. to 4:30 p.m.

Your appeal should focus on higher priority requests which are critical and sustainable. Due to the State's uncertain general fund revenues, tradeoffs are required for operating budget appeals for general funds. General fund appeals must identify tradeoffs from the B&F recommended amounts or your department's FY 21 appropriations (Act 5, SLH 2019, including transfers) to be considered. For operating and CIP appeals for other means of financing (MOF), especially general obligation bond funds, tradeoffs are highly encouraged.

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. Please refer to the attached sample layouts for the operating and CIP appeal lists, Summary of Operating Trade-offs from FY 21 Appropriations, and comments for operating appeals (comments for CIP appeals should be made on the Form S appeal list). Electronic files will be e-mailed to your department by your B&F analyst.

Appeal lists and supporting attachments 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 critical requirement, the appeal amount should be \$200,000.
- For tradeoffs from the B&F recommended amounts, use the revised Form B to indicate the amount to be traded off with a negative (-) amount. Your comments should indicate: 1) that it is a tradeoff; 2) the request proposed to be funded in its place; and 3) the rationale for the tradeoff. Your comments for the request being appealed should identify the tradeoff that is proposed.

For tradeoffs from FY 21 appropriations, use the form "Summary of Operating Trade-offs from FY 21 Appropriations" to identify the amounts (use negative (-) amounts) to be traded off by cost element (i.e., amounts for personal services, other current expenses, etc., should be listed on separate lines). Your comments should indicate: 1) the request proposed to be funded by the tradeoff; and 2) the rationale for the tradeoff. Your comments for the request being appealed should identify the tradeoff that is proposed. If the appeal and related tradeoff are approved, a Form A will be required for the tradeoff request at a later date.

Please bring ten copies of your department's appeal list(s), Summary of Operating Trade-offs, and comments 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 27, 2019, the following must be submitted, reflecting the Governor's final supplemental budget decisions:

- a. For all departments except the Department of Education (DOE), University of Hawai'i (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: Excel files or other electronic files of the updated BJ Summary Tables as authorized for submittal by B&F. 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 as updated in eBUDDI.
  - d. All departments: Updated Tables P, Q, and R in eCIP.
2. By Wednesday, November 27, 2019: 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 6, 2019: 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 the CIP budget) should be transmitted to your B&F analyst.
  4. By Friday, December 20, 2019: 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. 19-11, *FY 21 Supplemental Budget Policies and Guidelines (Fiscal Biennium 2019-21)*.

If you do not wish to appeal the B&F recommendations or have any questions regarding your appointment, please contact Ms. Raechele Joyo at 586-1519. Should you have any other questions regarding the appeals process, please contact your B&F analyst.

Your prompt attention and understanding in this matter is appreciated.

Attachments

FY 21 Supplemental Budget  
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]

Date Prepared/Revised:

**FY 21 SUPPLEMENTAL BUDGET  
SUMMARY OF OPERATING TRADEOFFS FROM FY 21 BUDGET CEILING  
DEPARTMENT OF**

Cost Element	Prog ID/Org	Description	MOF	FY 20			FY 21			Comments
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	

**TOTAL**     

**Total By MOF**

General	A	-	-	-	-	-	-
Special	B	-	-	-	-	-	-
Federal Funds	N	-	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-
Private	R	-	-	-	-	-	-
County	S	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-
Inter-departmental Transfer	U	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	-
Other	X	-	-	-	-	-	-

- |                             |                        |
|-----------------------------|------------------------|
| <b>Cost Element Legend:</b> |                        |
| A                           | Personal Services      |
| B                           | Other Current Expenses |
| C                           | Equipment              |
| M                           | Motor Vehicles         |
| L                           | Current Lease Payments |

Date Prepared/Revised:

**FY 21 SUPPLEMENTAL BUDGET  
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS  
DEPARTMENT OF**

MOF	FY 20			FY 21		
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
A	-	-	-	-	-	-
B	-	-	-	-	-	-
N	-	-	-	-	-	-
P	-	-	-	-	-	-
R	-	-	-	-	-	-
S	-	-	-	-	-	-
T	-	-	-	-	-	-
U	-	-	-	-	-	-
W	-	-	-	-	-	-
X	-	-	-	-	-	-
<b>TOTAL</b>						

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			B&F Recommendation			Department Appeal		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
<b>TRADE-OFF/TRANSFER &amp; CONVERSION OF UNBUDGETED POSITIONS REQUESTS:</b>																	
<b>SUBTOTAL TRADE-OFF/TRANSFRS &amp; CONV. OF UNBGT'D PSNS:</b>																	

**Request Category Legend:**  
 TO Trade-Off/Transfer  
 UP Conversion of Unbudgeted Positions

By MOF	A	B	N	P	R	S	T	U	W	X
General	-	-	-	-	-	-	-	-	-	-
Special	-	-	-	-	-	-	-	-	-	-
Federal Funds	-	-	-	-	-	-	-	-	-	-
Other Federal Funds	-	-	-	-	-	-	-	-	-	-
Private	-	-	-	-	-	-	-	-	-	-
County	-	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	-	-	-	-	-	-	-	-	-	-
Revolving	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

**Operating 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 from your department's B&F recommendations.
- Print on legal size (8 1/2" x 14") paper, narrow (.25") left and right margins, 75% scale.
- Use attachment (Word document) for comments on operating budget appeals.
- Use attachment (Excel document) "Summary of Tradeoffs from FY 21 Budget Ceiling" for tradeoffs from your department's base budget.

Form S - FY 21 Supplemental  
Date Prepared/Revised:

FY 21 SUPPLEMENTAL BUDGET  
DEPARTMENT SUMMARY OF PROPOSED CIP LAPSES AND NEW CIP REQUESTS  
DEPARTMENT OF

PART A: PROPOSED LAPSES					NEW REQUESTS		
Dept	Act/Yr	Item No.	Proj No.	Project Title and Reason for Lapsing	MOF	Amount	
						FY 20	
						FY 21	
<b>TOTAL</b>							
<b>BY MOF</b>							
				General Fund	A	-	-
				Special Funds	B	-	-
				General Obligation Bonds	C	-	-
				GO Bonds Reimbursable	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	-	-
<b>TOTAL</b>							

B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS
FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	

PART B:						ACT 49, SLH 2019				DEPARTMENT REQUESTS				B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS
Req Cat	Dept Pri	Proj ID	Proj No.	Project Title	MOF	FY 20	FY 21	NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS				
								FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21			
<b>TOTAL - NEW REQUESTS</b>																						
<b>BY MOF</b>																						

				General Fund	A	-	-													
				Special Funds	B	-	-													
				General Obligation Bonds	C	-	-													
				GO Bonds Reimbursable	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	-	-													
<b>TOTAL</b>																				

- Request Category:
- G Governor's Initiatives
  - C Completion of Ongoing CIP Proj
  - E Energy Efficiency
  - H Health, Safety, Court Mandates
  - M Major RSM of Existing Facilities
  - P Public Infrastructure
  - O Other
  - T Trade-off (Offset by Lapse)

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" x 14") paper, narrow (.25") left and right margins, 54% scale.