

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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)

March 13, 2020

FINANCE MEMORANDUM

MEMO NO. 20-06

TO: All Department Heads

FROM: Craig K. Hirai /s/
Director of Finance

SUBJECT: Acceleration of Capital Improvement Program Projects

While there are many unknowns about the coronavirus, COVID-19, it is apparent that this pandemic will have far reaching impact. Due to concerns regarding the economic impact of COVID-19 in Hawai'i, the Council on Revenues (COR) reduced its general fund tax revenue growth forecast for FY 20 from 4.1% to 3.8% and for FY 21 from 4.0% to 0% at its March 11, 2020 meeting. Although this worldwide situation is still unfolding, the COR's projections reflect the State's subsequent economic recovery by increases in FY 22 (3.0% to 5.0%) and FY 23 (3.0% to 4.0%) and by maintaining its projections for FY 24 through FY 26 at 4.0% each year.

The slowdown of our economy could be devastating to Hawai'i's families. As a State, we are limited in our options to support the State's economy, so we must do what we can, when we can. Thus, **all departments are encouraged to accelerate the implementation of capital improvement program (CIP) projects which are shovel ready.**

While we understand there may be concerns regarding supply chain issues, the energy and expenditures generated by moving the CIP projects quickly and efficiently to the extent possible will support our infrastructure needs while providing some economic stimulus for the State.

I appreciate your support in our joint efforts to support Hawai'i's families and our State's economy.