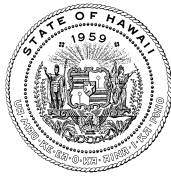


DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 17, 2021

FINANCE MEMORANDUM

MEMO NO. 21-16

TO: All Department Heads

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

SUBJECT: Department of Budget and Finance's Recommendations on FY 23
Supplemental Budget Requests

Your department's FY 23 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. Departments with lump sum B&F operating or CIP recommendations may use their discretion to distribute the lump sum amounts to fund appropriate specific priority requests. For example, a lump sum amount provided for unfunded positions may only be used to fund requests for unfunded positions.

The Governor and I will be meeting with departments to discuss concerns regarding these recommendations on Thursday, November 18, 2021, and Friday, November 19, 2021. If necessary, appointments to appeal any of the proposed actions should be arranged directly with the Governor's Office. Please contact Ms. Joyce Kami of the Governor's Office at 586-8201 to schedule an appointment.

All meetings will be held at the Governor's Office Conference Room at the State Capitol. In person attendance will be limited to two people per appointment; however, other members of your staff may participate via Microsoft Teams. A Teams meeting invitation will be emailed to your department contact and it may be forwarded to other members of your leadership team. Please note, however, that time will be limited.

Thus, your appeal should focus on higher priority requests that are critical and sustainable. Trade-offs are highly encouraged for operating budget appeals for general funds. General fund appeals should, to the extent possible, identify trade-offs from the B&F recommended amounts or your department's FY 23 appropriations (Act 88,

SLH 2021) to be considered. For operating and CIP appeals for other means of financing, especially general obligation bond funds, trade-offs are also highly encouraged.

Departments with budget appeals should prepare appeal lists, as applicable, 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 reflect 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 23 Appropriations, and comments for operating appeals (comments for CIP appeals should be made on the Form S appeal list). Electronic files will be emailed to your department by your B&F analyst.

Appeal lists and supporting attachments should adhere to the following guidelines. Appeal lists should also include the distribution of lump sum operating or CIP recommendations, if available.

- Keep all original budget requests intact. Do not delete requests from the revised Form B or Form 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 operating or CIP trade-offs from the B&F recommended amounts, use the revised Form B or Form S, respectively, to indicate the amount to be traded off with a negative (-) amount. Your comments should indicate: 1) that it is a trade-off; 2) the request proposed to be funded in its place; and 3) the rationale for the trade-off. Your comments for the request being appealed should identify the trade-off that is proposed.

For trade-offs from FY 23 operating appropriations, use the form "Summary of Operating Trade-offs from FY 23 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 trade-off; and 2) the rationale for the trade-off. Your comments for the request being appealed should identify the trade-off that is proposed. If the appeal and related trade-off are approved, a Form A will be required for the trade-off request at a later date.

- For distribution of operating or CIP lump sum recommended amounts, use the respective revised Form B or Form S to indicate the total amount to be distributed from the lump sum with a negative (-) amount and amounts distributed from the lump

sum with positive (+) amounts assigned to specific requests. Position counts may be included for the specific requests selected to be funded, as applicable. The comments for the selected specific requests should indicate “Distribution of (\$ amount) lump sum.”

- Print the revised Form B or Form S with appeals on legal size (8 ½” x 14”) paper, narrow (0.25”) left and right margins, 54% scale.

Please bring ten copies of your department’s appeal list(s), Summary of Operating Trade-offs, and comments to your appointment and email the electronic file(s) to DBF.DOCS@hawaii.gov prior to your appointment.

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

- A. By Wednesday, December 1, 2021: The following updates must be completed reflecting the Governor’s final supplemental budget decisions:
1. For all departments except the Department of Education (DOE), University of Hawai’i (UH), and Department of Transportation (DOT): All BJ Summary tables in eBUDDI.
 2. For DOE, UH, and DOT: Excel or other electronic files of the BJ Summary tables as authorized for submittal by B&F.
 3. All departments: Budget Narratives updated in eBUDDI.
 4. All departments: Tables P, Q, and R updated in eCIP.

Please notify your B&F analyst and Mr. Gregg Hirohata-Goto (gregg.h.hirohata-goto@hawaii.gov) via email when all updates have been completed.

- B. By Wednesday, December 1, 2021: PDF file of Form DMC (additional requirement for deferred maintenance costs) and transmittal memoranda from the respective department head must be submitted from the department’s designated email account to B&F at DBF.DOCS@hawaii.gov. The electronic (Excel) file of Form DMC must be transmitted to your B&F analyst.
- C. By Wednesday, December 8, 2021: Electronic (Excel) files of Forms A, A-Attachment, CIP Details, CIP Op, and CIP Op B, and PDF files of updated and signed Form PAB reflecting the Governor’s final supplemental budget decisions must be transmitted to your B&F analyst.
- D. By Thursday, December 23, 2021: Updated BJ Details in eBUDDI reflecting the Governor’s final supplemental budget decisions for all departments except DOE, UH, and DOT for which Excel or other electronic files are required.

Please notify your B&F analyst and Mr. Gregg Hirohata-Goto (gregg.h.hirohata-goto@hawaii.gov) via email when these updates have been completed.

Additional information regarding the above submission requirements may be found in Finance Memorandum No. 21-11, *FY 23 Supplemental Budget Policies and Guidelines (Fiscal Biennium 2021-23)*.

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 23 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 23 SUPPLEMENTAL BUDGET
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS
DEPARTMENT OF**

Operating Budget Appeals Format and 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 or distribution of lump sum recommendations.
- Include only columns shown below.
- 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 23 Budget Ceiling" for tradeoffs from your department's base budget.
- When saving file, include department acronym in file name (e.g., AGR Form B FY 23 Suppl Budget Appeals).

Current Services Operating Budget Ceilings by MOF

MOF	FY 22			FY 23		
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
A						
B						
N						
P						
R						
S						
T						
U						
V						
W						
X						
TOTAL	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 22			FY 23			B&F Recommendation			Department Rebuttal		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
TRADE-OFF/TRANSFER & CONVERSION OF UNBUDGETED POSITIONS REQUESTS:																	

SUBTLTRADE-OFF/TRNSFRS & CONV. OF UNBGT'D PSNS:

<u>Request Category Legend:</u>
TO Trade-Off/Transfer
UP Conversion of Unbudgeted Positions

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

FY 23 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	
Pri						FY 22	FY 23
TOTAL						-	-
BY MOF							

B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS
FY 22	FY 23	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23	
-	-	-	-	-	-	-	-	

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	-
TOTAL		-

PART B:							ACT 88, SLH 2021		DEPARTMENT REQUESTS				B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS
Req Cat	Dept Pri	Prog ID	Proj No.	Project Title	MOF	FY 22	FY 23	NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS			
								FY 22	FY 23	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23		
TOTAL - NEW REQUESTS						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BY MOF																					

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	-
TOTAL		-

Request Category:

- C Completion of Ongoing CIP Proj
- E Energy Efficiency
- H Health, Safety, Court Mandates
- M Major R&M of Existing Facilities
- P Public Infrastructure
- O Other
- T Trade-off (Offset by Lapse)

CIP Appeal List Format and 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.
- When saving file, include department acronym in file name (e.g., AGR Form S FY 23 Suppl Budget Appeals).
- Include only columns shown above.