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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

November 8, 2023

FINANCE MEMORANDUM

MEMO NO. 23-17

TO: All Department Heads

FROM: Luis P. Salaveria /s/
Director of Finance

SUBJECT: Department of Budget and Finance's Recommendations on FY 25
Supplemental Budget Requests

Your department's FY 25 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 Monday, November 20, 2023, and Tuesday, November 21, 2023. As time with the Governor will be very brief, appointments to appeal any of the proposed actions will be prescheduled by B&F's Deputy Director's Office.

We will notify you of your scheduled appointment and ask that all departments work with their scheduled timeslots as changes may not be possible. However, if you have significant concerns regarding your appointment time, please contact Ms. Zenaida Fisher of B&F's Deputy Director's Office at (808) 586-1515.

Due to time constraints, all meetings will be held via Microsoft Teams. A Teams meeting invitation will be emailed to your department contact. Please refer to the Teams meeting invitation for further instructions.

Given the State's current fiscal situation and resource requirements for the State's response to the 2023 Wildfires, your appeal should focus on your highest priority

requests that are critical and urgent. 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 25 appropriations (Act 164, SLH 2023) 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 formats for the operating and CIP appeal lists, Summary of Operating Trade-offs from FY 25 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 25 operating appropriations, use the form "Summary of Operating Trade-offs from FY 25 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.”
- Format the revised Form B or Form S with appeals for legal size (8 ½” x 14”) paper, narrow (0.25”) left and right margins, 54% scale.

Departments that plan to appeal should submit the following by Wednesday, November 15, 2023:

- A. PDF files of the department’s appeal lists, Summary of Operating Trade-offs, and comments, as applicable, under a transmittal memoranda from the respective department head transmitted from the department’s designated email to DBF.DOCS@hawaii.gov.
- B. 10 hard copies of the department’s appeal submittal should be delivered to B&F’s Director’s Office.
- C. Excel and Word files of the department’s appeal forms should be emailed to your B&F analyst.

Should you have any questions regarding the appeals process, please contact your B&F analyst.

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

- A. By Wednesday, November 29, 2023: 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, November 29, 2023: 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, November 29, 2023: 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 Friday, December 29, 2023: 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. 23-12, *FY 25 Supplemental Budget Policies and Guidelines (Fiscal Biennium 2023-25)*.

Again, we ask for your utmost cooperation in adhering to the specified deadlines that must be met for the supplemental budget to be sent to the Legislature on time. Your prompt attention and understanding in this matter is appreciated.

Attachments

FY 25 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 25 SUPPLEMENTAL BUDGET
SUMMARY OF OPERATING TRADEOFFS FROM FY 25 BUDGET CEILING
DEPARTMENT OF**

	Cost Element	Prog ID/Org	Description	MOF	FY 22			FY 23			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		-	-	-	-	-	-
	ARPA	V		-	-	-	-	-	-
	Other	X		-	-	-	-	-	-

Cost Element Legend:	
A	Personal Services
B	Other Current Expenses
C	Equipment
M	Motor Vehicles
L	Current Lease Payments

FORM B

Date Prepared/Revised:

**FY 25 SUPPLEMENTAL BUDGET
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS
DEPARTMENT OF**

MOF	FY 24			FY 25		
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
A	-	-	-	-	-	-
B	-	-	-	-	-	-
N	-	-	-	-	-	-
P	-	-	-	-	-	-
R	-	-	-	-	-	-
S	-	-	-	-	-	-
T	-	-	-	-	-	-
U	-	-	-	-	-	-
W	-	-	-	-	-	-
X	-	-	-	-	-	-
TOTAL						

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 24			FY 25			B&F Recommendation			Department Rebuttal			FY 25			
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)
TRADE-OFF/TRANSFER & CONVERSION OF UNBUDGETED POSITIONS REQUESTS:																					
SUBTTLTRADE-OFF/TRNSFRS & CONV. OF UNBGT'D PSNS:																					

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

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

Operating Appeal (Rebuttal) 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.
- Format for 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 25 Budget Ceiling" for tradeoffs from your department's base budget.

Form S - FY 25 Supplemental
Date Prepared/Revised:

**FY 25 SUPPLEMENTAL BUDGET
DEPARTMENT SUMMARY OF PROPOSED CIP LAPSES AND NEW CIP REQUESTS
DEPARTMENT OF**

PART A: PROPOSED LAPSES						Amount		
Dept	Pri	Act/Yr	Item No.	Proj No.	Project Title and Reason for Lapsing	MOF	FY 24	FY 25
TOTAL							-	-
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		-	-

CIP Appeal List Guidelines:

B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS
FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	
-	-	-	-	-	-	-	-	

PART B:								DEPARTMENT REQUESTS				B&F RECOMMENDATION				DEPARTMENT APPEAL				COMMENTS		
Req Cat	Dept Pri	Prog ID	Proj No.	Project Title	MOF	ACT 164, SLH 2023		NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS		NEW REQUESTS		SUPPLEMENTAL TOTALS				
						FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25			
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: | |
|-------------------|--|
| W | Wildfires Recovery |
| M | Major R&M for public or educ. facility |
| C | Completion of Ongoing CIP Project |
| H | Health & Safety, Court Orders, Consent Decrees, Federal Mandates |
| E | Energy Efficiency or Conservation Imprv. |
| P | Public Infrastructure Imprv. |

- 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.
 - Format for legal size (8 1/2" x 14") paper, narrow (.25") left and right margins, 54% scale.