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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

November 13, 2024

FINANCE MEMORANDUM

MEMO NO. 24-16

TO: All Department Heads

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

SUBJECT: Department of Budget and Finance's Recommendations on FB 2025-27
Executive Budget Requests

Each department's FB 2025-27 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. 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 (including amounts added back to offset long-term vacancy reductions) or CIP recommendations may use their discretion to distribute the lump sum amounts to fund specific priority requests. Lump sum amounts added due to long-term vacancy reductions may be used to address priority budget requests.

The Governor and I will be meeting with departments to discuss concerns regarding these recommendations next week. Time with the Governor will be very brief and appointments to appeal any of B&F's recommendations will be scheduled via email by B&F's Director's Office. If you have any questions regarding your appointment, please contact Ms. Zenaida Fisher of B&F's 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.

Your appeal should focus on your highest 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 FB 2025-27 budget ceiling to be

considered. For operating and CIP appeals for other means of financing (MOF), 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 FB 2025-27 budget ceiling, 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 include the distribution of lump sum operating or CIP recommendations.
- 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 your FB 2025-27 budget ceiling, use the form "Summary of Operating Trade-offs from FB 2025-27 budget ceiling" 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 Monday, November 18, 2024, 9:00 a.m.:

- 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. 12 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 Friday, November 29, 2024 (revised): The following must be completed reflecting the Governor's final budget decisions. 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.
 1. For all departments except the Department of Education (DOE), University of Hawai'i (UH), and Department of Transportation (DOT): Updated BJ Summary tables and Budget Narratives in eBUDDI. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision.
 2. For DOE, UH, and DOT: Excel or other electronic files, as authorized for submittal by B&F, of the updated BJ Summary tables, must be submitted via email to your B&F analyst. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision. Updated Budget Narratives in eBUDDI are also required.
 3. All departments: Updated Tables P, Q, and R in eCIP and Tables A, B and C (Performance Measures) in eANALYTICAL. Total (by cost element and MOF) for all Table Ps must match the grand total on the Form S for the Governor's decision.

4. 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 CIP Details, CIPOp, and CIPOpB, and PDF files of Form PAB (relating to CIP budget) shall be emailed to your B&F analyst.

- B. By Wednesday, November 27, 2024: Form DMC (additional requirement for deferred maintenance costs) and transmittal memoranda from the respective department head submitted in PDF format via email 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 Friday, December 27, 2024: Updated BJ Details 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. 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. 24-10, Fiscal Biennium 2025-27 Executive Budget Request and the Program and Financial Plan for the Period 2025-31.

Again, we ask for your utmost cooperation to ensure that the appeals process goes smoothly and that the specified deadlines are met for the Executive Biennium Budget to be sent to the Legislature on time. Your prompt attention and understanding in this matter is appreciated.

Attachments

FB 2025 – 27 Biennium 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]

