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**DEPARTMENT OF BUDGET AND FINANCE**  
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OFFICE OF FEDERAL AWARDS MANAGEMENT

November 13, 2025

FINANCE MEMORANDUM

MEMO NO. 25-22

TO: All Department Heads

FROM: Sabrina Nasir /s/  
Acting Director of Finance

SUBJECT: Department of Budget and Finance's Recommendations on FY 27  
Supplemental Budget Requests

Each department's FY 27 Supplemental Budget requests for operations and capital improvement program (CIP) projects, as applicable, have been reviewed in relation to program requirements, the Administration's priorities, and the State's fiscal condition. These supplemental requests are in addition to the \$268 million in general funds that was already added to the State's FY 27 operating budget through Act 250, SLH 2025.

The Department of Budget and Finance's (B&F) recommendations regarding your department's requests are attached. Please review these recommendations.

As you know, the Council on Revenues' downward general fund revenue projections and the continuing uncertainty and instability regarding federal funding have put a significant strain on the State's resources. Thus, very limited additional general funds were available for operating budget requests, beyond what has already been appropriated. As the current FY 27 operating budget already appropriates significantly more in general funds than the FY 26 operating budget, departments are advised to work within their existing budgets to continue to fund priority programs and services.

As we must exercise fiscal restraint moving forward, general fund trade-offs from the B&F recommended amounts or your department's FY 27 budget ceiling may be proposed to address requests that have not been recommended. For operating and CIP requests for other means of financing (MOF) that were not recommended, trade-offs may also be proposed.

- A. Departments with budget trade-offs should prepare trade-off 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.

B. Trade-off lists and supporting attachments should adhere to the following guidelines.

1. Keep all original budget requests intact. Do not delete requests from the revised Form B or Form S that are not being proposed for trade-off or change the priority order or amounts of your original requests.
2. Highlight the entire row for each request being proposed for trade-off on the revised Form B or Form S. For operating or CIP trade-offs from the B&F recommended amounts, highlight the request to be traded off and the request to be funded. For trade-offs from your FY 27 budget ceiling, highlight the request to be funded.
3. For operating or CIP trade-offs from the B&F recommended amounts, use the revised Form B or Form S, respectively, to indicate the amounts to be traded off as negative (-) amounts and amounts to be funded as positive (+) amounts for each highlighted request. Indicate delta positive (+) amounts for requests to increase funding from the B&F recommendation amount.

Your comments should indicate: 1) for negative amounts, the request proposed to be funded in its place; 2) for positive amounts, the request proposed to be traded off to fund that request; and 3) the rationale for the trade-off.

4. For trade-offs from your FY 27 budget ceiling, use the form "Summary of Operating Trade-offs from FY 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. If the trade-off is approved, a Form A will be required for the trade-off request at a later date.

C. Trade-off lists should include the distribution of lump sum CIP recommendations, as applicable. For distribution of CIP lump sum recommended amounts, use the respective revised 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. The comments for the selected specific requests should indicate "Distribution of (\$ amount) lump sum."

D. Please refer to the attached sample formats for the operating and CIP trade-off lists, Summary of Operating Trade-offs from FY 27 Budget Ceiling, and comments for operating trade-offs (comments for CIP trade-offs should be made on the Form S trade-off list). Electronic files will be emailed to your department by your B&F analyst.

**Departments that intend to propose trade-offs should submit the following by Wednesday, November 19, 2025:**

- A. PDF files of the department's trade-off 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](mailto:DBF.DOCS@hawaii.gov).
- B. Excel and Word files of the department's trade-off forms should be emailed to your B&F analyst.

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

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

A. By Tuesday, December 2, 2025:

The following must be completed reflecting the Governor's final supplemental budget decisions.

1. For all departments except the Department of Education (DOE), the University of Hawai'i (UH), and the 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 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 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. Total (by cost element and MOF) for all Table Ps must match the grand total on the Form S for the Governor's decision.
- B. By Tuesday, December 2, 2025: 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](mailto:DBF.DOCS@hawaii.gov). The electronic (Excel) file of Form DMC must be transmitted to your B&F analyst.
  - C. By Monday, December 8, 2025: All Excel files that 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.

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

Additional information regarding the above submission requirements may be found in Finance Memorandum No. 25-13, FY 27 Supplemental Budget Policies and Guidelines (Fiscal Biennium 2025-27).

Your utmost cooperation is necessary to ensure the specified deadlines are 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 27 Supplemental Budget  
Proposed Tradeoffs to Department of Budget and Finance Recommendations  
Comments on Operating Budget Tradeoffs  
**Department of**

Dept. Priority	Prog ID	Description	MOF

[Provide comments and justification regarding the proposed tradeoff for the above request to be funded]

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