



EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

May 22, 2026

EXECUTIVE MEMORANDUM

MEMO NO. 26-04

TO: All Department Heads

SUBJECT: Amendment to Executive Memorandum No. 25-03, FY 26 Budget Execution Policies and Instructions, as Amended – Transfer Provision and Revised Allocations (March and April 2026 Kona Low Weather Events)

The March and April 2026 Kona Low Weather Events (KLWE) caused devastating damage throughout the State. While the State is expected to receive federal reimbursements for eligible costs under the Federal Emergency Management Agency's (FEMA) guidelines, the State must provide funding upfront while also providing funding to support necessary costs that are not eligible for FEMA reimbursement.

As such, it remains critical that we expedite the availability of funding to ensure that there are sufficient resources to support the necessary actions to address this public health emergency, including securing infrastructure and supporting the State's recovery. Thus, as a follow up to Executive Memorandum (E.M.) No. 26-02, Update to E.M. No. 25-03, FY 26 Budget Execution Policies and Instructions, as Amended – Impact of Providing Disaster Funding Amidst Economic Uncertainty on State Expenditures, dated April 7, 2026, this memorandum implements the actions necessary to support the State's emergency response efforts to address the impact of the March and April 2026 KLWE.

As such, the 5% contingency restriction amounts imposed on general fund discretionary appropriations, as adjusted, under E.M. No. 25-03, FY 26 Budget Execution Policies and Instructions, dated August 18, 2025, as amended by E.M. No. 25-04, Amendments to E.M. No. 25-03, FY 26 Budget Execution Policies and Instructions, dated October 15, 2025, will be reprogrammed for the State's response efforts to the KLWE. These appropriations, which total \$48.9 million, will be directed to the Department of Defense's

(DOD) Major Disaster Fund (MDF) pursuant to the Emergency Proclamation, dated March 9, 2026, and Supplementary Proclamations issued through April 6, 2026, for the March and April 2026 KLWE. While we understand that these appropriations may be important to your programs, we must currently prioritize the State's recovery efforts from the KLWE.

The restriction transfers to the MDF will effectively reduce the general fund appropriation amounts from Act 250, SLH 2025, for the respective departments. Revised FY 26 operating budget allocations (Exhibit 1), which reflect the appropriation transfers to the MDF, are attached.

To effectuate the transfers to the MDF:

1. The Department of Budget and Finance (B&F) will prepare the Journal Vouchers (JVs) to: 1) unrestrict and allot contingency restriction balances from the respective program appropriation accounts and; 2) transfer these amounts to the MDF. The amounts to be transferred by program appropriation account are provided on the attached list.
2. B&F will transmit copies of the completed JVs to the affected departments and DOD. After receiving the completed JVs:
  - a. The affected departments shall submit Requests for Allotment (Form A-19), labeled "For Records Purposes Only," to B&F to reflect reduced restriction and appropriation amounts for the affected program appropriation accounts. Each Form A-19 shall include a line indicating "Transfer to the MDF" reflecting the respective reduction amount to the program's appropriation and restriction amounts. No changes to quarterly allotment amounts are necessary, as the restricted appropriations had not been allotted.
  - b. DOD shall submit a Request for Allotment (Form A-19), which reflects the appropriation transfers and increased appropriation amounts for the MDF, to allot the transferred funds.

In view of these reductions and other proposed transfers that were not passed by the Legislature, we recognize that flexibility with existing budgets is critical. Thus, in anticipation of and contingent upon the enactment of House Bill No. 1800, H.D. 1, S.D. 1, C.D. 1, to effectuate Section 54.1, which will allow the Governor to authorize the transfer of operating funds between appropriations within the same fund and expending agency for operating purposes, amendments have been made to Item Nos. 17 and 25

of Attachment A of E.M. No. 25-03, FY 26 Budget Execution Policies and Instructions, as amended by E.M. No. 25-04. Transfers proposed under Section 54.1 must support a critical public purpose.

Attachment A, Page 18, Item No. 17.a., shall be superseded by amended Item No. 17.a. and new Item No. 17.ab., as follows:

“17. **Transfer of Funds and/or Positions.**

a. The following provisions requested in the Executive Budget bill that would have authorized the Governor to approve the transfer of appropriations between programs under certain circumstances were not included in Act 250, SLH 2025. While these provisions were requested in the Supplemental Budget bill, they were not included; thus, be aware that potential funding shortfalls in FY 26 will need to be alternatively addressed.

a.1. Proviso to allow the Governor to authorize the transfer of savings or unrequired balances to cope with the effects of natural disasters or other unforeseen emergencies.

Alternate action: If necessary, transfers can be invoked under Governor’s Emergency Proclamation.

a.2. Proviso to allow the Governor to transfer savings or unrequired balances of general funds from any program to the Department of Land and Natural Resources’ (DLNR) firefighters’ contingency fund.

Alternate action: If necessary, transfers can be invoked under Governor’s Emergency Proclamation.

ab. Unless otherwise provided and contingent upon enactment, **Section 54.1** of Act 250, SLH 2025, as amended by House Bill (H.B.) No. 1800, H.D. 1, S.D. 1, C.D. 1, authorizes, with the Governor’s approval, transfers between operating appropriations within the same fund and expending agency, for operating purposes. Transfers proposed under **Section 54.1** must support a critical public purpose and should not be used for program expansions or new and unbudgeted initiatives.

ab.1. All requests for transfer authorization shall require the Governor’s prior approval through B&F using **Form RA-21**, Request to Transfer Operating Appropriations Pursuant to Section 54.1 of Act 250, SLH 2025, as amended by Act No. ###, SLH 2026.

- ab.2. All requests for transfer shall include appropriate references to authorizing sections or statutes.
- ab.3. See Item 25, "Allotment Balances/Transfer of Funds," for other allotment limitations.
- ab.4. Pursuant to Section 37-74(d)(2) and (3), HRS, specific transfer authority and responsibilities have been delegated to UH, DOE, Charter Schools, and HHSC (special funds)."

Attachment A, Page 33, Item No. 25, shall be superseded by amended Item No. 25 as follows:

"25. **Allotment Balances/Transfer of Funds.**

Request for Allotment (**Form A-19**) will be used, as appropriate, for adjustments of program allotment accounts. Unless otherwise provided by other specific provisos in Act 250, SLH 2025, as amended by H.B. No. 1800, H.D. 1, S.D. 1, C.D. 1, pending enactment, **Section 54.1** limits transfers to operating funds between appropriations within the same fund and expending agency. As applicable, requests for the transfer of funds shall be submitted to the Governor for approval through B&F using Request to Transfer Operating Appropriations Pursuant to Section 54.1 of Act 250, SLH 2025, as amended by Act No. ###, SLH 2026 (**Form RA-21**), and Request for Transfer of Funds (**Form A-21**). Request for Allotment (**Form A-19**) reflecting the transfers shall be submitted concurrently to be processed pending approval of the transfers.

- a. Transfers proposed under **Section 54.1** must support a critical public purpose and should not be used for program expansions or new and unbudgeted initiatives.
- b. Generally, Request for Transfer of Funds (**Form A-21**) must be identified in full-year expenditure plans; however, because **Section 54.1** will not become effective until later this fiscal year, this requirement is waived.
- c. Act 215, SLH 2025, Relating to Appropriations, requires each department that submits a Request for Allotment (**Form A-19**) that includes the transfer of operating appropriations for personal services ("10") to other current expenses (including equipment and motor vehicles) ("20"), or vice versa, submit a Report to the Legislature for Cost Element Transfers to B&F with each Request for Allotment (**Form A-19**) that include such transfers (see **Attachment B** for sample report).

- d. Provisions of this section do not apply to transfers made by UH, DOE, Charter Schools, and special fund appropriation transfers in HHSC, as authorized by general law.
- e. Unless otherwise provided by statute, Act 250, SLH 2025, as amended by H.B. No. 1800, H.D. 1, S.D. 1, C.D. 1, pending enactment, will not provide authority for the Governor to approve transfers for disasters and DLNR's firefighters' contingency fund; however, such transfers may be done pursuant to an appropriate emergency proclamation."

In view of the ongoing stressors to the State's budget, departments must continue to be prudent with their expenditures as we continue to monitor and adapt to ensure that sufficient funding is available for the State's immediate disaster response needs and priority State programs. Your understanding and prompt attention to this matter is appreciated.

Mahalo,

/s/

Josh Green, M.D.

Governor, State of Hawai'i

Revised Exhibit 1  
Attachments