

LINDA LINGLE

HONOLULU

June 22, 2010

#### **EXECUTIVE MEMORANDUM**

MEMO NO. 10-02

TO: All Department Heads

SUBJECT: Interim Budget Execution Policies and Instructions for FY 11

The nationwide recession, which began in December 2007 and worsened following the collapse of Lehman Brothers in September 2008, became a financial and economic crisis of proportion not seen since the Great Depression. General fund revenues plummeted by 9.5 percent in FY 09, forcing us to make difficult and, sometimes, painful decisions.

In FY 10, our operations took the brunt of the blow, with further reductions to staffing and other resources. However, as the year has progressed, the economy has shown signs of improvement. On May 27, 2010, the Council on Revenues changed its FY 10 and FY 11 revenue forecasts upward from -2.5 percent to 4.0 percent (net of 0.5 percent growth rate adjusted for \$150 million in tax refunds deferred to FY 11) and from 6.0 percent to 6.2 percent (net of 8 percent growth rate adjusted for payment of \$150 million in deferred tax refunds), respectively. Preliminary general fund tax collections for the first 11 months of FY 10 indicate that revenues have increased by 5.2 percent (net of 1.8 percent increase adjusted by \$128.9 million in deferred tax refunds) over the prior year.

As we move into FY 11, we are cautiously optimistic about the State's economic recovery. While positive revenue growth is encouraging, following the significant decline in revenue in FY 09, anticipated FY 11 general fund revenues will still be less than in FY 08. As such, we must maintain our perspective and continue to be prudent with our expenditures. Our management of public resources should always be thoughtful and appropriate.

Full year budget execution policies for FY 11 are forthcoming. During the interim, the following actions are hereby authorized:

1. On July 1, 2010, departments will receive their respective budget allocations for the <u>first</u> <u>quarter only</u>.

- a. Exhibit 1 contains your department's First Quarter allocation, which is one-fourth of FY 11 operating program appropriations from House Bill No. 2200, H.D. 1, S.D. 2, C.D. 1, SLH 2010.
- b. Requests for exception from this policy will be reviewed on a case-by-case basis and must be submitted to the Governor's Office through the Department of Budget and Finance (B&F) no later than July 15, 2010.
- 2. Allocations for subsequent quarters will be made upon further consideration of revenue and expenditure requirements.
- 3. Except for allocation amounts, all other current budget execution policies as contained in the following Executive Memoranda will continue until further notice.
  - Executive Memorandum (E.M.) No. 08-03, FY 09 Budget Execution Policies and Instructions (dated June 23, 2008).
  - E.M. No. 08-05, Amendments to E.M. No. 08-03 (dated August 26, 2008).
  - E.M. No. 09-06, *Third Interim Budget Execution Policies and Instructions for FY 10* (dated November 10, 2009).

Questions on the specific policies and instructions should be directed to B&F or the appropriate agency referenced.

Your continued hard work and dedication to maintain State services during these uncertain times has not gone unnoticed and is sincerely appreciated.

LINDA LINGLE

Exhibit 1

#### DEPARTMENT OF AGRICULTURE (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other	-	Total
	Fund	Funds	Funds	Contrib.		Funds		Stimulus Funds	Funds	Funds		Allocation
		W										
	143.68	105.32	5.00	ı	,	,	9.00	ı	21.00			281 00
Appropriation	9,267,118	16,618,193	1,967,580	•	ı	812,962	1,441,619	ı	11,398,362	ŧ		41.505.834
	143.68	105.32	2.00	1	,	,	00.6		21.00		$\vdash$	281 00
1st Qtr Allocation	2,316,780	4,154,548	491,895	,	1	203.241	360.405	1	2.849.591	1		10.376.460
									100,000		1	004,010,01
Restrictions					RESTR	ICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	Œ				
TOTAL												

# DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds		Stimulus Funds		Funds	 Allocation
	516.50	54.00	5.50	1	,	5.00	35.00	1	46.00	,	662 00
Appropriation	60,463,771	21,928,551	8,419,647	,	,	4,694,053	11,757,048		36.799.934	,	 144.063.004
	516.50	54.00	5.50	ŧ	1	5.00	35.00	I	46.00	ı	662.00
1st Otr Allocation	15,115,943	5,482,138	2,104,912	1	ı	1,173,513	2.939.262	1	9 199 984		36 015 759
									1 . 22(22 . (2		20,010,0
Restrictions					REST	SICTIONS - TO	BESTRICTIONS - TO BE DETERMINED	Ŀ.			
TOTAL											

#### DEPARTMENT OF THE ATTORNEY GENERAL (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	F	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds		Stimulus Funds	Funds	Funds		Allocation
	333.90	22.52	172.06	1	,	0.50	54.35	,	34.95		-	618 28
Appropriation	22,107,759	2,258,784	24,731,894	2	1	6,444,890	7,913,125	3,481,430	6,174,559	,		73.112.441
	333.90	22.52	172.06	1	-	0.50	54.35	-	34.95		-	618.28
1st Qtr Allocation	5,526,940	564,696	6,182,974	,	,	1,611,223	1,978,281	870,358	1.543.640	1		18.278.112
Andrew Ver												
Restrictions					RESTI	<b>PICTIONS - TO</b>	RESTRICTIONS - TO BE DETERMINED	Œ				******
TOTAL												

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds		Allocation
						-					-	
	69.50	29.50	10.00	1	ı				33.00			149 00
Appropriation	5,727,950	163,320,867	30,978,994	,	j	21,923,698	1	44.889.136	16.146.921	•		282 987 566
	09.69	29.50	10.00	,			1		33 00		+	74.000
1st Qtr Allocation	1,431,988	40,830,217	7,744,749	ı	,	5.480.925	,	11 222 284	4 036 730			70 746 909
		And the second s						1,1,1,1,1,1,1,1	200,1000,1	'	$\frac{1}{1}$	70,740,093
Restrictions					BEST	SICTIONS - TO	BESTBICTIONS - TO BE DETERMINED					
TOTAL												

#### DEPARTMENT OF BUDGET AND FINANCE (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds	Allocation
	129.25	51.00	*	,	-	36.00	1 75		-	00 00	047.00
Appropriation	1,604,113,625	9,249,331	ı	,	,	11.195.581	101.603	, ,	,	10 603 201	1 635 263 434
	129.25	51.00	-	,	r	36.00	1.75	1	1	00 00	217.00
1st Otr Allocation	401,028,406	2,312,333	,	ı	,	2.798.895	25.401	,	í	2 650 823	011.00 ADR 815 858
										4,000,000	400,010,000
Restrictions					REST	RICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	CH			
TOTAL											

### DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (June 2010)

	General	Special	Federal		County	Trust	Inter-dep'tal	Federal	Revolving	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds		Allocation
				***************************************						***************************************		
	,	374.00	,	,	1	2.00	*	•	ı	,	_	379.00
Appropriation		47,526,571	•	ŧ	1	2,260,525	1	,	ı	ı		49.787.096
	,	374.00	I.	,	ı	5.00	1	-		,	_	379.00
1st Otr Allocation	,	11,881,643	4	,	ı	565,131	1	,	ţ	1		12.446.774
										***************************************		
Restrictions					RESTF	SICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	ED				
TOTAL												

## DEPARTMENT OF DEFENSE (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds		Stimulus Funds		Funds		Allocation
a pring parti	128.30	ı	83.95	1	ı	,		,	,	,		212 25
Appropriation	13,031,133	1	87,752,908	1	464,458	ı	11,989,279	ı	ř	1		113,237,778
	128.30	1	83.95	,	,	1		*				212.25
1st Qtr Allocation	3,257,783	,	21,938,227	•	116,115	ı	2,997,320	ı		ı		28.309.445
					***************************************							20000
Restrictions					RESTE	ICTIONS - TC	RESTRICTIONS - TO BE DETERMINED	G				
TOTAL				1919							- 150	

#### DEPARTMENT OF EDUCATION (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds	Funds	Funds	Allocation
	19,397.60	732.50	5.00			*		,	008	,	00 142 10
Appropriation	1,253,433,452	41,984,233	251,952,082	1	,	13,716,215	14,265,874	53.764.304	22.805.313		1 651 921 473
	19,397.60	732.50	2.00			,			8 00		20 173 10
1st Otr Allocation	313,358,363	10,496,058	62,988,021		1	3.429.054	3.566.469	13 441 076	5 701 328		412 080 360
							20160010		0.00,101,0		412,300,303
Restrictions					RESTE	SICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	G			
TOTAL											

### DEPARTMENT OF EDUCATION - PUBLIC LIBRARIES (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.	Contrib. Funds	Funds	Transfers	Stimulus Funds		Funds		Allocation
	555.55	1	ı	,	-	,		,	1	***************************************		ממה הה
Appropriation	28,847,163	3,125,000	1,365,244	ı	,	ı	1	<del></del>	ł	ı		33.337.408
	552.55	,	1	•	1		-	,	,	-	L	555.55
1st Qtr Allocation	7,211,791	781,250	341,311	•	ŧ		1	1	ı	1		8.334.352
Restrictions					RESTF	RICTIONS - TC	RESTRICTIONS - TO BE DETERMINED					
TOTAL				7.5								

## DEPARTMENT OF EDUCATION - CHARTER SCHOOLS (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.		Funds		Stimulus Funds	Funds	Funds		Allocation
	,			ı	,	,	,		,			
Appropriation	53,761,508	•	\$	,	į	,	,	2.835.696	1	,		56 597 204
	ı				1	1	1				L	100,00
1st Qtr Allocation	13,440,377	ı	ı	ı	ŧ	,	,	708 924				14 140 301
								12,50			-	14,143,001
Restrictions					RESTR	ICTIONS - TC	RESTRICTIONS - TO BE DETERMINED	C				
TOTAL												

#### FY 2011 ALLOCATION (INTERIM JUNE 2010) OFFICE OF THE GOVERNOR

#### OFFICE OF THE GOVERNOR (June 2010)

	General	Special	-	Federal	Private	County		Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds		Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds	Allocation
	27.00	•		ı	1	1		r			-	00 22
Appropriation	1,683,915	1		1	ì	,		,	i	ł	1	1 683 915
	27.00		_	-	-	1	-					000,000,1
1st Qtr Allocation	420.979	•		•	1							00.72
			-	-	1					,	-	420,979
1000												
Hestinctions						REST	RICTIONS - T(	RESTRICTIONS - TO BE DETERMINED				
TOTAL												

## DEPARTMENT OF HAWAIIAN HOME LANDS (June 2010)

	General	Special		Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	L	Total
	Fund	Funds	Funds	Contrib.	Funds	-	Transfers	Stimulus Funds	Funds	Funds		Allocation
	1	106.00	E			76.00	*					00 00
Appropriation	í	12,102,420	9,601,391	1	1	156,031,476	,	, ,	1 1	1 1		177 735 287
	1	106.00	1			76.00	1				1	182,00,111
1st Qtr Allocation	3	3,025,605	2,400,348	'	į	39,007,869	ı	1	1	,		002.00
												770,004,44
Restrictions					REST	RESTRICTIONS - TO BE DETERMINED	BE DETERMIN	FD				
TOTAL												

### DEPARTMENT OF HUMAN SERVICES (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds	Funds	Funds	Allocation
	1,249.59	-	1,150.91		-	-			00 00		
Appropriation	774,389,540	617,587	617,587 1,081,236,372	10,000	1		44 689 880	105 081 522	30.00	\$	2,430.50
	1,249.59	7	1.150.91	L	,		200,000,1			-	2,013,045,142
1st Qtr Allocation	193,597,385	154,397	270	2.500	,	ı	11 179 470		30.00	ı	2,430.50
				2221			11,17,17	100,072,02	l nantanati		503,411,286
Restrictions					BESTE	OT SNOITS	BESTRICTIONS TO BE DETERMINED	C			
TOTAL							DE DE LENMIN				

#### DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds	Funds	Funds	Allocation
	92.00	5	*	1		1	**				00 00
Appropriation	19,967,660	700,000	•	ı	1	ı	4,886,281				95.553 941
	92.00	ı	٠		,			,	1		92,000,00
1st Qtr Allocation	4,991,915	175,000	1	1	1	ı	1,221,570	,	,	ı	6 388 485
											0,000,0
Restrictions					RESTE	IICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	G			A
TOTAL											

## DEPARTMENT OF HEALTH (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds	Funds	Funds	Allocation
	2.132.16	135.00	353.56				3 50		00 00		
Appropriation	382,751,143	203,5	118,306,815	1	1	1	12.599.213	77 665 000 168 000 187	168 000 187	1 1	2,093.42
	2,132.16	135.00	353.56				3.50		69 20		212,040,040
1st Otr Allocation	95,687,786	50,880,823	29,576,704	t	1	í	3.149.803	6 916 250	42 000 047		2,030.42
					7		2010111	2,010,0	15,000,011		-,112,022
Restrictions					RESTF	SICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	ED.			
TOTAL											

DEPARTMENT OF HEALTH - HAWAII HEALTH SYSTEMS CORPORATION
(June 2010)

83,640,000 504,982,392 50,000,000 638,622,392 638,622,392 2,835,25 2,835,25 2,835,25 2,835,25 12,500,000 159,655,598		Fund	Special Funds 2,835.25	Federal	Private Contrib.	County	Trust Funds	Inter-dep'tal Transfers	Federal Stimulus Funds	Revolving Funds	Other	Total Allocation
2,835.25	$\frac{1}{1}$	83,640,000	504,982,392	*	,	t	,		50,000,000		• •	638,622,392
RESTRICTIONS - TO BE DETERMINED	1st Otr Allocation	20.910.000	2,835.25	r	1	,	í	t	( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	ı	ı	2,835.25
			0000	1		RESTR	ICTIONS - TO	BE DETERMIN		1	•	159,655,598

### DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Bevolving	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds		Stimulus Funds	Funds	Finds		Allocation
												1000000
	182.10	8.00	447.78	,	,	,	,				L	R37 R8
Appropriation	12,460,480	390,875,085	80,858,072	1	1	ı	2,668,125	152.858	50.000			487 064 620
	182.10	8.00	447.78		,			,		1	-	697.00
1st Qtr Allocation	3,115,120	97,718,771	20,214,518	,	ı	ı	667 031	38 215	12 500	-		207.700
								2011	000,21		1	661,007,121
Restrictions	***************************************				RESTR	ICTIONS - TO	BESTBICTIONS - TO BE DETERMINED	C.				***************************************
TOTAL												

# DEPARTMENT OF LAND AND NATURAL RESOURCES (June 2010)

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	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other	Total	
	Fund	Funds	Funds	Contrib.	Funds	Funds		Stimulus Funds	Funds	Funds	Allocation	
	20,00											
	421.25	300:00	16.75	,	1			,	1.00		7.3	739 00
Appropriation	23,376,673	57,821,828	16,794,742		ţ	,	ı	(	719.585	1	98 712 828	808
	421.25	300.00	16.75	,	1	-		1	90		73, 12	730 00
1st Otr Allocation	5 844 168	147	A 109 696						0 0	1	2	20.00
	20111010		1,130,000		-			1	1/9,896		24,678,207	3,207
Restrictions					RESTE	SICTIONS - TC	RESTRICTIONS - TO BE DETERMINED	E				
TOTAL												25

## OFFICE OF THE LIEUTENANT GOVERNOR (June 2010)

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	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Contrib. Funds	Funds	Transfers	Stimulus Funds	Funds	Funds	Allocation
	8.00	1	6				1				000
Appropriation	785,464	ı	ſ	1	1	1	1				200.00
	8.00	1		,		1	-				404,607
1st Qtr Allocation	196,366	,			ı	ı	1 1		I	1	8.00
										-	190,366
Restrictions					RESTE	ACTIONS - TO	BESTRICTIONS - TO BE DETERMINED				
TOTAL											

## DEPARTMENT OF PUBLIC SAFETY (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds	Allocation
				1							
·····	2,473.20	8.00	7.00	1	1	1	59.00	1	8 00		2 555 20
Appropriation	213,097,406	2,508,518	1,627,199	1	209,721	75,065	4.736.775	ŧ	7,899,326	742 980	03.555,2
***************************************	2,473.20	8.00	7.00	-	,		59.00		00 8	200011	000,000,000
1 of Otr Allocation	020 774 020	000	000						0	ı	02.666,2
131 Cit Allocalion	33,274,352	027,130	406,800	•	52,430	18,766	1,184,194	ı	1,974,832	185.745	57.724.249
Restrictions					BESTB	OT SMOITS	BESTBICTIONS - TO BE DETERMINED	C.			
							אוואיטם וטס טס				
TOTAL											

## DEPARTMENT OF TAXATION (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	S	Funds	Funds		Allocation
	364.00	1			,	•	*	1				364 00
Appropriation	19,755,195	1,047,000	i	,	1	ſ	,	1	,			20 902 105
	364.00	,	5		,						+	20,002,133
Tot Oth Allocation	1000	1				•	•	í	,			364.00
ISI WII Allocation	4,938,799	261,750			r	1	•	1	,	·		5 200 549
	-											0,002,0
Restrictions					RESTR	OT - SNOIL	BESTBICTIONS - TO BE DETERMINED	Ç.				
							י טר טר ו רו וואוווי	5]				
TOTAL												

## DEPARTMENT OF TRANSPORTATION (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolvina	Other		Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds	Funds	Funds		Allocation
	1	2,144.50	00.6			,						0.450.50
Appropriation	ī	640,655,622	47,647,598	423,067	1	ı	•	ı		1 1		C, 133.30
	·	2,144.50	9.00				-	1	,		+	000,120,201
1st Otr Allocation		160,163,906	11,911,900	105,767	1	ı	•	1		:		777 404 577
												172,101,373
Restrictions					RESTR	ICTIONS - TO	RESTRICTIONS - TO BE DETERMINED	G				
TOTAL												

#### UNIVERSITY OF HAWAII (June 2010)

	General	Special	Federal	Private	County	Trust	Inter-dep'tal	Federal	Revolving	Other	Total
	Fund	Funds	Funds	Contrib.	Funds	Funds	Transfers	Stimulus Funds		Funds	Allocation
	6,474.09	483.25	97.66				,		157 75	ı	7 949 75
Appropriation	360,687,276	363,091,863	10,750,227	ı	,	í	t	22.000.000	22.000.000   106.549.953	ı	863 079 319
	6,474.09	483.25	99.76	,	ı	,	•		157.75	-	7 010 75
1st Otr Allocation	90,171,819	90,772,966	2,687,557	ŧ	1	1	•	5.500 000	26 637 488	ı	015 750 830
								200,000,0	1001,100,03		7,00,000
Restrictions					RESTR	ICTIONS - TO	BESTRICTIONS - TO BE DETERMINED	Œ			
TOTAL											