

LINDA LINGLE
GOVERNOR



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

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF ECONOMIC RECOVERY
AND REINVESTMENT (ARRA)

November 15, 2010

FINANCE MEMORANDUM

MEMO NO. 10-15

TO: All Department Heads

FROM: Georgina K. Kawamura
Director of Finance

SUBJECT: Program Memoranda for Major Programs in the Statewide Program Structure

Pursuant to Chapter 37-70, HRS, the Governor is required to submit to the Legislature a Program Memorandum (PM) for each of the 11 major programs along with the Budget and the Program and Financial Plan. The purpose of the PM is to provide the Legislature and public with an overview of what is being requested for the program and important factors influencing the future of the program. Each PM provides:

1. An overview of each major program;
2. A discussion of the costs and effectiveness of the recommended programs;
3. A discussion of major changes or other courses of action that may merit consideration for the program during the planning period;
4. A discussion of emerging conditions, trends and issues that may influence the program; and
5. A discussion of selected problems for possible study.

Formulation of the PM is a joint undertaking between your department and the Department of Budget and Finance (B&F). Involvement of your staff ensures that the topics discussed in the memoranda are given both depth and breadth of coverage, and that your department's views and concerns have a forum with the Legislature and the public. It is my desire to continue the close cooperation that has existed during the development of previous PMs, and I hope that the arrangement of my staff working with your PPB Coordinator and/or program managers will be satisfactory.

To facilitate the drafting process, please use the electronic files (to be provided by your analyst) of the program area narratives from FB 2007-09 to update the program areas appropriate for your department.

The schedule for the development of the PM is as follows:

Departments and B&F develop PM	Nov. 15 – Dec. 20, 2010
Departments submit drafts of PM to B&F	Dec. 20, 2010
B&F reviews and finalizes PM	Dec. 20, 2010 – Jan. 13, 2011
B&F submits PM CD to Legislature	Jan. 19, 2011

If there are any questions, please have your staff contact the budget analyst assigned to your department.

Your cooperation in this matter will be appreciated.

Attachment

FORMAT AND GUIDELINES FOR DEVELOPMENT OF
PROGRAM MEMORANDUM NARRATIVE

NOTE: All program memoranda should include Sections I through V; if a section is not applicable, it should be so indicated. Some sub-programs may have less narrative than others, depending upon their weight within the program area.

The following format should be used for each program memorandum:

PROGRAM AREA
(e.g., ECONOMIC DEVELOPMENT)

I. OVERVIEW

Provide an overview of this program area, including discussion (unless otherwise noted) of:

- Placement of the program area within the statewide program structure
- Objectives of the program
- Level II programs (sub-programs) within the program area
- Number of lowest level programs (Level III and IV, as applicable) within the program area
- Organizational entities (i.e., departments) involved in the program
- Important program relationships
- Significant activities
- Important external developments affecting the program.
- Significant discrepancies between previously planned cost and effectiveness levels and those actually achieved.
- Trends and comparisons in costs, effectiveness, or activity data over the budget and planning period.
- Operating and capital investment costs (discussion and table)
- Significant measures of effectiveness (table)
- Other relevant tables and graphs

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

Provide a discussion of each sub-program within the program area, including:

- Placement of the sub-program within the program
- Objective of the sub-program
- Lower level programs within the sub-program
- Organizational entities involved in the sub-program
- Important sub-program relationships
- Significant activities
- Operating and capital investment costs (narrative and table)
- Other relevant tables and graphs

III. PROGRAM CHANGE CONSIDERATIONS

Provide a brief statement of each major change or other course of action (e.g., operating and capital improvement budget requests, program structure changes) within the program area that may merit consideration for each sub-program and discuss the anticipated consequences of each change on the program's costs and performance (measures of effectiveness) over the planning period.

IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

By sub-program, discuss significant conditions, trends and issues expected to impact the State in the upcoming biennium and planning period and the possible alternatives for dealing with specific potential problems caused by the emerging conditions, trends and issues.

V. SELECTED PROBLEMS FOR POSSIBLE STUDY

Discuss the most urgent problems from Section IV that should be studied to develop alternative courses of action to increase program effectiveness.

TYPING GUIDELINES FOR PROGRAM MEMORANDUM

FONT: Courier New, 12 pitch

MARGINS: Left = 1.25"; Right, Top, and Bottom = 1"

PROGRAM AREA HEADINGS: Centered, all capitals

SECTION (I, II, III, IV) HEADINGS: Centered, all capitals

SUB-PROGRAM HEADINGS: Flush left, all capitals

TEXT: Generally, flush left, no indents

SPACING: 2 spaces after headings; 1 space between paragraphs