

NEIL ABERCROMBIE
GOVERNOR



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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)

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

November 28, 2011

FINANCE MEMORANDUM

MEMO NO. 11-20

TO: All Department Heads
(Except for the Departments of Human Services and Land and Natural Resources)

FROM: Kalbert K. Young
Director of Finance

SUBJECT: Department of Budget and Finance's Recommendations on FB 2011-13 Supplemental Budget Requests

Your department's FB 2011-13 supplemental budget requests 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. Attached are the Department of Budget and Finance's (B&F) recommendations on your department's requests.

Please review these recommendations. Should you wish to appeal any of the proposed actions, the Governor will be available to discuss your concerns after 1:00 p.m. on Thursday, December 1, 2011 or Friday, December 2, 2011. Please contact Ms. Reena Rabago of the Governor's Office at 586-0004 to schedule an appointment.

Due to the tight timetable to complete the supplemental budget, please initiate the necessary update of budget and program information, except for requests which are subject to change due to appeal. Ultimately, all updates must be completed to reflect the Governor's final Executive Supplemental Budget decisions which are forthcoming.

The following updates are due by 12:00 p.m. on Wednesday, November 30, 2011:

Operating and CIP Budget Preliminary Lump Sum Allocations

Departments with preliminary lump sum operating or CIP allocations should allocate those amounts to specific original requests (i.e., the lump sum allocations are not intended for new requests). Priority shall be given to shovel-ready CIP projects. As applicable, each department shall use 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 and will be e-mailed to the appropriate departments by their B&F analyst, to specify the requests to be funded by the lump sum allocation. Please submit the updated Form B and/or Form S to the B&F analyst assigned to your department by 12:00 p.m. on Wednesday, November 30, 2011.

The following updates are due on Monday, December 5, 2011 (unless otherwise noted):

BJ Summary Tables and BJ Details

All departments shall use the following guidelines to update their Act 164, SLH 2011, BJ Summary Tables and BJ Details. All departments, except for the Departments of Education and Transportation and the University of Hawaii, should use eBUDDI, the Budget Development and Information web-based system. These guidelines apply to all means of financing.

FY 10 - No changes.

FY 11 - Reflect actual expenditures.

FY 12 – No changes. (Unauthorized changes to FY 12 amounts will appear in the budget document as requested amendments to Act 164, SLH 2011.)

FY 13 - Reflect the Governor's final Executive Supplemental Budget decisions, including specific requests identified in the breakdown of lump sum operating allocations.

FYs 14 through 17 – Personal services costs must be adjusted to reflect the restoration of the labor savings reductions imposed pursuant to the current collective bargaining contracts. Position counts, other current expenses, equipment and motor vehicle costs shall be kept constant (i.e., same as FY 13) throughout the planning period.

Exceptions: Debt service, Employees' Retirement System, Employer-Union Trust Fund employer contributions, and Department of Human Services' entitlement programs should reflect projected requirements.

If time permits, departments should update their BJ Details to incorporate their approved supplemental budget requests so that their BJ Summary Tables can be generated by eBUDDI. If not, the BJ Summary Table amounts should be entered directly on the BJ Summary (BJ Edited) screen in eBUDDI.

Please notify your department's B&F analyst and Mr. Gregg Hirohata-Goto (gregg.h.hirohata-goto@hawaii.gov) via e-mail when you have completed your updates. The updated BJ Summary Tables are due on Monday, December 5, 2011 and BJ Details are due on **Friday, January 6, 2012**.

CIP Budget

Tables P, Q, and R

All departments should use eCIP, the Capital Improvement Program web-based system, to update their Tables P, Q and R to reflect the Governor's final Executive Supplemental Budget decisions, including specific requests identified in the breakdown of lump sum CIP allocations. Do not change any FY 12 amounts or appropriation language, unless the change reflects an approved request; otherwise, the change will appear in the budget document as a requested amendment to Act 164, SLH 2011.

All eCIP updates shall be completed by Monday, December 5, 2011. Please notify your B&F analyst and Mr. Hirohata-Goto when your department's eCIP update has been completed.

Form PAB

Form PAB should also be updated, as applicable, and sent to your B&F analyst by Monday, December 5, 2011.

Budget Narratives

Discuss the final approved Executive Supplemental Budget requests in the budget narrative in Section B (Description of Request) and Section C (Reasons for Request). Narratives are required only for program IDs with operating or CIP changes and are prepared at the program ID level (i.e., do not prepare separate narratives for organization codes within the program ID).

The narrative should be typed lengthwise, in two columns, on 14-inch paper using Ariel font, size 12, with a top margin of 1.00" and bottom and side margins of 0.75". Do not exceed one page, if possible. See attached narrative sample format. More narrative examples can be found on B&F's website in the 2011 Executive Supplemental Budget document.

All departments shall submit two hard copies of their budget narratives to this office, with electronic files e-mailed to your department's B&F analyst, by Monday, December 5, 2011.

Due to the limited time to complete the Executive Supplemental Budget, these deadlines must be strictly observed.

Your efforts are appreciated. Thank you for your understanding and cooperation in this matter.

Attachment(s)