



## EXECUTIVE CHAMBERS

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LINDA LINGLE  
GOVERNOR

July 31, 2003

### EXECUTIVE MEMORANDUM

MEMO NO. 03-08

TO: All Department Heads

SUBJECT: Amendment to Executive Memorandum No. 03-05, FY 04 Interim Budget Execution Policies and Instructions

Executive Memorandum (E.M.) No. 03-05, dated June 23, 2003, was issued to address anticipated revenue shortfalls projected by the Council on Revenues at its May 16th meeting. It became necessary to impose interim allocations and significant spending constraints, since projected resources would be insufficient to fund expenditures authorized by the 2003 Legislature.

Because of the continuing uncertainty surrounding State revenues, approved departmental allocations were limited to the first quarter of FY 04 only, and at reduced levels.

While there are indications that the economy has improved, we are obligated to abide by the economic guidance that the Council on Revenues provides pursuant to the State Constitution and Statutes. As such, we will continue to coincide our financial and expenditure planning with the latest official Council estimates provided in May 2003, until the Council meets in September to reassess the State's economic situation.

To ensure that priority government operations and services continue uninterrupted, however, the following amendments to E.M. No. 03-05 shall apply, effective as of the date of this memo. All other provisions in E.M. No. 03-05 not specifically amended or referenced in this memo shall continue to be in effect.

#### 1. Reduced General and Special Fund Allocations for the First Quarter of FY 04

- e. (new) Departments may request additional first quarter allocations to fund projected first quarter shortfalls in payroll and routine day-to-day operating expenses. Requests should be submitted through the Department of Budget and Finance (B&F) with appropriately amended Allotment Advices (Forms A-19s).

2. Restricted Filling of Position Vacancies

- b. (amend by replacing) Position vacancies approved for filling pursuant to guidelines in E.M. No. 02-07 (Vacant Positions), may be filled, effective as of the date of this memo.

Other vacant positions not approved for filling continue to be subject to the approval process required in Item 2a of E.M. No. 03-05.

3. Continuation of FY 03 Spending Moratorium

(new) Item No. 3 is rescinded in its entirety.

7. Submission and Due Dates

(new) Departments shall submit Allotment Advices (Forms A-19) to B&F identifying estimated 2nd quarter payroll, fixed cost and routine day-to-day operating expenses requirements by Monday, September 15, 2003.

**Fixed costs** include funding for debt services, employee fringe benefits, public welfare financial assistance, and Medicaid/QUEST.

It is expected that full-year allocations and budget execution instructions for FY 04 will be issued following the September Council on Revenues meeting.

I appreciate your continued cooperation in adhering to the letter and intent of this memo, as well as those provisions of E.M. No. 03-05, which are still in effect.

LINDA LINGLE