



EXECUTIVE CHAMBERS

HONOLULU

NEIL ABERCROMBIE
GOVERNOR

December 7, 2010

EXECUTIVE MEMORANDUM

MEMO NO. 10-05

TO: All Department Heads

SUBJECT: Third Interim Budget Execution Policies and Instructions for FY 11 – Third Quarter Allocation Only

The State's economic recovery continues, buoyed by the rebounding of the tourism industry. Increases in the number of visitors traveling to Hawaii and visitor spending have generated optimism, which is tempered by the sluggish national recovery. Hawaii's unemployment rate, which held steady at 6.4 percent in October, remains much lower than the national unemployment rate of 9.6 percent.

The Council on Revenues (COR) currently forecasts a FY 11 general fund revenue growth rate of 2.0 percent. Preliminary general fund tax collections for the first quarter of FY 11 have decreased by 5.7 percent (net of 7.9 percent increase adjusted by \$187.4 million in deferred tax refunds paid out in July 2010) over FY 10. General fund revenues must maintain a 5.5 percent growth rate for the remainder of FY 11 in order to meet the COR's forecasted growth rate of 2.0 percent.

We are still optimistic about Hawaii's economic recovery but we remain cautious. Our State's recovery from the nation's Great Recession is slow in coming but there are indications of recovery that keep us hopeful. However, due to the underlying uncertainties, we must 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 still pending. During the interim, the following actions are hereby authorized:

1. Effective immediately, departments will receive their respective budget allocations for the first three quarters of FY 11.

- a. The revised Exhibit 1 contains your department's First, Second and Third Quarter allocation, which is three-fourths of FY 11 operating program appropriations from Act 162, SLH 2009, as amended by Act 180, SLH 2010. The new allocation also reflects adjustments that were previously authorized.
 - 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).
2. Allocations for the fourth quarter 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 is sincerely appreciated.

NEIL ABERCROMBIE

Exhibit 1

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF AGRICULTURE
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	143.68	105.32	2.00	-	-	-	9.00	-	21.00	-	281.00
	9,267,118	16,618,193	1,967,580	-	-	812,962	1,441,619	-	11,398,362	-	41,505,834
1st Qtr Allocation	143.68	105.32	2.00	-	-	-	9.00	-	21.00	-	281.00
	2,316,780	4,154,548	491,895	-	-	203,241	360,405	-	2,849,591	-	10,376,460
2nd Qtr Allocation	2,316,780	4,154,548	491,895	-	-	203,241	360,405	-	2,849,591	-	10,376,460
3rd Qtr Allocation	2,316,780	4,154,548	491,895	-	-	203,241	360,405	-	2,849,591	-	10,376,460
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	143.68	105.32	2.00	-	-	-	9.00	-	21.00	-	281.00
	6,950,340	12,463,644	1,475,685	-	-	609,723	1,081,215	-	8,548,773	-	31,129,380

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF THE ATTORNEY GENERAL
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	333,90	22,52	172,06	-	-	0,50	54,35	-	34,95	-	618,28
	22,107,759	2,258,784	24,731,894	-	-	6,444,890	7,913,125	3,481,430	6,174,559	-	73,112,441
1st Qtr Allocation	333,90	22,52	172,06	-	-	0,50	54,35	-	34,95	-	618,28
	5,526,940	564,696	6,182,974	-	-	1,611,223	1,978,281	870,358	1,543,640	-	18,278,112
2nd Qtr Allocation	5,526,940	564,696	6,182,974	-	-	1,611,223	1,978,281	1,120,914	1,543,640	-	18,528,668
3rd Qtr Allocation	5,526,940	564,696	6,182,974	-	-	1,611,223	1,978,281	745,079	1,543,640	-	18,152,833
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	333,90	22,52	172,06	-	-	0,50	54,35	-	34,95	-	618,28
	16,580,820	1,694,088	18,548,922	-	-	4,833,669	5,934,843	2,736,351	4,630,920	-	54,959,613

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	69.50	29.50	10.00	-	-	-	-	-	33.00	-	142.00
	5,727,950	163,320,867	30,978,994	-	-	21,923,698	-	44,889,136	16,146,921	-	282,987,566
1st Qtr Allocation (revised)	69.50	29.50	10.00	-	-	-	-	-	33.00	-	142.00
	1,431,988	40,830,217	12,503,592	-	-	5,480,925	-	11,222,284	4,036,730	-	75,505,736
2nd Qtr Allocation	1,548,395	40,830,217	6,411,076	-	-	5,480,925	-	11,222,284	4,036,730	-	69,529,627
3rd Qtr Allocation	1,373,784	40,830,217	6,032,163	-	-	5,480,925	-	11,222,284	4,036,730	-	68,976,103
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	4,354,167	122,490,651	24,946,831	-	-	16,442,775	-	33,666,852	12,110,190	-	214,011,466
	69.50	29.50	10.00	-	-	-	-	-	33.00	-	142.00

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF BUDGET AND FINANCE
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	129,25	51,00	-	-	-	36,00	1,75	-	-	99,00	317,00
	1,604,113,625	9,249,331	-	-	-	11,195,581	101,603	-	-	10,603,291	1,635,263,431
1st Qtr Allocation (revised)	129,25	51,00	-	-	-	36,00	1,75	-	-	99,00	317,00
	452,247,262	2,312,333	-	-	-	3,361,847	25,401	-	-	2,650,823	460,597,666
2nd Qtr Allocation	383,955,454	2,312,333	-	-	-	2,611,245	25,401	-	-	2,650,823	391,555,256
3rd Qtr Allocation	383,955,455	2,312,333	-	-	-	2,611,245	25,401	-	-	2,650,823	391,555,257
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	1,220,158,171	6,936,999	-	-	-	8,584,337	76,203	-	-	7,952,469	1,243,708,179
	129,25	51,00	-	-	-	36,00	1,75	-	-	99,00	317,00

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	-	374.00	-	-	-	5.00	-	-	-	-	379.00
1st Qtr Allocation	-	47,526,571	-	-	-	2,260,525	-	-	-	-	49,787,096
2nd Qtr Allocation	-	374.00	-	-	-	5.00	-	-	-	-	379.00
3rd Qtr Allocation	-	11,881,643	-	-	-	565,131	-	-	-	-	12,446,774
Restrictions	-	12,074,672	-	-	-	565,131	-	-	-	-	12,639,803
TOTAL	-	11,785,128	-	-	-	565,131	-	-	-	-	12,350,259
RESTRICTIONS - TO BE DETERMINED											
TOTAL	-	374.00	-	-	-	5.00	-	-	-	-	379.00
	-	35,741,443	-	-	-	1,695,393	-	-	-	-	37,436,836

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF DEFENSE
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	128.30	-	83.95	-	-	-	-	-	-	-	212.25
	13,031,133	-	87,752,908	-	464,458	-	11,989,279	-	-	-	113,237,778
1st Qtr Allocation (revised)	128.30	-	83.95	-	-	-	-	-	-	-	212.25
	3,753,496	-	22,143,438	-	116,115	-	2,997,320	-	-	-	29,010,369
2nd Qtr Allocation	3,092,546	-	21,869,823	-	116,114	-	2,997,320	-	-	-	28,075,803
3rd Qtr Allocation	3,092,546	-	21,869,824	-	116,114	-	2,997,320	-	-	-	28,075,804
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	128.30	-	83.95	-	-	-	-	-	-	-	212.25
	9,938,588	-	65,883,085	-	348,343	-	8,991,960	-	-	-	85,161,976

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF EDUCATION
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	19,397.60	732.50	5.00	-	-	-	-	-	8.00	-	20,143.10
	1,253,433,452	41,984,233	251,952,082	-	-	13,716,215	14,265,874	53,764,304	22,805,313	-	1,651,921,473
1st Qtr Allocation (revised)	19,397.60	732.50	5.00	-	-	-	-	-	8.00	-	20,143.10
	626,716,726	10,496,058	62,988,021	-	-	3,429,054	3,566,469	13,441,076	5,701,328	-	726,338,732
2nd Qtr Allocation	313,358,363	10,496,058	62,988,021	-	-	3,429,054	3,566,469	13,441,076	5,701,328	-	412,980,369
3rd Qtr Allocation	156,679,182	10,496,058	62,988,021	-	-	3,429,054	3,566,469	26,882,152	5,701,328	-	269,742,264
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	19,397.60	732.50	5.00	-	-	-	-	-	8.00	-	20,143.10
	1,096,754,271	31,486,174	188,964,063	-	-	10,287,162	10,699,407	53,764,304	17,103,984	-	1,409,061,365

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF EDUCATION - CHARTER SCHOOLS
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	53,761,508	-	-	-	-	-	-	2,835,696	-	-	56,597,204
1st Qtr Allocation (revised)	32,256,905	-	-	-	-	-	-	2,835,696	-	-	35,092,601
2nd Qtr Allocation	16,128,452	-	-	-	-	-	-	-	-	-	16,128,452
3rd Qtr Allocation	2,688,076	-	-	-	-	-	-	-	-	-	2,688,076
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	51,073,433	-	-	-	-	-	-	2,835,696	-	-	53,909,129

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF HAWAIIAN HOME LANDS
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	-	106.00	-	-	-	76.00	-	-	-	-	182.00
	-	12,102,420	9,601,391	-	-	156,031,476	-	-	-	-	177,735,287
1st Qtr Allocation	-	106.00	-	-	-	76.00	-	-	-	-	182.00
	-	3,025,605	2,400,348	-	-	39,007,869	-	-	-	-	44,433,822
2nd Qtr Allocation	-	3,025,605	2,400,348	-	-	39,007,869	-	-	-	-	44,433,822
3rd Qtr Allocation	-	3,025,605	2,400,348	-	-	39,007,869	-	-	-	-	44,433,822
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	-	106.00	-	-	-	76.00	-	-	-	-	182.00
	-	9,076,815	7,201,044	-	-	117,023,607	-	-	-	-	133,301,466

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF HUMAN SERVICES
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	1,249,59	-	1,150.91	-	-	-	-	-	30.00	-	2,430.50
	774,389,540	617,587	1,081,236,372	10,000	-	-	44,689,880	105,081,522	7,620,241	-	2,013,645,142
1st Qtr Allocation (revised)	1,249,59	-	1,150.91	-	-	-	-	-	30.00	-	2,430.50
	322,443,515	154,397	382,748,522	2,500	-	-	11,172,470	70,589,801	1,905,060	-	789,016,265
2nd Qtr Allocation	196,179,915	154,397	232,829,283	2,500	-	-	11,172,470	29,182,122	1,905,060	-	471,425,747
3rd Qtr Allocation	127,883,055	154,397	232,829,284	2,500	-	-	11,172,470	2,654,800	1,905,060	-	376,601,566
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	1,249,59	-	1,150.91	-	-	-	33,517,410	102,426,723	30.00	-	2,430.50
	646,506,485	463,191	848,407,089	7,500	-	-	-	-	5,715,180	-	1,637,043,578

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	92.00	-	-	-	-	-	-	-	-	-	92.00
	19,967,660	700,000	4,886,281	-	-	-	4,886,281	-	-	-	25,553,941
1st Qtr Allocation (revised)	92.00	-	-	-	-	-	-	-	-	-	92.00
	9,491,745	175,000	1,221,570	-	-	-	1,221,570	-	-	-	10,888,315
2nd Qtr Allocation	3,491,972	175,000	-	-	-	-	1,221,570	-	-	-	4,888,542
3rd Qtr Allocation	3,491,972	175,000	-	-	-	-	1,221,570	-	-	-	4,888,542
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	92.00	-	-	-	-	-	3,664,710	-	-	-	92.00
	16,475,689	525,000	-	-	-	-	3,664,710	-	-	-	20,665,399

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF HEALTH
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	2,132.16	135.00	353.56	-	-	-	3.50	-	69.20	-	2,693.42
	382,751,143	203,523,290	118,306,815	-	-	-	12,599,213	27,665,000	168,000,187	-	912,845,648
1st Qtr Allocation (revised)	2,132.16	135.00	353.56	-	-	-	3.50	-	69.20	-	2,693.42
	234,974,678	131,217,934	56,705,002	-	-	-	4,609,126	21,481,250	101,390,887	-	550,378,877
2nd Qtr Allocation	49,258,822	24,101,785	20,533,938	-	-	-	2,663,362	2,061,250	22,203,100	-	120,822,257
	49,258,822	24,101,786	20,533,938	-	-	-	2,663,363	2,061,250	22,203,100	-	120,822,259
3rd Qtr Allocation											
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	2,132.16	135.00	353.56	-	-	-	3.50	-	69.20	-	2,693.42
	333,492,322	179,421,505	97,772,878	-	-	-	9,935,851	25,603,750	145,797,087	-	792,023,393

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF HEALTH - HAWAII HEALTH SYSTEMS CORPORATION
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	83,640,000	2,835.25 504,982,392	-	-	-	-	-	50,000,000	-	-	2,835.25 638,622,392
1st Qtr Allocation (revised)	23,219,836	2,835.25 126,245,598	-	-	-	-	-	12,500,000	-	-	2,835.25 161,965,434
2nd Qtr Allocation	18,600,164	126,245,598	-	-	-	-	-	12,500,000	-	-	157,345,762
3rd Qtr Allocation	20,910,000	126,245,598	-	-	-	-	-	12,500,000	-	-	159,655,598
Restrictions	RESTRICTIONS - TO BE DETERMINED										
TOTAL	62,730,000	2,835.25 378,736,794	-	-	-	-	-	37,500,000	-	-	2,835.25 478,966,794

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF LAND AND NATURAL RESOURCES
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	421,25	300.00	16.75	-	-	-	-	-	1.00	-	739.00
	23,376,673	57,821,828	16,794,742	-	-	-	-	-	719,585	-	98,712,828
1st Qtr Allocation	421.25	300.00	16.75	-	-	-	-	-	1.00	-	739.00
	5,844,168	16,028,586	6,523,895	-	-	-	-	-	179,896	-	28,576,545
2nd Qtr Allocation	5,844,168	12,786,737	1,873,476	-	-	-	-	-	179,896	-	20,684,277
3rd Qtr Allocation	5,844,168	14,503,253	4,198,686	-	-	-	-	-	179,896	-	24,726,003
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	421,25	300.00	16.75	-	-	-	-	-	1.00	-	739.00
	17,532,504	43,318,576	12,596,057	-	-	-	-	-	539,688	-	73,986,825

FY 2011 ALLOCATION (INTERIM NOVEMBER 2010)

DEPARTMENT OF PUBLIC SAFETY
(Nov. 2010)

	General Fund	Special Funds	Federal Funds	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus Funds	Revolving Funds	Other Funds	Total Allocation
Appropriation	2,473,20	8,00	7,00	-	-	-	59,00	-	8,00	-	2,555,20
	213,097,406	2,508,518	1,627,199	-	209,721	75,065	4,736,775	-	7,899,326	742,980	230,896,990
1st Qtr Allocation	2,473,20	8,00	7,00	-	-	-	59,00	-	8,00	-	2,555,20
	53,274,352	627,130	406,800	-	52,430	18,766	1,184,194	-	1,974,832	185,745	57,724,249
2nd Qtr Allocation	53,274,352	627,130	406,800	-	52,430	18,766	1,184,194	-	1,974,832	185,745	57,724,249
3rd Qtr Allocation	53,274,352	627,130	406,800	-	52,430	18,766	1,184,194	-	1,974,832	185,745	57,724,249
Restrictions											
RESTRICTIONS - TO BE DETERMINED											
TOTAL	2,473,20	8,00	7,00	-	-	-	59,00	-	8,00	-	2,555,20
	159,823,056	1,881,390	1,220,400	-	157,290	56,298	3,552,582	-	5,924,496	557,235	173,172,747

