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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
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FINANCIAL ADMINISTRATION DIVISION

June 10, 2009

FINANCE MEMORANDUM

MEMO NO. 09-07

TO: All Department Heads

FROM: Georgina K. Kawamura
Director of Finance

SUBJECT: Budget and Expenditure Control

As indicated by the Governor in her June 1, 2009 address to the people of Hawaii on the latest reduction in revenue forecast by the Council on Revenues, the Administration will take immediate action to close the substantial projected budget shortfall in FY 09 and in FB 2009-11.

This memorandum reiterates the need for all departments and agencies to take the most cautious and prudent steps in controlling expenditures during this fiscal year and the next fiscal biennium. Specifically, the following actions should be pursued:

1. Maximize the opportunities for lapses in operating and CIP appropriations.
2. Stop hiring except for essential positions and services.
3. Reduce expenses in all cost categories.

The State's current financial condition requires that we remain vigilant in holding down expenses where possible. The Department of Budget and Finance intends to recommend to the Governor that all current limitations on spending be continued in the execution of the budget for FY 10. As necessary, further adjustments will be implemented during the course of the fiscal year.

I appreciate your understanding and collaboration in our joint efforts to reduce overall spending in these critical times.