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PUBLIC UTILITIES COMMISSION

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

November 27, 2000

FINANCE MEMORANDUM MEMO NO 00-35

TO: All Department Heads

FROM: Neal Miyahira
Director of Finance

SUBJECT: Performance Budgeting Workshop

The Governor's Office and Department of Budget and Finance will be sponsoring a two-day training workshop on the development and use of performance measures, to be conducted by **Mr. Mark Friedman** of ***The Fiscal Policy Studies Institute***. We highly recommend that you have your administrative staff responsible for the development of your department's program budgets and effectiveness measures attend. Because of space limitations, each department should limit their attendees to **no more than two participants**.

The workshop will be held on Monday, **December 4, 2000** through Tuesday, **December 5, 2000**, in Conference Rooms **322B** and **322C** of the **Kalanimoku Building** (1151 Punchbowl Street, adjacent to Honolulu City Hall). As noted on the attached preliminary schedule of the performance measure workshop, a morning session is scheduled on December 4, and morning and afternoon sessions are scheduled on December 5, 2000.

Mr. Friedman's workshop will offer a practical approach toward accomplishing the tasks of identifying, developing, and using meaningful performance measures for current funding decisions, as well as for establishing program benchmarks for long term policy planning. His presentation will be tailored to address different responsibilities of line, as well as central staff agencies.

As you are aware, the 1998 Legislature passed Act 230 mandating conversion of the current State Executive Budget system (established by Chapter 37, HRS), to a performance-based approach. Although the present Executive Budget is a type of performance budgeting, legislative and executive policymakers recognize that most current measures used by

departments have been neither relevant nor useful for rational decision-making as intended by Chapter 37. These shortcomings will become even more critical as new accounting and audit standards require more accountability of public expenditures with activity-based costing.

Please provide the name(s) of your department's two participants to Ms. Mary Kagawa of the Budget, Program Planning and Management Division, at 586-1533 or e-mail that information to her at MARY_KAGAWA@EXEC.STATE.HI.US, **no later than Thursday, November 30, 2000**.

Your cooperation and interest are appreciated.

Attachment

c: Ms. Lynn Fallin, Office of the Governor
Ms. Sharon Amano, Chair, Performance Budgeting Committee
Mr. Sam Callejo

PERFORMANCE BUDGETING WORKSHOP

December 4 – 5, 2000

Conducted by

Mr. Mark Friedman, Director
The Fiscal Policy Studies Institute

Rooms 322B and 322C
Kalanimoku Building, 1151 Punchbowl Street

Monday, December 4, 2000

8:30 – 12:00 **Introduction: Overview**

- *All Line Departments*
- Department of Budget & Finance Staff

1:30 – 4:00 **Central Staff Overview**

- Department of Budget & Finance Staff only

Tuesday, December 5, 2000

8:30 – 12:00 **Line Agency Overview**

- *All Line Departments only*

1:30 – 4:00 **Workshop Discussion Groups, Q&A**

- *All Line Departments*
- Department of Budget & Finance Staff