



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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August 14, 2013

TO: Agency Directors

FROM: David Schumacher
Director

SUBJECT: INSTRUCTIONS FOR 2014 SUPPLEMENTAL BUDGET SUBMITTALS

Supplemental budget requests are **due to OFM no later than October 4, 2013**. Only the following types of budget revisions should be submitted:

- Non-discretionary changes in legally-mandated caseloads or workloads.
- Necessary technical corrections to the currently enacted budget.
- Additional federal or private/local funding expected to be received for the remainder of the biennium. Unless that funding has already been approved as part of the original legislative budget, or as an unanticipated receipt (for spending prior to March 2014), it must be made part of the supplemental budget request using expenditure authority types 2, 7 or 8, as appropriate. (Note: The unanticipated receipt process is suspended during the legislative session.)
- Highest priority policy enhancements or resource reprogramming proposals consistent with Governor Inslee's priority goal areas under Results Washington.

Washington's steady recovery from the Great Recession continues, but the pace of recovery means that pressure on the 2014 supplemental budgets will remain high. We ask agencies to limit all discretionary budget requests, consistent with their Lean management and other efficiency and performance management efforts to streamline and improve services while *reducing* costs. Budget requests should be limited to only those initiatives which meet the state's highest priority needs for the most efficient, high quality services to the public over the long term.

Proposed **operating** supplemental budget revisions must be submitted to OFM electronically through the Budget Development System (BDS). Narrative justification follows the decision package (DP) format described in Chapter 4 of OFM's 2013-15 Budget Instructions, which are available at http://ofm.wa.gov/budget/instructions/operating/2013_15/chapter4.pdf

Narrative descriptions for any revisions should be as detailed as possible. The justification must fully explain why additions cannot be absorbed within the agency's existing budget. Also describe the implications to program outcomes and client services, revenues (including fees), legislation, and federal rules, as well as any barriers that might complicate achievement of a policy change. Clearly identify any changes that require new legislation.

Some agencies have statutory authority to set program fees at a level sufficient to cover the costs of administering that program. Under Initiative 960 (RCW 43.135.055), such statutes do not authorize

agencies to increase fees without prior and specific legislative approval. Agencies with legislative mandates for fee-supported programs, or other requests for new or revised fees, must document the specific fees using the *OFM Request for New or Increased Fees* form found at <http://www.ofm.wa.gov/budget/forms.asp>.

Budget requests are distributed to legislative staff, executive staff and other recipients as appropriate. Please use the following guidelines in submitting hard copies to OFM:

- Transportation agencies
 - Higher education institutions
 - Dept. of Social and Health Services
 - Capital budget requests
 - All others – five copies
- } Seven copies

Hard copies should include the Recommendation Summary Report from BDS, decision package justification, summarized revenue report from BDS for agencies submitting revenue changes, and *Request for New or Increased Fees* document, if applicable.

Any **capital budget** revisions should be submitted to OFM using the Capital Budget System (CBS). The justification must follow the format described in Chapter 2.3 of OFM's 2013-23 Capital Budget Instructions found at <http://ofm.wa.gov/budget/instructions/capinst/13-23capinstr/default.asp>.

Proposals for the 2014 supplemental capital budget should be limited to technical corrections, emergency issues, return of project savings, and highest-priority enhancements consistent with Results Washington goals and outcomes. Because of the potential impact to the General Fund for projects supported by general obligation bonds, OFM staff may ask some agencies to provide more information on reappropriations, cash disbursement schedules, or project options.

For budget revisions related to **information technology**, ESSB 5891 (Chapter 33, Laws of 2013, 2nd Special Session) requires the Office of the Chief Information Officer (OCIO) to evaluate all proposed information technology (IT) decision packages and establish priority ranking of these proposals. No more than one-third of the proposed decision packages can be ranked as high priority. The OCIO will be working closely with OFM Budget to provide a prioritized list for the Governor and Legislature. The OCIO criteria that will be used to assess IT budget submittals can be found at http://ofm.wa.gov/budget/instructions/2014_ITsuppbudgetinstructions.pdf.

Please release electronic data and deliver the specified number of copies for supplemental operating and/or capital budget requests no later than October 4, 2013, to:

Office of Financial Management
Budget Division
Insurance Building (Third Floor)
302 Sid Snyder Avenue NW
P.O. Box 43113
Olympia, WA 98504-3113

Questions should be directed to your [assigned OFM budget analyst](#).

cc: Agency Budget Officers