



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

August 19, 2015

TO: Agency Directors

FROM: David Schumacher
Director

SUBJECT: INSTRUCTIONS FOR 2016 SUPPLEMENTAL BUDGET SUBMITTALS

Supplemental budget requests are due to the Office of Financial Management (OFM) on **Monday, October 5, 2015**. Submittals should focus on the following types of budget revisions:

- 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 2016), 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.)
- Only the highest priority policy enhancements or resource reprogramming proposals consistent with Governor Inslee's priority goal areas under Results Washington.

Agencies are asked 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 format described in [Chapter 4 of OFM's 2015-17 budget instructions](#).

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 [2016 agency request legislation](#).

As required by [RCW 43.135.055](#), unless otherwise exempted, fees may only be imposed or increased if approved by the Legislature. Submit legislation authorizing new fees or fee increases through the agency request legislation process. Request legislation is not required for any new fee or increased fee if an agency has existing statutory authority to impose or increase that fee. New fees, extensions of existing fees, and all fee increases, whether or not legislation is required, must be part of the supplemental budget submittal using OFM's [Request for New or Increased Fees](#) form.

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 the [2015-25 capital budget instructions](#).

Proposals for the 2016 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 and limited bond proceeds remaining, OFM may ask agencies to provide more information on reappropriations, cash disbursement schedules, or project options.

For budget revisions related to **information technology**, RCW 43.88.092 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. The OCIO will be working closely with OFM budget staff to provide a prioritized list for the Governor and Legislature. Instructions for IT budget requests are included in [Chapter 12 of the 2015-17 operating budget instructions](#). However, the OCIO criteria that will be used to assess IT budget submittals have been updated for the 2016 supplemental budget. The new criteria can be found at [IT Decision Package Ranking Criteria](#) and an updated IT Addendum form can be found at [IT Addendum - 2016 Supplemental](#).

OFM will distribute budget requests 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.

Please release electronic data and deliver the specified number of copies for supplemental operating and/or capital budget requests no later than October 5, 2015, 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