

OTHER BUDGET REPORTS

Reports in this section include additional requirements, statutory or data not included in other forms. These instructions apply only to agency budgets with the indicated funds or activities. Samples are shown here or at OFM's forms [webpage](#).

Nonbudgeted local fund summaries

Nonbudgeted local fund summaries (RCW 43.88.030(1)(f)). The nonbudgeted local fund summary is used to summarize financial data for nonbudgeted (nonappropriated/nonallotted) local funds outside the state treasury. Data can be entered in an Excel spreadsheet available on OFM's forms [webpage](#). This information will be displayed in the Governor's budget document.

Instructions

- A. Narrative description.** In account code number sequence, list all nonbudgeted local accounts in the agency. Include the full title of each account, a brief description of the purpose and source of revenue and the statutory authority.
- B. Summary financial statement.** In addition to the narrative descriptions described above, prepare a summary financial statement of fund balances on the nonbudgeted local format summary [form](#). List each nonbudgeted local fund by fund code sequence.

The fund balances shown for July 1, 2021, and June 30, 2023, should be reported on a modified GAAP basis. (Refer to Chapter 7). An Excel template for this requirement is available on the budget forms [webpage](#).

State matching requirements for federal funding

State matching requirements for federal funding (RCW 43.88.090(1)). Agencies must provide a list of any state matching requirements for federal grants (both operating and capital) they receive. Include this information in your budget submittal.

The data include:

- Federal Fund by Appropriation Type:
 - » 0 – Federal Block Grants
 - » 2 – Federal
 - » 5 – DSHS Other Federal
 - » 8 – Federal ARRA
 - » A – Family Support / Child Welfare
 - » C – Medicaid
 - » D – TANF
 - » E – Child Care
 - » J – Federal Stimulus Direct
 - » K – Federal Stimulus Indirect
- Activity inventory number for the most significant activity(s) using the grant in the operating budget.
- Amount shown by federal and state fiscal year.
- State match amount required in each of four state fiscal years.
- Account code of state match source.

An Excel template for this requirement is available on the budget forms [webpage](#).

New Direct pay tax credits

Under the federal [Inflation Reduction Act of 2022 \(P.L. 117-169\)](#), new and expanded tax credits for clean energy technologies are available to tax-exempt and government entities. This 10-year program referred to as “direct pay” (or “elective pay”) gives tax-exempt and governmental entities that do not owe federal income taxes the ability to receive a payment equal to the full value of tax credits for building qualifying clean energy projects or making qualifying investments. State agencies can receive tax-free cash payments from the IRS for clean energy tax credits earned, when all requirements are met, including a pre-filing registration requirement.

Eligible projects likely relevant to state agencies include the purchase of electric vehicle fleets, electric vehicle infrastructure, and renewable energy projects such as wind, solar, geothermal, and energy storage. [IRS Publication 5817-G](#) provides a brief description of tax credit provisions for direct pay. The 13 applicable tax credits fall into four categories:

- Energy Generation & Carbon Capture
 - » Production Tax Credit for Electricity from Renewables (45)
 - » Clean Electricity Production Tax Credit (45Y) 2025 onwards
 - » Investment Tax Credit for Energy Property (48) pre-2025
 - » Clean Electricity Investment Tax Credit (48E) 2025 onwards
 - » Low-Income Communities Bonus Credits (48(e), 48E(h))
 - » Carbon Oxide Sequestration (45Q)
 - » Zero-Emission Nuclear Power Production Credits (45U)
- Manufacturing
 - » Advanced Energy Project Credit (48C)
 - » Advanced Manufacturing Production Credit (45X)
- Vehicles
 - » Credit for Qualified Commercial Clean Vehicles (45W)
 - » Alternative Fuel Vehicle Refueling Property Credit (30C)
- Fuels
 - » Clean Hydrogen Production Tax Credits(45V)
 - » Clean Fuel Production Credit (45Z) 2025 onwards

The 2024 supplemental capital budget (Sec. 8008, chapter 375, Laws of 2024) directs OFM to work with agencies to collect a list of qualifying projects and complete the steps necessary to file an annual tax return for 2023 and 2024. Funds received from direct pay tax credits will be deposited into the Inflation Reduction Elective Pay Account (Fund 28V). Agencies must identify decision packages (DPs) in their operating and transportation budgets which may qualify for direct pay with their budget submittals in ABS. Agencies must list these DPs in the [Direct Pay Tax Credit Decision Packages spreadsheet](#). Include all information requested and indicate that DPs are eligible for direct pay in the package description. If you have questions about these instructions or eligibility, contact your assigned [OFM budget advisor](#).

Additional federal receipts reporting requirements

RCW [43.88.096](#) requires that designated agencies submit additional information related to receipt of federal funds. The requirements include:

1. Reporting the aggregate value of federal receipts the agency estimated for the ensuing biennium.
2. Developing plans for operating the designated state agency if there is a reduction of:
 - A. 5 percent or more in the federal receipts that the agency receives; and
 - B. 25 percent or more in the federal receipts that the designated state agency receives.

Designated state agencies subject to this requirement are:

- Department of Social and Health Services
- Department of Health
- Health Care Authority
- Department of Commerce
- Department of Ecology
- Department of Fish and Wildlife
- Department of Early Learning
- Office of Superintendent of Public Instruction (OSPI) (the report by OSPI must include the information required for each school district in the state)

An Excel template for this requirement is available on the budget forms [webpage](#).

Other budget reports and data

Updating agency descriptions. Agency descriptions and missions must be published as part of the budget document. Instructions for updating the agency descriptive text in ABS can be found in [Appendix 4](#).