CHAPTER 2
DECISION PACKAGES

What is a decision package?
Decision packages (DPs) are the key set of building blocks to construct the budget request. The DP is the place for the agency to make a compelling and persuasive argument for any proposed changes. Policymakers will rely upon this information when evaluating the request.

DPs organize and describe proposed cost changes in a way that highlights the budget policy decisions. The DP consolidates financial information, supporting justification and statements of impact for a specific action or policy proposed in the budget. One DP describes a proposed item of change listed on the Recommendation Summary (RecSum).

The Agency Budget System (ABS) guides agencies in developing budget DPs. It also automatically displays the expenditure, revenue and FTE detail that agencies enter into the system rolled up to the selected level (agency or program) for the RecSum report.

When is a DP needed?
A DP is required for all incremental changes to the current biennial budget except for carry-forward level (CFL) roll-up items and the maintenance level (ML) adjustment to activities and revenue.

DPs requiring law changes
For any DP where a change in statute is required, please attach draft language from the Code Reviser's Office and describe in detail the law change proposed. Cabinet agencies must provide a complete agency request legislation package as an attachment to this DP **and** submit the request through the Bill Analysis and Tracking System (BATS).

DPs should represent discrete decisions
Each DP will appear as one line with a *positive* or *negative* amount on the RecSum and should represent discrete budget decisions. Craft your DPs so related items are grouped together, but do not obscure or combine separate decisions.

DPs must stress outcomes
Budget decisions hinge on the stated performance objective or outcomes being addressed and their merit relative to all other competition for limited resources.

> **Example**: Seven new driver's license examining stations are proposed to expand geographic coverage and reduce client wait time.

The performance objective in this case is twofold (e.g., expanding coverage and reducing wait times). While the location of the examining stations is a necessary component of meeting the objective, the location of each station is not a separate budget decision. In this case, the agency would submit one DP.

Contact your assigned budget [analyst](#) if you have questions about how best to organize budget requests into DPs.

Anchor budget requests to the agency's strategic plan

OFM expects agency budget requests, including budget reductions, to be anchored to the agency's strategic plan and clearly support the implementation of these strategies and achievement of performance targets.

Use plain talk principles in your writing

Your DPs will be persuasive only if OFM analysts and decision makers can understand them. Use plain talk principles. Avoid jargon and acronyms. Keep your writing brief and clear. Anticipate questions.

The time available for budget review is scarce and the capacity for rounds of questions on agency DPs is very limited. OFM is likely to discard or require agencies to rework DPs if they are unclear, if requested information is missing, if assumptions are incomplete or if expected performance impacts are not explained.

Required elements of a DP

OFM uses DP information to evaluate the merit of your requests. DPs are composed of purposeful questions to glean key information policymakers need to analyze the request. We expect justification materials to vary in length and complexity, depending on the proposal. All DP questions in ABS are detailed below.

Make your DPs concise and compelling. The DP should be understandable by an audience that is not expert on your agency or the issues.

Use approved codes to designate change items

With few exceptions (see following note), agencies are free to use any combination of two-digit DP codes (e.g., alpha/alpha, alpha/numeric, numeric/numeric and numeric/alpha). "DP code" and "RecSum code" are terms of art in the budget community and used interchangeably in this document. ABS enforces allowable codes and titles.

Note: OFM designates a series of required codes for certain common ML and policy level (PL) changes (see Chapter 5). RecSum codes containing the letters O or I are restricted to prevent confusion with zero and one.

DP codes require two attributes new to the ABS system

- DP type
  - » Central services
  - » Compensation
  - » Transfer, or
  - » Other

The majority of agency budget request will fall under "other". Cost type for global items have predetermined DP types.

- DP cost type
  - » One-time
  - » Ongoing

> » Custom. Custom indicates that the request is a mix of one-time and ongoing costs. For example:
>> • A new program implementation has one-time equipment costs associated with ongoing staff costs.
>> • A new program implementation is staged or has ramp-costs.

Cost type implications must be reflected in the DP 4-year fiscal detail.

DPs require point of contact information new to ABS
Required ABS point of contact information includes:
- First name
- Last name
- Email address
- Phone

Point of contact is not necessarily the individual who prepared the DP, but rather the point of contact with subject matter expertise and the authority to speak relative to the DP information.

Note: ABS and enterprise reporting reports will sort DP codes as follows:
1. AA to ZZ
2. A0 to Z9
3. 00 to 99
4. 0A to 9Z

Other general preparation requirements
Rounding protocols for dollars and FTEs
- All fiscal detail in ABS is dollars in thousands.
- Round all expenditure, revenue, object and activity amounts to whole dollars in thousands. Round fractions of whole dollars from $1.0 through $499.0 to the next lower whole dollar in thousands, and $500 through $999 to the next higher whole dollar in thousands.
- Round FTE amounts to the nearest tenth.

Note: ABS and Enterprise Reporting (ER) reports will be accepted as produced.

Display of negative numbers
Use parentheses to indicate numbers reflecting expenditure decreases.

Required fund code conventions for budget documents
With few exceptions, use the state accounting system coding scheme detailed in the OFM Fund Reference [Manual](#) for account numbers and other designations used in budget documents. Fund codes require both the account number and the appropriation type code that indicates the source character of the funds involved. Separate the one-digit appropriation type from the three-digit account number with a hyphen as shown below.

General Fund
The following fund sources, where applicable, must be identified separately:

001-1 General Fund-State. Appropriation Type 1.

001-2 General Fund-Federal. Appropriation Type 2.

001-5 General Fund-Other Federal Fixed Grants (DSHS and DOH only). Appropriation Type 5.

001-7 General Fund-Private/Local. Appropriation Type 7.

001-8 General Fund-Federal (ARRA). Appropriation Type 8.

001-0 General Fund-Federal: Social Services Block Grant – Title XX (DSHS only). Appropriation Type 0.

001-A General Fund-Federal: Family Support/Child Welfare – Title IV (DSHS only). Appropriation Type A.

001-C General Fund-Federal: Medicaid – Title XIX. Appropriation Type C.

001-D General Fund-Federal TANF. (DSHS only). Appropriation Type D.

001-E General Fund-Federal: Child Care Development Funds (DSHS only). Appropriation Type E.

Other appropriated treasury funds
Identify other appropriated treasury funds by the following appropriation types:

State:	Appropriation Type 1
Federal:	Appropriation Type 2
Private/Local:	Appropriation Type 7

Nonappropriated funds
All nonappropriated funds, regardless of original source of funding, must use Appropriation Type 6.

Agency request legislation proposals with a budget impact
Proposals must be submitted to the Governor's Executive Policy Office through BATS, consistent with the agency budget submittal due dates. Agency request legislation instructions will be available on OFM's budget [webpage](#) when issued. Proposed agency request legislation will be reviewed with the Governor this fall. Agencies must include DPs in the budget submittal for any proposals with revenue or expenditure impacts.

Ensure that other agencies affected by your agency's proposed legislation are aware of the request; OFM requires fiscal notes from each affected agency. Each agency will also need to include the fiscal impact in its budget submittal.

The Legislative Evaluation and Accountability Program (LEAP) will approve (or deny) budget program structure change requests in mid-June 2018

Budget program or subprogram structure changes recommended by OFM must obtain approval from the LEAP Committee as required by Chapter 43.88 RCW. Refer to OFM's budget program structure change request memo for guidance on this process.

Include the Joint Legislative Audit and Review Committee (JLARC) audit responses in budget submittal

RCW 43.88.090(1) requires agencies to reflect consideration of applicable JLARC performance audit recommendations in their budget requests. Specifically, "the estimates must reflect that the agency considered any alternatives to reduce costs or improve service delivery identified in the findings of a performance audit of the agency by JLARC. Nothing in this subsection requires performance audit findings to be published as part of the budget."

See JLARC audits and studies. Agencies should also be prepared to provide information to JLARC.

2019-21 Biennial Budget
Decision Package

Agency: Agency number and name

DP code/title: 2-digit RecSum code and short, descriptive title limited to 35 characters. This will appear on DP and RecSum reports.

Budget period: Session for which funding is proposed

Budget level: ML or PL

Agency RecSum text: Brief description of your proposal. A cogent "elevator pitch" including a concise problem statement, proposed solution and outcomes affected by the proposal. Agencies should strive not to exceed 100 words. Summary text should not repeat references to cost or FTEs, displayed directly below in the fiscal detail.

Fiscal detail:

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund AAA-X	Xxx	yyy	zzz	Aaa
Fund BBB-Y	Xxx	yyy	zzz	Aaa
Total Expenditures	Xxx	yyy	zzz	Aaa
Biennial Totals	$###,###,###		$###,###,###	
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	x.y	x.y	x.y	x.y
Average Annual	x.y		x.y	
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. X	Xxx	yyy	zzz	Aaa
Obj. X	Xxx	yyy	zzz	Aaa
Obj. X	Xxx	yyy	zzz	Aaa
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
Fund AAA-X	x.y	x.y	x.y	x.y
Fund BBB-X	x.y	x.y	x.y	x.y
Total Revenue	Xxx	yyy	zzz	aaa
Biennial Totals	$###,###,###		$###,###,###	

Your detailed package description should elaborate upon the RecSum description provided above. This detailed description should provide the Governor, OFM, the Legislature and the public an understanding of the problem you are addressing.

To thoroughly describe the package and its justification, agencies are strongly encouraged to use:
- High-quality narrative descriptions
- Informative tables
- Charts and graphs
- Logic models
- Timelines
- Flowcharts
- Maps or other graphics

High-quality narrative descriptions will address the following questions:

What is the problem, opportunity or priority you are addressing with the request?
- Describe in detail the problem you propose to solve.
- What is the relevant history or context in which the DP request is made?
- Why is this the opportune time to address this problem?
- Have you previously proposed this request? If so, when and how was it received in the budgeting process at that time?

What is your proposed solution?
- How do you propose to address this problem, opportunity or priority?
- Why is this proposed solution the best option?
- Identify who will be affected by this DP and how.
- How many clients will or will not be served? Served by whom?

What are you purchasing and how does it solve the problem?
- What will this funding package actually buy?
- What services and/or materials will be provided, when and to whom?
- How will these purchases achieve the desired outputs, efficiencies and outcomes?

What alternatives did you explore and why was this option chosen?
- What are the consequences of not funding this proposal?
- Describe the pros/cons of alternatives. Explain why this request is the best option.
- What other options did you explore? For example, did you consider:
  » Options with lower costs.
  » Services provided by other agency or unit of government.
  » Regulatory or statutory changes to streamline agency processes.
  » Redeployment of existing resources to maximize efficient use of current funding.
  » Option to maintain the status quo.

Assumptions and calculations
You must clearly display the caseload/workload/service-level changes and cost/savings assumptions and calculations supporting expenditure and revenue changes proposed. Please attach an electronic version (Excel) of detailed fiscal models and/or fiscal backup information.

The intent here is not to repeat the fiscal detail summarized above, but to expand and provide all underlying assumptions and calculations associated with this proposal. All calculations must include impacts to the 2019-21 *and* 2021-23 biennia and must support the fiscal summary detail.

Expansion or alteration of a current program or service
If this proposal is an expansion or alteration of a current program or service, provide detailed historical financial information for the prior two biennia (2015-17 and 2017-19).

Detailed assumptions and calculations
- Provide detailed caseload/workload and cost information associated with adopting this proposal.
- Identify discrete expenditure/revenue calculations. Many DPs contain multiple components to achieve a desired outcome. If this package contains discrete funding proposals, the fiscal models or details must break out the complete costs/savings of each component part.
- Clearly explain all one-time expenditure or revenue components.

Workforce assumptions
Include FTE information by job classification, including salary and benefits costs.

Strategic and performance outcomes
Strategic framework
- How does this package relate and contribute to the Governor's Results Washington goal areas and statewide priorities?
- How does the package relate to the agency's strategic plan?
- Identify how this proposal affects agency activity funding by amount and fund source.

Performance outcomes
- Describe and quantify the specific performance outcomes you expect from this funding change.
- What outcomes and results will occur? What undesired results are reduced, eliminated or mitigated?
- Explain how efficiencies are optimized.
- Identify all Lean initiatives and their expected outcomes.
- Include incremental performance metrics.

Other collateral connections
Intergovernmental
Describe in detail any impacts to tribal, regional, county or city governments or any political subdivision of the state. Provide anticipated support or opposition. Impacts to other state agencies must be described in detail.

Stakeholder response
Agencies must identify non-governmental stakeholders impacted by this proposal. Provide anticipated support or opposition.

Legal or administrative mandates
Describe in detail if this proposal is in response to litigation, an audit finding, executive order or task force recommendations.

Changes from current law
Describe in detail any necessary changes to existing statutes, rules or contracts. Where changes in statute are required, cabinet agencies must provide agency request legislation as an attachment to this DP and submit it through BATS.

State workforce impacts
Describe in detail all impacts to existing collective bargaining agreements, compensation or benefits.

State facilities impacts
Describe in detail all impacts to facilities and workplace needs (See Chapter 9 - Leases and Maintenance). Describe in detail all impacts to capital budget requests.

Puget Sound recovery
If this request is related to Puget Sound recovery efforts, see Chapter 12 of the budget instructions for additional instructions.

Other supporting materials
Attach or reference any other supporting materials or information that will help analysts, policymakers and the public understand and prioritize your request.

Information technology (IT)
ABS will pose the question below for *each* DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

Information Technology
Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

○ No

◉ Yes

Please download the IT-addendum and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.