



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 7, 2021

TO: Agency Budget Officers

FROM: Nona Snell
Assistant Director for Budget

Nona Snell

SUBJECT: BUDGET FORMAT CHANGE REQUESTS

I am writing to provide instructions for agencies considering revisions to their budget format reporting structure. As provided in [RCW 43.88.030](#), a “budget format change” requires prior approval from OFM and the Legislative Evaluation & Accountability Program (LEAP) Committee. A budget format change refers to any of the following changes in budget, allotment, or accounting formats:

- shift of costs between programs (subprograms/categories for the Department of Social and Health Services, Department of Corrections, and Health Care Authority);
- program creation, consolidation, elimination, or division of programs/subprograms/categories;
- title change, if the new title is different from the current program, subprogram, or category name; or
- any other revisions that would affect the comparability of expenditures, revenues, workload, performance and personnel over time.

Agencies proposing any such changes must submit a request to the Office of Financial Management (OFM) no later than **Tuesday, June 1, 2021**, in anticipation of a *tentatively* scheduled LEAP Committee hearing on **June 17**. To sign up for updates to legislative committees, schedules, and other information, [follow this link](#).

Even-numbered calendar years are a good time to submit proposals for budget structure changes in anticipation of submitting agency biennial budget requests.

Note: Agencies are not required to submit budget format change proposals; please limit changes to those that serve a legitimate business purpose.

Program changes already adopted by legislative action in substantive legislation or an appropriations act do not require LEAP Committee approval; however, **a ten-year history restructure of historical data is still required** ([RCW 44.48.150](#)). For information on the type and format of the data required, please contact Sara Rupe in OFM’s Statewide Accounting Division at (360) 725-0189 or sara.rupe@ofm.wa.gov.

Required Elements of Program Structure Change Request

Agency submittals must provide a thorough description and explanation of each proposed budget format change. Include the following elements to ensure that your agency submittal is complete.

1. **Narrative Description of Change** should focus on the following questions (see Tab A of the *Program Structure Change Example* at the link below).
 - What purpose is served by the change?
 - How will this change affect the availability and understanding of budget and accounting information for policymakers and the public? For example, if programs are being consolidated, explain how this change will affect the availability and understanding of data from formerly independent programs.
 - The name, telephone number, and email address of the staff who will testify on the agency's proposed changes at the LEAP Committee hearing. All agencies with program structure change requests must have a representative available to testify.
2. **Crosswalk** should display details within the affected programs in the existing structure compared to the proposed structure. (See Tab B of the *Program Structure Change Example*.)
3. **Comparison of Current Structure to Proposed Structure** should compare the current total estimated biennial expenditures and FTEs for all programs, before and after the proposed changes. (See Tab C of the *Program Structure Change Example*.)

[Program Structure Change Examples, Templates and FAQs](#)

After conferring with legislative staff, OFM will communicate our recommendations to the LEAP Committee, which will only consider requests recommended by OFM. Please do not forward program structure change requests directly to LEAP.

Accounting-related program restructure requests recommended by OFM and approved by the LEAP Committee are approved contingent upon OFM and LEAP Committee staff's receipt of the reconstructed ten-year operating and capital expenditure and FTE history reflecting the revised structure. This information will be used to update OFM's historical database. **No accounting-related program restructure may be instituted prior to validation of the 10-year reconstruction of data by OFM and LEAP Committee staff.**

Only budget-related program restructure requests recommended by OFM and approved by the LEAP Committee are to be included in 2021-23 agency budget request proposals. Please email your agency program structure change requests, as editable source documents (e.g., Excel, Word), not .pdf files, to Budget.Operations@ofm.wa.gov.

You will find FAQs on Tab D of the *Program Structure Change Example*. Additional questions should be directed to your [assigned budget analyst](#).

cc: Michael Bezanson, Senate Ways & Means Committee
Charlie Gavigan, House Appropriations Committee
Mark Matteson, House Transportation Committee
Kelly Simpson, Senate Transportation Committee
Susan Howson, LEAP Committee
Michael Mann, LEAP Committee
Sara Rupe, OFM
Bryce Andersen, OFM
Budget Operations Staff, OFM