



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 13, 2019

TO: Agency Budget Officers

FROM: Jim Crawford
Assistant Director for Budget

SUBJECT: BUDGET FORMAT CHANGE REQUESTS

This memorandum provides 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 the Office of Financial Management (OFM) and 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 affecting the comparability of expenditures, revenues, workload, performance and personnel over time.

The LEAP Committee has *tentatively* scheduled a hearing on Tuesday, June 11, to consider requests. To allow OFM time to review and formulate a recommendation to the Committee and to provide Committee members time to review requests, agencies proposing any changes must submit a request to OFM by **Friday, May 24, 2019**. This tight timeline precludes consideration of any extension to this due date.

Odd-numbered calendar years are the optimum time to submit proposals for accounting structure changes in anticipation of submitting agency biennial allotments for the new 2019-21 fiscal period. Mid-biennium accounting changes are strongly discouraged and should be vetted in advance by OFM Budget and your Statewide Accounting consultant.

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, contact Mike Schaub in OFM's Statewide Accounting Division at (360) 725-0225 or michael.schaub@ofm.wa.gov.

Agencies are not required to submit budget format change proposals. Please limit your request for changes to those that serve a legitimate business purpose.

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** (see Tab A of Program Structure Change Example). This should focus on the following:
 - 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 representative(s) who will testify regarding the 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 Program Structure Change Example.)
3. **Comparison of Current Structure to Proposed Structure** should compare the total estimated current biennial expenditures and FTEs, for all programs, before and after the proposed changes. (See Tab C of Program Structure Change Example.)

[Program Structure Change Examples and FAQs](#)

After conferring with legislative staff, OFM will provide recommendations to the LEAP Committee. The LEAP Committee only considers change requests recommended by OFM.

Accounting-related program structure changes recommended by OFM and approved by the LEAP Committee are 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 ten-year reconstruction of data by OFM and LEAP Committee staff.**

Budget-related program structure changes recommended by OFM and approved by the LEAP Committee that move monies between budgeted levels must be included in the next budget build as a maintenance level agency budget request item.

Please email your program structure change requests, as editable source documents (e.g., Excel, Word) not .pdf files, to OFM.Budget@ofm.wa.gov. Questions should be directed to your [assigned budget analyst](#).

Attachment

cc: Michael Bezanson, Senate Ways and Means Committee
James Kettel, Senate Ways and Means Committee
Charlie Gavigan, House Appropriations Committee
Dave Johnson, House Appropriations Committee
Amy Skei, House Transportation Committee
Hayley Gamble, Senate Transportation Committee
Susan Howson, LEAP Committee
Michael Mann, LEAP Committee
Mike Schaub, OFM
Garry Austin, OFM