



STATE OF WASHINGTON

OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

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November 18, 2024

TO: Office of Financial Management

FROM: Office of Minority and Women's Business Enterprises

SUBJECT: BUDGET REDUCTIONS FOR FISCAL YEAR 2025 AND 2025-27 BIENNIUM

Potential Reductions (least concern):

- One-time reduction of \$50,000 by reducing travel expenses in FY25 only. This will be a reduction from proviso appropriation AC2 in FY25 supplemental only.
- One-time reduction of \$25,000 by forgoing planned space adjustments and furniture expenses in FY25 only. This will be a reduction from appropriation 012 in FY25 supplemental only.
- Ongoing reduction of \$3,000 per year for professional development trainings beginning in BI25-27. This will be a reduction from general fund appropriation 011 and 012 beginning in BI25-27.

Fund Sweep Risks (most concern):

- Any funds swept from OMWBE's fund 453 will result in reduction of support provided to small minority- and women-owned, and underrepresented businesses across the state. Fund sweeps will:
 - Negatively impact access and service delivery to central and eastern Washington as specified in the Move Ahead Washington Transportation Package.
 - Reduce availability of business development workshops for newly certified firms.
 - Cut technical assistance workshops designed to help more firms navigate the certification process.
 - Impede audit and oversight programs designed to ensure only qualified firms are certified and/or retaining certifications.
 - Hinder efforts underway to guide, initiate change, and hold accountable, State Agencies, Universities and Colleges to increase spend with small and diverse firms.
 - Require OMWBE to reinstitute certification application fees which would impose another barrier upon an already disadvantaged population.
- Additionally, OMWBE needs to preserve fund balance to mitigate the risk of increasing expenses due to general wage increases. When general wage increases occur OMWBE's fund 453 authority is increased accordingly, but the calculation of available funds in account 453 do not increase.