



STATE OF WASHINGTON
Board of Accountancy
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November 18, 2024

TO: Office of Financial Management

FROM: Washington State Board of Accountancy

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

ACB operates solely from special revenue fund 02J. Any potential expenditure reductions ACB makes will not directly impact the State general fund. Any potential fund sweeps from ACB's special revenue fund 02J will create risk for the agency.

Potential Reductions

- ACB does not see any opportunity for large scale programmatic changes.
- ACB spent \$37,000.00 in travel during FY24. ACB can potentially reduce travel expenditures by \$10,000-\$12,000 per year as needed.

Fund Sweep Risks

- Any funds swept from ACB's special revenue fund 02J present a number of risks to the agency:
 - FY26 will be a low revenue year for ACB's fund 02J. Projections show a fund balance decrease of \$100,000 to \$500,000.
 - ACB needs to preserve fund balance to mitigate risk of unpredictable legal and public records costs. In the event that ACB needs to perform extensive enforcement actions legal costs and public records costs are expected to increase significantly.
 - ACB needs to preserve fund balance to mitigate risk of increasing IT licensing costs. ACB considers it very likely that licensing costs will increase.
 - ACB needs to preserve fund balance to mitigate the risk of increasing central service costs. As these costs increase ACB's authority is adjusted accordingly, but since ACB operates solely from special revenue fund 02J, actual dollars available do not increase.

