



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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June 3, 2024

**TO:** Agency Directors

**FROM:** David Schumacher  
Director

A handwritten signature in black ink, appearing to read "D. Schumacher", written over a horizontal line.

**SUBJECT: 2025-27 OPERATING, TRANSPORTATION, AND CAPITAL BUDGET INSTRUCTIONS**

Recently, state budgets have focused on continuing services that address the basic needs of the people of Washington. While much of this focus must continue, the 2025-27 biennium will face a greater number of people needing services, thereby increasing the costs for these programs.

This year's revenue forecasts will likely support the maintenance of current programs, but not growth. Therefore, operating budget requests should focus on continuing these programs and only addressing caseload increases while not expanding existing programs and services. Agencies should also consider potentially pausing the phase-in of new programs, and the creation of additional programs should be limited to only the highest priorities.

Additionally, the initiatives, if passed in the November election, could negatively impact revenues that are collected, fund entitlement, and other programs and services. Please be cognizant that decisions about funding in the Governor's budget will reflect programs directly paid for with revenue generated by programs that may be affected by the initiatives. Budget requests and prioritization should reflect the possible outcomes.

The Governor continues his commitment to equity. Budget proposals should lead to equitable outcomes for Washingtonians and improve access for people who have been historically or are currently excluded from services or are disadvantaged. Budget requests must analyze the impacts on affected communities and how the budget requests achieve equitable access to opportunities and resources that reduce disparities and improve equitable outcomes statewide.

OFM staff will work with agencies throughout the summer and fall to understand your budget needs and priorities. The Governor knows he will face challenging fiscal choices among the state's needs and policy priorities, and he is confident that agencies will propose solutions to address the most essential programs and services.

The 2025-27 budget instructions are available on OFM's [website](#). Agency operating, transportation, and capital budget requests are due to OFM by Tuesday, September 10, 2024.

Thank you for your assistance. We look forward to working with you and your staff in the months ahead. If you have questions, please contact your agency's assigned [OFM budget advisor](#).

cc: Agency Budget Officers  
OFM Budget Advisors