BUDGET REQUEST CONTENT

3.1 Content required in your request

Information required from agencies for budget requests are required by law and OFM for budget analysis purposes. The information provided should support your budget request by explaining the problem, opportunity or program requirement being addressed; why the problem or opportunity exists; alternatives for addressing it; and the rationale for choosing the preferred alternative.

Prioritize projects. Agencies must prioritize each capital project with a new appropriation in the 10-year capital plan by need and contribution to the goals, objectives, strategies, and activities in the agency's strategic plan.

An equity-focused approach

The Governor is focusing on equity in his 2023-25 budget development. In the 2022 supplemental instructions, new questions were added to ensure that agencies are considering the impacts of budget requests on marginalized communities. Agencies are expected to address these questions thoroughly and fully in their capital budget requests.

3.2 10-year view (CBS 001)

The State Budgeting, Accounting, and Reporting System Act (Chapter 43.88 RCW) mandates a long-range approach to capital budget planning. It requires state agencies to submit a plan of proposed capital spending for a 10-year period, starting with the ensuing biennium. This long-range planning is designed to identify future needs and propose capital projects to address those needs. The 10-year capital plan must support the agency's mission and the goals and objectives of its strategic plan.

The 10-year capital program summary report (CBS 001) from CBS provides a summary of the agency's projects in priority order. The 10-year planning process recognizes that major capital projects span several biennia from start to finish. In the 10-year plan, project information must include estimates for present and future operating and maintenance costs, including any debt service that must be paid from a dedicated account.

3.3 Projects (CBS 002)

Projects – detail

Project titles and numbers. Project numbers are automatically generated in CBS and serve as the unique identifier of a project. The project number is used for project monitoring and comparisons throughout the life of the project.

Once enacted in the budget, the project title and number for major and stand-alone projects must not be changed during the life of the project. If the agency requests a reappropriation or new appropriation for an existing project, the agency should copy the project from the enacted version in CBS for subsequent biennia.

Competitive grant and loan program appropriations and minor works appropriations should use a new project number and title with a biennial identifier ("2023-25") for each biennium. This improves tracking of reappropriations.

Project class. Capital projects are identified as preservation, program, grant, or loan projects.

- **Preservation.** Preservation projects maintain, preserve, and extend the life of existing state facilities and assets and do not significantly change the facility and building footprint to address current or anticipated program changes. Examples include renovating building systems, upgrading utility systems and making other significant repairs.

- **Program.** Program projects primarily achieve a programmatic goal, such as changing or improving an existing space to meet program requirements or creating a new facility or asset through construction, lease, or purchase. This category includes projects ranging from building new facilities to significant renovation of existing facilities. Programmatic projects may also improve conditions, accommodate changes in services or clientele, or increase or maintain federal reimbursement.

- **Grant and loan programs.** Some grants and loans are authorized directly in the capital budget bill for tribal and local or community organizations for various purposes, while other grants and loans are authorized through competitively awarded statutory programs. Statutory grant programs must submit 10-year capital budget requests within the limits specified by statute. Agencies whose grant programs have no specified appropriation limits should submit requests based on a demonstrated need and reasonableness for the pending biennium and on a historical biennial appropriation history for the remaining four biennia. Your OFM budget analyst may have questions about projects on multiple funding lists.

  For project class in CBS, select "Grant" for grant and loan programs funded by state sources that are awarded by the state to qualifying recipients. Select "Grant – Pass Through" for programs funded by non-state sources administered by the state and passed-through to qualifying sub-recipients. If a program includes both state and federal funding, choose "Grant – Pass Through" and indicate in the narrative if the state funding is required match and at what rate the State is required to minimally match the non-state funding source.

Starting year. Identifies the year an agency intends to start the proposed project or expenditures for specific purposes.

Agency summary. This is also known as the project summary or recommendation summary (RecSum) text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it. The agency summary should be no more than two or three sentences.

NEW *Project description.* Describe the proposed project. **Please note that answers to the project description questions are not required for reappropriation requests.**

Provide answers to the following questions, which will inform decision makers about the proposed project.

1. Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements or other backup necessary to understand the need for the request. For preservation projects, it is helpful to include information about the current condition of the facility or system.

2. What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Please provide detailed cost backup.
3. How would the request address the problem or opportunity identified in question 1? What would be the result of not acting?
4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.
7. Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming and other analyses as appropriate.
8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff? If the answer is yes, you will be prompted to attach a complete IT addendum. (See Chapter 10 of the operating budget instructions for additional requirements.)
9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
10. **UPDATED** How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
11. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
12. Is there additional information you would like decision makers to know when evaluating this request?

Projects – additional information

Prior to capital budget submittal, agencies should make early contact with affected local governments and review their project lists against local plans and ordinances to ensure consistency with local growth management plans. Agencies must submit verification that a project is consistent with the provisions set forth in the state Growth Management Act (Chapter 36.70A RCW).

Projects – subprojects

UPDATED Programs and projects (for example, minor works, grants, or loans) where there is a known subproject are required to submit a project list with additional subproject data through CBS 002. If a project list is developed after the release of the Governor's budget, please contact your capital budget analyst to coordinate the transfer of subproject data when it becomes available. If a project includes subprojects, complete the agency summary and project description for the parent project and each subproject. DO NOT enter "See parent project" in the agency summary and project description. Include the location information, when known for subprojects, such as county, city, legislative district, longitude, and latitude.

Pursuant to RCW 70.235.070, when distributing capital funds through competitive programs for infrastructure and economic development projects, all agencies must consider whether the entity receiving the funds has adopted policies to reduce greenhouse gas emissions.

Projects – minor works
Agencies must develop a strategic plan for reducing their maintenance backlogs and completing repair projects. This plan must be included in the capital budget submittal (RCW 43.88.030(6)(d)). One way to reduce maintenance backlogs is through minor works.

Minor works projects appear as a parent project in the budget and include multiple subprojects valued between $25,000 and $1 million each (for higher education institutions, the range is $25,000 and $2 million). The value for each subproject means the total estimated cost regardless of fund sources.

UPDATED

Minor works projects should be completed within the biennium. Agencies are not required to submit C-100s or CBS cost estimates for individual minor works subprojects (projects no more than $1 million or $2 million for higher education institutions). Request totals for each subproject can be entered into CBS without a detailed cost estimate. Submit separate requests and estimates for minor works preservation and minor works programmatic.

Submit separate requests and estimates for minor works preservation and minor works programmatic. See Chapter 4 for allowable and non-allowable use of tax-exempt bond proceeds. If agencies intend to request minor works funding in future biennia, they should enter future funding along with their minor works request.

The following are **not** minor works projects, :
- A phase of a larger project
- A project that, if combined over a continuous time period, would exceed $1 million (or $2 million for higher education institutions)
- Supplemental funding for a bigger project that received a separate appropriation
- Planning, design, and studies except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list
- Movable, temporary, and traditionally funded operating equipment
- Software not dedicated to control of a specialized system
- Land or facility acquisition
- Rolling stock
- Computers
- Funding to supplement projects with funding shortfalls unless expressly authorized
- Moving expenses

See Chapter 4 for additional detail on the allowable and non-allowable use of tax-exempt bond proceeds.

Projects – funding
Provide a reasonable cost estimate of the project and the fund source for the ensuing biennium and future needs. The funding request must be consistent with the project C-100. When a project has subprojects, funding information is required at a subproject level.

The 10-year capital program summary report (CBS 001) is populated by the information provided for the ensuing biennium and future biennia.

Projects – operating impacts
Capital budget requests must identify associated operational costs, including but not limited to the following:
- **Alternatively financed projects.** Agencies proposing that a project or program be funded through lease/purchase or other financing contracts must estimate the lease or debt service costs, including fund source, associated with the funding method.
- **New facility costs.** If construction or property acquisition will bring a new facility online in the 2023-25 or 2025-27 biennia, the agency also must submit a decision package in its operating budget request that reflects the operating budget impacts during that biennium or the outlook biennium. Impacts may include IT and office equipment, moving costs, other one-time costs and new ongoing costs associated with the capital project, such as custodial or maintenance staff and any additional FTEs needed to operate the new or expanded program in the building. Provide the activity number of the decision package in the operating budget request in the narrative box.
- **Habitat and recreation land acquisitions.** Agencies proposing the acquisition of land, or capital improvement of land for which the primary purpose is recreation or wildlife habitat conservation must identify the projected operation and maintenance costs for at least the two biennia succeeding the next biennium, including the source of funds from which these costs are proposed to be funded, as required by RCW [43.88.030](#)(6)(p).

  Operation and maintenance information for multiple acquisitions within one request or within a minor works list must be submitted at the subproject level.

  Submit an operating budget request if the associated operation and maintenance costs of the acquisition impact the 2023-25 or 2025-27 operating budget. Contact your assigned operating budget analyst for details.

  When requesting funding for recreation or wildlife habitat land acquisition through the Recreation and Conservation Office (RCO), submit estimates of the operation and maintenance costs to RCO. Contact Mark Jarasitis at RCO (360) 902-3006 for assistance.

Projects – cost estimates (information also included in C-100 Excel spreadsheet)
See Chapter 3.

Projects – attachments
Agencies must attach the following documentation in CBS:
- **The C-100** (Excel cost estimating [form](#)) is required for all construction projects over $1 million ($2 million for higher education). Please attach the C-100 as an Excel file in CBS. For more information, see the cost estimating section below.

UPDATED

- **Documentation from the Department of Archaeology and Historic Preservation (DAHP) and affected tribes.** In accordance with Executive Order 21-02, agencies must consult with DAHP and affected tribes on the potential effects of projects on cultural resources and historic properties proposed in state-funded construction or acquisition projects, including grant or pass-through funding that culminates in construction or land acquisitions. Consultation with the department of archaeology and historic preservation and affected tribes must be initiated early in the project planning process, and must be completed prior to construction, demolition or taking title. Agencies must attach a letter from DAHP confirming that the proposed capital project was reviewed. (Some agencies may have an exemption from this requirement from DAHP.) If the request is a grant that contains multiple subprojects, ensure that this requirement is contained in the application process or the contract. Contact Dr. Rob Whitlam at DAHP (360) 890-2615 for assistance. Please allow DAHP a minimum of 30 days for review. If mitigation is anticipated, please ensure it is worked into the project schedule and budget.
- **Pictures** (optional).
- Where applicable, **subproject lists** with details such as locations, rankings and descriptions.
- Where applicable, **IT project request addendum**.
- **Other documentation** that may inform decision makers.

3.4 Reappropriations (CBS 002)

For a project that requires more than one biennium to complete and for which an unexpended balance is anticipated at the end of the biennium, an agency must request that funds be carried forward (reappropriated) to the next biennium. Agencies must demonstrate that funds are needed to complete the previously approved scope of work. Minor works projects should be completed in the biennium in which they are appropriated.

NEW

When requesting a reappropriation, agencies should follow these guidelines:
- The reappropriation request must not exceed the remaining expenditure authority amount. Reappropriations must retain the same project title, number and description as the enacted appropriation. To ensure reappropriation requests are accurate, agencies should copy forward the enacted budget version of a project and not the original agency request from the previous biennium.
- Agencies do not need to populate answers to the "project description" questions in CBS for reappropriation requests.
- Agencies do not need to enter a priority for reappropriation requests. Agencies priorities should be focused on new project requests.

NEW

OFM and the Legislature will request periodic reappropriation updates as they develop their budgets. OFM and the Legislature are developing a new process that would calculate reappropriations based on actual expenditures and future allotted amounts. This will require that agencies accurately account for capital expenditures and allotments. More information about this process will be communicated in Summer/Fall of 2022.

3.5 Cost estimates (C-100)

Agencies must conduct due diligence analyzing and submitting their project cost estimates in the standard format required for capital project budget requests to OFM.

UPDATED

For construction projects with an estimated total cost over $1 million ($2 million for higher education), agencies must provide cost estimates by completing the Excel C-100 and attaching it in CBS. **Please note that the CBS 003 report is no longer required and will not be used in OFM or Legislative budget development; some updates to the C-100 are not reflected in the CBS cost estimator due to outdated database architecture.**

NEW

Agencies are not required to submit C-100s or CBS cost estimates for minor works subprojects (projects less than $1 million or $2 million for higher education institutions) or minor works parent projects. Request totals for each subproject can be entered into CBS without a detailed cost estimate.

NEW

Agencies are also not required to submit C-100s or CBS cost estimates for projects that will not be initiated until budget outyears (2025-27 and after). Please include C-100s for projects with acquisition, predesign, design or construction funds requested in 2023-25. Request totals for each project can be entered into CBS without a detailed cost estimate.

3.6 Capital FTES (CBS 004)

Agencies must provide a summary of capital full-time equivalent (FTE) staff necessary for and related to the capital project or program. The summary includes:

- Staff and expenditures budgeted for capital projects in the 2023-25 biennium. These are all FTEs either wholly or partially funded by the capital budget. Accurate FTE information allows us to estimate the impact of the enactment of the capital budget.
- Proposed number of staff and staff-related expenditures for the 2023-25 biennium, by account and by program.
- Narrative describing the role of proposed FTEs and an explanation for any changes from the 2021-23 biennium.
- Account and level of anticipated expenditures for the FTEs.

See Chapter 4 for the appropriate use of tax-exempt bond proceeds related to staffing costs.