



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

June 13, 2023

TO: Agency Directors

FROM: David Schumacher
Director

SUBJECT: INSTRUCTIONS FOR 2024 SUPPLEMENTAL BUDGET SUBMITTALS

Supplemental budget requests are due to the Office of Financial Management (OFM) on **September 13, 2023**. Please focus your submittals on the following:

- Non-discretionary changes in legally mandated caseloads or workloads.
- Necessary technical corrections to the enacted 2023-25 budgets.
- Additions or reductions to federal or private/local funding anticipated for the remainder of the biennium.
- Other high priority emergent needs that must be completed during this biennium.
- Only new or expanded policy consistent with Governor Inslee's highest priorities.

Operating and Transportation Budgets

Operating and transportation supplemental budget requests must be submitted to OFM electronically through the enterprise Agency Budget System (ABS). Release of ABS operating budget data inclusive of required elements constitutes your submittal. For the complete 2023-25 budget instructions, system tutorials and credentialing information, please visit our Washington [BudgetWorks](#) site.

Capital Budget

Legislative changes in the 2023-25 capital budget related to capital projects will impact 2024 supplemental capital budget requests:

- The minor works threshold was increased to \$1.5 million for most state agencies (the previous threshold was \$1 million). The threshold for higher education institutions remains at \$2 million.
- For higher education institutions only, requests related to a project that received funding in previous biennia and whose total project cost exceeds the total estimated in prior budget requests must include a statement that depicts the additional costs, describes the ways the institution has mitigated or will mitigate costs, and identifies other funds that may be applied to the project. Please contact [Kelsey Rote](#) with questions.

Agencies must submit capital budget requests using the Capital Budget System (CBS), and for projects greater than \$1 million, must attach a completed [C-100 form](#). Hard copies of capital budget requests are no longer accepted. Electronic copies can be emailed to the Budget Operations [mailbox](#), uploaded to OFM's [ftp site](#), or saved to a thumb drive and mailed to OFM.

Operating, Transportation, and Capital Budgets

Narrative descriptions for budget requests should be very detailed. The justification must fully explain why additions cannot be included within your existing budget. Also, describe the implications to program outcomes and client services, revenues (including fees), legislation, federal rules, and any barriers that might complicate achievement of a policy change. Clearly identify any changes that require [2024 agency request legislation](#).

The governor will continue to focus on equity in his 2024 supplemental budgets. Therefore, agencies are expected to address the impacts on marginalized communities in their decision packages.

Budget advisors will consider your responses to the following questions when reviewing your decision packages. They will analyze budget impacts to understand how reductions or additions impact opportunities and access for individuals who have historically been excluded or under-represented.

- **Equity impacts to under-represented communities** (i.e., the demographic, geographic, and economic groups currently or historically affected by the policy, program, and potential decision)
- **Populations benefiting from or burdened by the proposal** (i.e., the program or policy expands or limits contract opportunities and access for individuals who have historically been excluded or underserved; the change in policies or practices perpetuates racial disparities and/or institutional racism; and whether benefits and resources are distributed in an accessible manner to communities that need it)
- **Strategies to mitigate unintended consequences** (i.e., the program or policy integrates strategies to improve access for immigrants and refugees and under-represented people; culturally specific strategies are included to address the needs of Washingtonians; and perspectives were involved or not involved in developing the proposal or making decisions).

HEAL Act Requirements

Beginning July 1, 2023, the Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021, requires that “covered and opt in agencies” meet requirements of the act in making budget requests to OFM (see RCW 70A.02.080). Covered and opt in agencies required to meet these requirements include the Department of Ecology, Department of Agriculture, Department of Commerce, Department of Health, Department of Natural Resources, Department of Transportation, Puget Sound Partnership, and Office of the Attorney General.

To explain how budget requests meet HEAL Act requirements, the covered agencies must address additional questions in a HEAL Act template in ABS. These questions are in addition to the equity-related questions required of all agencies. Covered agencies are reminded of the need to file a notice with OFM of significant agency actions for which they are initiating an environmental justice assessment, including opportunities for providing public comment required under RCW 70A.02.090(3). Information on how to provide this notice will be posted on OFM’s website.

Information Technology

For budget requests related to information technology (IT), please refer to the 2023-25 operating budget instructions and contact the Office of the Chief Information Officer (OCIO) at OCIOConsultants@ocio.wa.gov to request a decision package review. Decision package reviews may occur before or after budget requests are submitted and should include representatives from your agency, the OCIO and your assigned [OFM budget advisor](#). For purposes of a decision package review, an “IT project” is defined as a decision package that funds:

- development or acquisition of a new or enhanced software or hardware system or service,
- acquisition or enhancements of an agency data center, or
- continuation of a project that is, or will be, under OCIO oversight.

One Washington

All One Washington-related budget requests must be submitted to One Washington to be considered for inclusion in the consolidated enterprise-wide One Washington decision package. One Washington-related agency requests will be restricted to the Legacy System Remediation (LSR) Pool. Agencies that are not already participating in the LSR Pool should contact [One Washington](#) as soon as possible to determine eligibility. Remediation funding applications are due to [One Washington](#) by July 28, 2023.

For more information, see the [One Washington LSR Technology Resources page](#) or email [One Washington](#).

If you have questions, please contact your agency’s [assigned OFM budget advisor](#).

cc: Agency Budget Officers
OFM Budget Advisors