

Chapter 14

Other Budget Reports

14.1 NON-BUDGETED LOCAL FUND SUMMARIES

Reports in this section are additional items required by statutory provisions or because they provide data not included in other forms. These instructions apply only to agency budgets with the indicated funds or activities. Samples are shown here or at <http://www.ofm.wa.gov/budget/forms.asp>.

Non-budgeted local fund summaries (RCW 43.88.030(1)(f))

The Non-Budgeted Local Fund Summary is used to summarize financial data for non-budgeted (nonappropriated/nonallotted) local funds outside the State Treasury. Data can be entered in an Excel spreadsheet available from OFM. This information will be displayed in the Governor's budget document.

Instructions

- a) Narrative description: List, in account code number sequence, all non-budgeted local accounts in the agency. Include the full title of each account, a brief description of purpose and source of revenue, and the statutory authority.
- b) Summary financial statement: In addition to the narrative descriptions described above, prepare a summary financial statement of fund balances on the Non-Budgeted Local Format Summary form. List each non-budgeted local fund by fund-class sequence.

The fund balances shown for June 30, 2011, and June 30, 2013, should be reported on a modified GAAP basis. (Refer to Chapter 8.2.)

14.2 STATE MATCHING REQUIREMENTS FOR FEDERAL FUNDING

State matching requirements for federal funding (RCW 43.88.090(1))

Agencies must provide a list of any state matching requirements for federal grants (both operating and capital) they receive. Include this information in your budget submittal in a table like the sample shown below.

The data includes:

- Federal catalog number
- Activity inventory number for the most significant activity using the grant in the operating budget
- Grant amount shown by federal and state fiscal year
- State match amount required in each of four state fiscal years – 2012-2015.

				Page
		Code	Title	
	AGENCY	XXX	ANY	AGENCY
2013-15 FEDERAL FUNDING ESTIMATES SUMMARY				
DATE: 7-6-12				

CFDA NO.*	Agency/ Agency Total	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	FY 2012	6,459,857	6,502,000	175,000
	FY 2013	6,441,000	7,862,000	150,000
	FY 2014	6,925,000	8,485,000	175,000
	FY 2015	7,500,000	9,075,000	250,000
	Department of Commerce Interjurisdictional Fisheries Act			
11.407	Activity # A102			
	FY 2012	5,000,000	4,500,000	50,000
	FY 2013	5,100,000	6,000,000	50,000
	FY 2014	5,500,000	6,500,000	50,000
	FY 2015	6,000,000	7,000,000	50,000
	Department of Interior Sport Fish Restoration Act			
15.605	Activity # A105			
	FY 2012	945,000	1,438,000	125,000
	FY 2013	952,000	1,447,000	100,000
	FY 2014	975,000	1,550,000	125,000
	FY 2015	1,000,000	1,600,000	200,000

14.3 CENTRAL SERVICE AGENCY CHARGE INFORMATION

OFM will determine the maintenance level increment for certain central service agency charges.

OFM will determine the amount to add to each agency's maintenance level in 2013-15 for the central service agency charges listed below. The carry-forward level will reflect the changes to these charges made in the supplemental budget.

- **Archives and Records Management:** Archives and records management services provided by the Office of the Secretary of State. (Account 006-1)
- **Auditing Services:** Audit and operational costs of the State Auditor's Office. (Account 483-1)

- **Department of Enterprise Services:**
 - Contract Policy & Oversight: Charges related to funding statewide contract policy and oversight activities. (Account 422-6)
 - Secure File Transfer: Charges related to funding statewide file transfer capability. (Account 419-1)
 - Access/Inside Washington: Charges related to funding the state's Access/Inside Washington web sites. (Account 419-1)
- **Department of Enterprise Services – Human Resources Management System:** System maintenance and other system payments. (Account 419-6)
- **Department of Enterprise Services – Facility and Administration Services:** A variety of services provided to agencies, such as rent (maintenance and operations), utilities, parking and real estate services (lease renewals). (Account 422-6)
- **Department of Enterprise Services – Financing Cost Recovery and Capital Project Surcharge:** Charges related to the construction, renovation and occupancy of certain space owned and managed by the Department of Enterprise Services in Thurston County. One of these charges is for financing cost recovery of construction or major renovation projects of such space; the other is a capital project surcharge to cover some of the costs of capital projects. (Accounts 422-6 and 289-1)
- **Department of Enterprise Services – IT Services:** An enterprise fee to fund several statewide IT systems. (Account 419-6)
- **Department of Enterprise Services – Risk Management:** This office provides statewide risk management services. Agencies are billed based on experience. (Account 546-6)
- **Department of Enterprise Services – Small Agency Client Services:** This office provides certain agencies with payroll, personnel, accounting and budgeting services on a contractual basis. (Account 001)
- **Consolidated Technology Services:** Statewide IT Network Security: Charges related to funding statewide network security. (Account 419-6)
- **Office of Financial Management – IT Policy and Oversight:** Charges related to funding the activities of the Office of the Chief Information Officer. (Account 419-1)
- **Office of Financial Management – HR Policy and Oversight:** Charges related to funding the activities of the Office of the Human Resources Director. (Account 415-1)
- **Legal Services:** Cost of actual legal services provided to state agencies by the Office of the Attorney General. (Account 405-1)
- **Office of Administrative Hearings:** Administrative hearings services provided to state agencies. (Account 484-1)
- **Office of Minority and Women's Business Enterprises:** Standard certification of minority- and women-owned and controlled businesses. (Account 453-1)

Agencies will verify the account split OFM will use when making the incremental increase in these charges in the Governor's budget. OFM will send this information to agencies for verification in the spring.

Notify service agencies about extraordinary service needs

Agencies that anticipate requiring an unusual or extraordinary level of service should contact the appropriate service agency to discuss the anticipated nature and scope of the need. This approach will enable service agencies to include an appropriate estimate and cost of the service to be provided.

Performance level change requests for services must be in both client and provider agency budgets

If a client and service provider agency see a need to increase the type or utilization level of service, both the client and provider agency must include a performance level request for the increase in their budget submittal. This is important to help OFM keep these requests synchronized in the budget.

Central service agencies must provide additional information

Central service agencies must provide an agency billing list for the current biennium and for the 2013-15 proposed budget. This list should include the estimated annual amounts to be charged each user agency, and, if a direct staff service, the FTE staff involved with each user agency. In addition, each maintenance or performance level decision package must provide an example of the increased charges to small, medium, and large agencies. This will help OFM evaluate the cost implications of the decision package on other agencies. The total billing amount must be reconcilable to the agency's revenue estimate submitted in the budget.

OFM will provide a formatted spreadsheet and instructions to the central service agencies for their use in preparing this list.

Central service agency amounts are estimates

It should be noted that the central service agency amounts included in client agency budgets are estimates, and the actual billings from the service agencies will be based on services rendered. It is expected that client agencies will pay these billings in a timely manner and in full as they would pay bills from other vendors.

Personnel services charges are not included in the central services agency charges

Personnel services charges are a fixed rate applied to an agency's classified salary base, and unlike the central service agency charges listed above, are not adjusted by OFM. These charges are used to fund many of the statewide human resources services, and are placed in the personnel service funds administered by the Department of Enterprise Services and OFM. Agencies that have classified positions must make payment to these funds. Agencies may be at the rates listed below or less. Agency budgets for the current biennium already assume these levels of charges.

- **Personnel Services Account:** For the 2013-15 biennium, use 0.7 percent (.007) per year of covered salaries and wages.
- **Higher Education Personnel Service Account:** For the 2013-15 biennium, higher education agencies are to use 0.35 percent (.0035) per year of covered salaries and wages.

14.4 ADDITIONAL REQUIREMENTS FOR HIGHER EDUCATION AND TRANSPORTATION AGENCIES

OFM will send separate instruction letters to higher education agencies and transportation agencies that will list additional information requirements that must be included in the budget submittal.

14.5 PUGET SOUND RECOVERY

Agencies have additional reporting requirements to the Puget Sound Partnership (Partnership)

Agencies must follow additional steps in developing and submitting budget requests if any part (including base funding) is devoted to activities or projects to implement any part of the Partnership Action Agenda. These steps, described in more detail below, include:

- Providing specified information in operating decision packages submitted to OFM.
- Providing additional copies of Puget Sound budget requests to OFM and the Partnership
- Consulting with the Partnership
- Reporting to the Partnership the total cost of implementing the Action Agenda

Operating decision packages

All agencies requesting operating budget changes related to Action Agenda implementation must link decision packages to the Action Agenda as follows:

- In the recommendation summary, agencies should include the statement, “Related to Puget Sound Action Agenda Implementation.”
- Agencies should also include in the Narrative Justification under “Other important connections” the applicable strategic initiative, sub-strategies, and near-term actions identified in the Action Agenda, and explain how the request relates to these.
- Decision packages with Puget Sound components of statewide activities should provide detailed information about the Puget Sound portion of the request, including dollar amounts, FTEs, fund sources by fiscal year, and the narrative justification information described above. “Statewide activities” impact multiple geographic areas. Examples include shoreline master plan updates and forest practices regulation.
- Decision packages that include multiple near-term action components should provide detailed information for each near-term action, including dollar amounts, FTEs, fund sources by fiscal year, and the narrative justification information described above.

To facilitate Partnership input to OFM on Action Agenda-related budget requests, please send an e-mail with copies of all Action Agenda-related operating and capital requests to Linda Steinmann at OFM and Rebecca Pittman at the Partnership by your designated budget submittal due date. Contact information is provided below.

Summer 2012 consultation with the partnership

To ensure coordinated budget proposals that align well with the Action Agenda, all agencies requesting operating budget changes that impact the Action Agenda are required (by statute) to consult with the Partnership prior to submitting their budget requests to OFM. Agencies should seek Partnership concurrence in proposed funding levels. Early consultation is recommended, allowing time for agencies to respond to Partnership feedback while meeting budget submittal due dates.

Reporting the total estimated cost to implement the action agenda

Any agency implementing any part of the Action Agenda, including new or ongoing programs and activities, must report to the Partnership on the total estimated 2013-15 biennium cost to implement near-term actions specified in the Action Agenda. Agencies will use the new fiscal fields of the Partnership module in the Results through Performance Management System (RPMS) to provide this information.

While statute requires this information to be submitted by June 1 of even-numbered years, this deadline has been moved to September 10, 2012, to accommodate a revised schedule for adopting the Action Agenda update by the Partnership's Leadership Council. The Partnership will transmit specific instructions to affected agencies in July.

More about the Puget Sound Partnership action agenda and reporting requirements

The Partnership's Action Agenda, anticipated to be updated by early August 2012, guides recovery and protection efforts of federal and state agencies, as well as local and tribal governments in the Puget Sound basin. As part of the budget development process, statute directs state agencies to work closely with the Partnership and OFM on current and proposed activities and projects. As required by RCW 90.71.320, all agencies that implement any portion of the Action Agenda **must provide estimates of their costs to implement Near-Term Actions for the 2013-15 biennium.**

Under RCW 90.71.370(1), by September 1, 2012, the Puget Sound Leadership Council will provide to the Governor and the appropriate legislative fiscal committees recommendations for funding necessary to implement the Action Agenda in the 2013-15 biennium. To accommodate a revised schedule for adoption of the Action Agenda, this deadline has been extended to October 1, 2012.

If a state agency submits an amount different from the amount identified in the October 1, 2012, funding recommendation for its portion of Action Agenda implementation, the agency and Partnership must jointly identify the amount and reason for the difference, and submit this information to OFM.

Summary timeline

Event	Deadline
Partnership instructions to agencies for reporting the total estimated cost to implement the Action Agenda	July 2012
Action Agenda adopted, with sub-strategy ranking	Early August 2012
Partnership consultation/feedback to agencies on budget requests	Summer 2012
Agency budget submittals to OFM; Agencies e-mail Puget Sound decision packages/capital project requests to OFM and Partnership	August/September 2012
Agency submittal of total estimated cost information for near-term actions to Partnership via RPMS	September 10, 2012
Partnership funding recommendations and gap analysis to OFM	October 1, 2012

Contact information

If you have any questions about these requirements, please contact the following individuals:

Rebecca Pittman, Finance Director
Puget Sound Partnership
360-464-1218
Rebecca.Pittman@psp.wa.gov

Linda Steinmann, Budget Assistant to the Governor
Office of Financial Management
360-902-0573
LindaSt@ofm.wa.gov

Reference

Puget Sound Partnership Action Agenda Update Website
Check here for the final, adopted Action Agenda
http://www.psp.wa.gov/action_agenda_2011_update_home.php

14.6 OTHER BUDGET REPORTS AND DATA

Update agency descriptions

Agency descriptions and missions must be published as part of the budget document. We will send agencies a template in July that contains the most recent agency description and mission statements. Agencies wanting to make changes should return the updated template to Laurie Lien at ofm.budget@ofm.wa.gov no later than their agency budget due date.

Confirm updated second-year expenditure estimates

In September, OFM will ask agencies to review and confirm estimates of second-year (FY 2013) expenditures and revenues. These estimates, along with FY 2012 actual expenditures (as of CAFR Phase II), will be used for fund balancing for the 2013-15 budget proposal.

Instead of asking agencies to develop the estimates and submit them through BDS, OFM will develop expenditure estimates based on this formula:

Expenditure Authority - First Year Actuals - Reserve - Unallotted.

We will also use allotments as the basis for revenue estimates. For General Fund-State, we will use the appropriations as the estimates and will not be sending these to agencies for review.

For other funds, calculated estimates will be sent to agencies for review in mid-September, shortly after CAFR Phase II close. Agencies will have approximately two weeks to review and confirm or modify the estimates. **Agency comments are due to OFM by September 30.**