OFFICE OF FINANCIAL MANAGEMENT
BUDGET DIVISION

2017-19 Biennium
OPERATING BUDGET INSTRUCTIONS

JUNE 2016

ELECTRONIC ACCESS TO BUDGET INSTRUCTIONS

Information contained in this document is located at: http://www.ofm.wa.gov/budget/default.asp

OFM STAFF ASSISTANCE

Contact your agency's assigned budget analyst for assistance. Assignments, phone numbers, and e-mail addresses for OFM budget analysts are available at http://www.ofm.wa.gov/budget/contacts/default.asp

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What's New in These Instructions?

- Decision Package Format
- Decision Package Template
- BDS Data Export
- Additional two-digit Decision Package/Recommendation Summary Codes
- Information Technology Addendum now part of the Decision Package Template

Instructions provide guidance on:

- Budget request basics, such as submittal components and format requirements and due dates
- Creation of decision package and RecSum documents
- Items to include in carry-forward, maintenance and performance levels
- Allocating maintenance level subtotals and performance level decision packages to activities
- Performance measure and activity description submittal requirements
- Linking of operating and capital budgets
- Maintenance level, revenue and other coding requirements
- Additional information requirements for technology portfolios
- Development of good cost estimates

Additional Budget Instructions and requirements not included in this document:

- 2017–27 Capital Plan Instructions
  - Higher Education Capital Project Evaluation System
- 2017–19 Higher Education Operating Budget Instructions Addendum
- 2017–19 Transportation Operating Budget Instructions Addendum
- Strategic Plan Guidelines
- Activity Inventory Guidelines
- Performance Measure Guidelines
- Glossary of Terms
- Forms

All budget-related materials are available at [Budget Instructions](#).

Timeline and dates of interest for 2017–19 budget development cycle available [here](#).

Chapter 1

Budget Request Basics

1.1   CONTEXT FOR STATE AGENCY BUDGET REQUESTS

The state's economy continues its steady, modest growth and is forecast to continue to outperform slow U.S. economic growth over the next two biennia. Employment growth, modest wage growth and growth in the housing markets are indicators of continuing strength in Washington's economy. State revenue collections have rebounded from the Great Recession at a much slower pace than after previous recessions. As a result, demands on the state's resources — including mandatory caseload and cost growth and spending increases for education and other services — continue to outpace revenue growth. This structural fiscal gap includes continuing costs of major K-12 funding enhancements made in the current biennium and the final phasing in of legislative commitments to decrease K-3 class sizes in the 2017–19 biennium.

In addition, the state must further increase state funding of K-12 school employee compensation at a cost of several billion dollars next biennium (McCleary v. State of Washington). Meeting the state's constitutional duty to fully fund K-12 education is an enormous challenge and the top budget priority. In addition, the state continues to face cost pressures to address state workforce and vendor compensation needs and to meet other policy issues.

Agencies must find ways to manage budgets without increased funding

While meeting the extraordinary state funding needs of education in the next biennium may require increased state revenues, state agencies and their local partners should otherwise expect to manage within current projected state resources. Competition for available resources will be intense. While agencies should always strive to reduce costs and find new ways to save resources, these efforts will be especially important over at least the next two biennia. Requests for new funding should be limited and focused on the highest priority services that deliver significant performance improvements and outcomes for the citizens of Washington.

In reviewing agency budget requests, OFM will ask these questions:

- What strategies and activities will be most effective in achieving agency and statewide goals and priorities?
- Given financial or other constraints, how can we maximize the outcomes of our highest priority services and activities?
- How else can the state meet desired outcomes more cost effectively?

State agency strategic plans, activity descriptions and decision package information should all focus on answering these questions. The best budget proposals are persuasive not only at the agency level, but also in the broader statewide context that OFM and the Legislature must consider when making decisions across state government. Proposals that make the strongest case will be those that discuss the value and benefits of the services they deliver to achieve positive statewide outcomes.

Strategic framework — focus on results and strategic plans

Agency budget requests should reflect Gov. Inslee's statewide strategic goals articulated through Results Washington and agency-specific strategic plans.

Results Washington – Decision packages *must* identify the Results Washington statewide goals and outcome measures they are designed to address. Packages should clearly articulate how budget requests will achieve implementation of strategies and plans developed by the Results Washington Goal Councils.

Agency Strategic Plans – For 2017–19 biennial budget requests, OFM is again requiring agencies to submit strategic plans. Budget decision packages should align closely with agency strategic plans, goals and performance measures.

OFM will work with the Governor using Results Washington goals, outcome measures and action plans — along with agency strategic plans, strategies and performance measures — to prioritize budget purchases within and across agency budgets as we develop the Governor's 2017–19 budget recommendations.

Improving the efficiency and streamlining the operations of state government is an expectation Gov. Inslee has of all agencies. "Fostering a Lean culture that drives accountability and results for the people of Washington" remains a central tenet of the Results Washington management effort.

Compelling Budget Requests — Dos and Don'ts

The detailed budget instructions that follow contain changes from prior biennia instructions. The changes are intended to generate more comprehensive and detailed decision packages and to provide better information to OFM, the Governor and the Legislature for decision making.

Fiscal detail is now required for the ensuing four fiscal years, as OFM and the Legislature have moved to four years of fiscal detail in our budget systems.

We have moved to a Microsoft Word-based decision package template and format. This will enable agencies to more easily provide greater detail and justifications for decision packages, and facilitate greater use of tables, charts, graphs, maps and other graphics that can help agencies articulate budget requests and expected outcomes more clearly. Agencies are encouraged to limit budget requests and ensure that those requests are comprehensive and capable of withstanding a highly competitive fiscal environment.

Do:

- Look for ways to save resources.
- Develop options to meet your highest priorities in the most cost-effective manner.
  - How else can we accomplish this?
  - What can we reprogram to meet our need?
  - How can we reduce the cost?
- Focus intensely on performance and outcomes.
  - What will the decision package accomplish?
  - Who will be served? At what level?
  - How will we know?
  - What are our performance targets?
  - How likely are the targets to be met?
- Spend your time on the most critical things.
- Look forward to the future, not back to the past.

Don't:

- Request restoration of prior cuts; in most cases, agencies are not entitled to a prior level of funding.
- Request a prior "share" of the budget (there is no such thing).
- Request past unfunded inflationary or other cost increases.
  (These are not compelling arguments for limited resources. If resources are needed, make your strongest case based on articulated need, performance, outcomes and results.)
- Request a new program or initiative without a comprehensive and realistic plan to fund its full implementation in the future.
- Try to bury policy-level requests in maintenance level; when in doubt, ask.

1.2 THE BUDGET IN TWO VIEWS

Decision packages are the budget building blocks

Agencies must describe and support each requested incremental change to the current budget with a decision package. Decision packages are the place for agencies to make a persuasive case for their requests.

Agency decision packages are summarized in the Recommendation Summary Report. The Budget Development System (BDS) assists agencies in developing budget decision packages which are finalized as a Word document. BDS produces the required RecSum Report.

Major budget categories help to organize the request

The incremental steps in the RecSum are grouped to help OFM and legislative fiscal staff analyze categories of expenditure changes from the current biennium level. The categories are:

- **Carry-forward level**
  How much of the budget proposal is the biennialized cost to continue the workload or services already authorized through legislative budget decisions? OFM, in consultation with legislative and agency staff, determines the carry-forward level and communicates these control amounts to agencies as soon as possible after these instructions are published. *(Chapter 5.1 has more detail.)*

- **Maintenance level**
  How much of the budget proposal is for additional mandatory caseload, enrollment, inflation or other legally unavoidable costs not contemplated in the current budget? Maintenance level changes to budgeted, nonappropriated funds are also listed in this category. *(Chapter 5.2 has more detail.)*

- **Policy and performance changes**
  What other expenditure change proposals are contained in the agency request budget? These options represent changes in discretionary workload, the nature and scope of services, or alternative strategies and outcomes. *(Chapter 6 has more detail.)*

The Activity Inventory view of the budget provides another important set of budget building blocks

While the decision packages show the incremental changes to the agency budget, the activity inventory describes what the agency does:

- What are the activities of the agency?
- What does it cost to perform them?
- What are the products and outcomes of each activity?
- How do activities connect to agency strategic plans and the statewide goals and performance targets of Results Washington?

Agencies must prepare and submit an activity view of the budget in addition to the traditional decision package described in Chapters 3 through 6. BDS supports this requirement.

An activity is something an organization does to accomplish its goals and objectives. An activity consumes resources and provides a product, service or outcome. One way to define activities is to consider how agency employees describe their jobs to their families and friends. On behalf of the state's citizens, we basically want to know "What do you do? For whom? Why is it valuable?"

Activity descriptions tend to be better than program descriptions at revealing the nature and purpose of the work performed by state government. The activity view of government has come to play an important role in budget analysis, prioritization and decision making.

The Activity Inventory describes the major activities of each agency. Each activity description must include the following information:

- A title that describes the nature of the activity (rather than an organizational name)
- A brief description of the activity, its purpose and its intended recipient or beneficiary
- The expected results of the activity (conveyed as a concise narrative description of outcomes and/or as one or more performance measures)
- The primary statewide goal area to which the activity contributes
- Secondary statewide goal areas to which the activity contributes

Resources

OFM Activity Guide: http://ofm.wa.gov/budget/instructions/other/activityguide.pdf

OFM Performance Measure Guide:
http://ofm.wa.gov/budget/instructions/other/performancemeasureguide.pdf

1.3   WHAT ARE THE SUBMITTAL REQUIREMENTS?

Capital budget requirements

Submit your agency's capital budget request in a separate notebook. Refer to the Capital Budget Instructions for more information: http://www.ofm.wa.gov/budget/instructions/capital.asp.

Additional requirements for transportation agencies

Additional requirements for transportation agencies can be found in the transportation budget instructions addendum.

Additional requirements for higher education institutions

Additional requirements for higher education institutions can be found in the higher education budget instructions addendum.

Some agencies provide budget data at the program level

OFM reviews most RecSums at the agency decision package level. However, we ask for some program detail from agencies. For agencies listed below that are appropriated at program (or lower) level, agencies must include program-level RecSums with your agency request:

010	Bond Retirement and Interest
107	Health Care Authority
300	Department of Social and Health Services – program level, except the following submitted at category level:

- mental health
- developmental disabilities

305	Department of Veterans Affairs
310	Department of Corrections
340	Student Achievement Council
350	Superintendent of Public Instruction
405	Department of Transportation
406	County Road Administration Board
407	Transportation Improvement Board
411	Freight Mobility Strategic Investment Board

Required Budget Submittal Components (notebooks)

The chart below shows the required components of the submittal and the way the material should be organized in the notebooks submitted to OFM. It is most helpful if notebooks include labeled tabs, especially tabs for each decision package. If an agency is submitting more than a few decision packages, a table of contents is also helpful.

TAB A
- ❑ Agency Organization Chart
- ❑ Agency Activity Inventory Report – *BDS report (Chapter 2 and Chapter 10.1)*
- ❑ Performance Measure Incremental Estimates Report –- *BDS report (Chapter 10.2)*
- ❑ Indirect Cost Allocation to Activities Description *(Chapter 2.2)*
- ❑ Agency Strategic Plan

TAB B
- ❑ Recommendation Summary at Agency Level – *BDS report (Chapter 4)*
- ❑ Recommendation Summary at Program Level – *BDS report (Chapter 4, only for agencies listed in Chapter 1.2)*

TAB C
- ❑ Decision Package Summary – *BDS report (Chapter 3)*

❑ Individual Decision Packages – *BDS entry form and report (Chapter 3)*

TAB D
❑ Summarized Revenues – *BDS report (Chapter 8.1)*
❑ Proposed Fee Changes – *Excel Spreadsheet (Chapter* 9)
❑ Working Capital Reserve (B9-1) (*only fund administrators) (Chapter 8.4)*
❑ Revenue Transfer Reconciliation Statement *(Chapter 8.3)*
❑ Federal Fund Estimates/State Match – *OFM template (Chapter 14.2)*
❑ Additional Federal Receipts Reporting Requirements– *OFM Template (Chapter 14.3)*
❑ Nonbudgeted Local Fund Summary (B10) – *OFM template (Chapter 14.1)*
❑ Puget Sound Action Agenda: List of Decision Packages and Capital Project Requests *(Chapter 14.4)*
❑ JLARC Audit Responses *(Chapter 1.4)*

TAB E
❑ Specified documents as required for Information Technology-related decision packages (Chapter 12), Central Services fund split information (Chapter 13.3), Extraordinary Risk Management decision package and Enterprise Risk Management updates (Chapter 13.5)
❑ Electronic Decision Package Confirmation (Appendix A-3)

Required Budget Submittal Components (email)

❑ Indirect cost allocation. Send an electronic copy of indirect cost allocation to activities information to Linda Swanson at ofm.budget@ofm.wa.gov *(Chapter 2.2)*
❑ Agency descriptions and missions must be published as part of the budget document. We will send agencies a template in August 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. . *(Chapter 14.5)*

How many copies must we submit?

With the exceptions noted below, all agencies must submit **six complete copies** of their operating budget submittal documents to OFM. OFM will forward copies to the appropriate House and Senate fiscal committees and other recipients. *(See Appendix A-2.)*

Operating exceptions:

- The **Department of Social and Health Services** must submit four additional copies, for a total of 10 complete copies.

- The **Health Care Authority** must submit one additional copy, for a total of seven complete copies.

- **Higher education institutions** must submit two additional copies, for a total of eight complete copies. OFM will forward the additional copies to the Student Achievement Council and the Council of Presidents' Office.

- The **Department of Transportation** must submit four additional copies, for a total of 10 complete copies. **The Washington State Patrol** and **Department of Licensing** must each submit three additional copies for a total of nine complete copies. **All other transportation agencies** must submit one additional complete copy for a total of seven complete copies.

Capital:

- All agencies submitting capital budget proposals must submit five copies.

What are the format requirements?

For all agency budget submittals to OFM:

- Number all pages.
- Reduce oversized materials by photocopier whenever possible. What does this mean? If legible, use 8 ½ x 11 paper.
- Three-hole punch all materials and assemble each copy of the budget in a standard size notebook supplied by the agency.
- Organize and tab the material as detailed above.

Electronic submittal of decision packages

Agencies are required to provide electronic copies of each decision package in their budget request as part of the submittal process. Agencies may accomplish this in one of two ways:

1) If an agency posts its request to its public-facing website, provide the URL where it may be found. Documents must conform to ADA accessibility compliance standards. Guidance may be found here and here. Note: Agency posting is the preferred method.

2) Absent an agency posting, forward Word version decision packages via email to OFM.Budget@ofm.wa.gov.

Agencies must attest to electronic submittal requirements. See Appendix A-3 for a sample confirmation form.

What is the submittal address?

Office of Financial Management
300 Insurance Building
3rd Floor – North
PO Box 43113
Olympia, WA 98504-3113

When is the budget submittal complete?

Your budget submittal is complete when:

1. The required number of hard copies are received by OFM
2. BDS data, and where applicable, Capital Budget System (CBS) and Transportation Executive Information System (TEIS) date are successfully released to OFM
3. Electronic submittal of decision packages pursuant to Appendix A-3 is verified.

OFM needs both the budget notebooks and the system data to begin analysis of agency budgets. All are due to OFM no later than the dates listed in Appendix A-1.

Note: Agencies may not amend their request after initial submittal unless prior authorization is received from OFM. The submittal requirements outlined above apply to all approved revisions or amendments.

1.4   OTHER GENERAL PREPARATION REQUIREMENTS

Rounding protocols for dollars and FTEs

- Round all expenditure and revenue amounts to whole dollars except in the case of individual claims (legal judgments, local improvement district assessments, etc.) that must be reported exactly. Round fractions of dollars from $.01 through $.49 to the next lower whole dollar, and $.50 through $.99 to the next higher whole dollar.
- Omit dollar signs ($) except where necessary to distinguish dollars from other numerals.
- Round FTE amounts to the nearest tenth.

Note: BDS reports will be accepted as produced.

Display of negative numbers

Use parentheses to indicate numbers reflecting expenditure decreases.

Required fund code conventions for budget documents

With few exceptions, use the state accounting system coding scheme detailed in the OFM Fund Reference Manual for account numbers and other designations used in budget documents. Fund codes require both the account number and the appropriation type code that indicates the source character of the funds involved. Separate the one-digit appropriation type from the three-digit account number with a hyphen as shown below.

General Fund

The following fund sources, where applicable, must be identified separately:

001-1   General Fund-State. Appropriation Type 1.
001-2   General Fund-Federal. Appropriation Type 2.
001-5   General Fund-Other Federal Fixed Grants (DSHS and DOH only). Appropriation Type 5.
001-7   General Fund-Private/Local. Appropriation Type 7.
001-8   General Fund-Federal (ARRA). Appropriation Type 8.
001-0   General Fund-Federal: Social Services Block Grant – Title XX (DSHS only). Appropriation Type 0.
001-A   General Fund-Federal: Family Support/Child Welfare – Title IV (DSHS only). Appropriation Type A.
001-C   General Fund-Federal: Medicaid – Title XIX. Appropriation Type C.
001-D   General Fund-Federal TANF. (DSHS only). Appropriation Type D.
001-E   General Fund-Federal: Child Care Development Funds (DSHS only). Appropriation Type E.

Other Appropriated Treasury Funds

Identify other appropriated treasury funds by the following appropriation types:

State: Appropriation Type 1
Federal: Appropriation Type 2
Private/Local: Appropriation Type 7

Nonappropriated Funds

All nonappropriated funds, regardless of original source of funding, must use Appropriation Type 6.

Agency request legislation proposals with a budget impact

Proposals must be submitted to the Governor's Executive Policy Office via the Bill Analysis and Tracking System (BATS), consistent with the agency budget submittal due dates. Agency request legislation instructions were provided in a May 5, 2016, memo to agency directors from the Governor's Office. Proposed departmental request legislation will be reviewed with the Governor this fall. Agencies must include decision packages in the budget submittal for any proposals with revenue or expenditure impacts.

Ensure that other agencies affected by your agency's proposed legislation are aware of the request, as OFM requires fiscal notes from each affected agency. Each agency will also need to include the fiscal impact in its budget submittal.

LEAP will approve (or deny) budget program structure change requests in July 2016

Budget program or subprogram structure changes recommended by OFM must obtain approval from the Legislative Evaluation and Accountability Program (LEAP) Committee as required by the State Budgeting, Accounting, and Reporting Systems Act (Chapter 43.88 RCW). Refer to the memo about this process on OFM's website at http://www.ofm.wa.gov/budget/instructions/other.asp.

Include JLARC audit responses in budget submittal

Chpater 43.88.090(1) RCW requires agencies to reflect consideration of applicable Joint Legislative Audit and Review Committee (JLARC) performance audit recommendations in their budget requests. Specifically, "the estimates must reflect that the agency considered any alternatives to reduce costs or improve service delivery identified in the findings of a performance audit of the agency by the joint legislative audit and review committee. Nothing in this subsection requires performance audit findings to be published as part of the budget."

See http://www1.leg.wa.gov/JLARC/AuditAndStudyReports/Pages/default.aspx for JLARC audits and studies. Agencies also should be prepared to provide information to JLARC.

1.5   USING THE BUDGET DEVELOPMENT SYSTEMS

Here are key features of Budget and Accounting Support System (BASS) systems that support development of the 2017–19 budget:

- BDS is a budget submittal tool that facilitates budget development. The system allows an agency to develop its budget by decision package, capturing information (narrative, expenditure, revenue, activity inventory and performance measure data) necessary to export to their Decision Package to explain and justify the agency's request. The system also generates many of the budget reports required in the submittal.

- Agencies can attach documents to decision packages; however, BDS does not facilitate transmittal of attachments to OFM.

- BDS exports an extract of your decision package in Word with the package metadata, financial detail and RecSum text for completion outside the system in the Word template.
    - Decision Package Template
    - BDS Data Extract – Example

- Agencies may cut and paste this information to the proscribed decision package format for submittal in the agency notebook. **NOTE**: BDS can capture only FY 2018-19 detail; FY 2020-21 detail must be maintained outside the system and hand keyed to the decision package template. All decision packages, regardless of budget level, must contain the *four-year* financial detail.

- Activity Inventory data elements are not tied to budget versions, which allows simplified reporting (both budget and performance measure reporting) and ensures that all versions have accurate and up-to-date activity description information.

- For agencies with one activity, decision package amounts are automatically applied to that activity.

- Agencies must use the Results through Performance Management (RPM) system to submit their performance measure targets for the ensuing biennium.

- The Salary Projection System (SPS) can help agencies develop staffing-related FTE and expenditure estimates. The system can be used to analyze the cost of current staff levels or to develop scenarios to estimate the cost of budget proposals.

For more information or assistance in using BASS systems, contact the WaTech Solutions Center at 360-407-9100 or solutionscenter@watech.wa.gov.Training classes or self-guided tutorial lessons are also available. Training information and registration are available at Training resources. Information on SPS, BDS and other BASS products is available at http://bass.ofm.wa.gov/BASSLogon_pr/logon.aspx or for Fortress users at https://fortress.wa.gov/ofm/bass/BASSLogon_pr/logon.aspx.

Chapter 2

The Activity View of the Budget

2.1 WHAT ARE THE BUDGET SUBMITTAL REQUIREMENTS?

Agencies are required to assign certain budget totals and increments to activities to build a complete activity view of the budget. To prepare this view, agencies at a minimum must:

- Allocate the maintenance level subtotal to activities
- Allocate each performance level budget reduction decision package to activities
- Allocate and prioritize each performance level decision package for enhancements and reduction restorations to the affected activities

These requirements are described in greater detail below. Presenting the current biennium level total, the maintenance level subtotal and each performance level decision package by activity provides an activity view of the total budget for the agency.

Allocate maintenance level to activities

The agency budget submittal must present maintenance level totals (by account and fiscal year) by activity. Agencies may choose to assign the costs of some or all carry-forward or maintenance level decision packages to activities, but this is not required. In some way, the entire subtotal must be assigned to activities to provide the activity view of the budget through maintenance level. **The agency budget cannot be submitted to OFM until all these costs and FTEs have been assigned to activities.**

BDS provides options for agencies to assign these costs — by account and fiscal year — to activities. Most agencies have found that entering each increment by activity is the simplest method to meet this requirement. If this is not feasible for your agency, contact the WaTech Solutions Center at 360-407-9100 or SolutionsCenter@watech.wa.gov to identify an option for your agency.

Allocate each performance level decision package to activities

Agencies are required to indicate how the costs — by account and fiscal year — and FTEs of each performance level decision package should be assigned to activities. BDS enables users to indicate the activity costs (by account and fiscal year) for each decision package.

Requests to add, delete or edit activities must be made to OFM by June 17, 2016

Agencies cannot update the activity inventory without prior approval from OFM. Contact your assigned budget analyst and Linda.Swanson@ofm.wa.gov to request changes.

Requests to add or delete activities should provide a clear picture of the "before" and "after" set of activities, and include the following:

- List of current agency activities and descriptions
- Proposed list of agency activities, explaining where current activities have been merged or split
- Brief explanation of the reason for the requested change

Tip: Export your Activity Inventory report from Enterprise Reporting in Word format. Mark up with "track changes" for OFM review.

OFM will review the proposal to consider how the change in information will affect the budget decision process and provide a decision to the agency as soon as possible. Refer to the OFM Activity Guide for more information.

Provide information about nonbudgeted funds supporting activities

Because the activity inventory is a part of the budget system, the numbers reflected in the activity totals will reflect only budgeted funds. If an agency has an activity that is supported significantly by nonbudgeted revenues, mention this in the activity description and note the dollar amount and fund source.

Include the Activity Inventory report in the budget submittal

Agencies are required to include a copy of the Agency Activity Inventory report in their submittal. This report (ACT001) can be run in the Operating Budget Reports section of Enterprise Reporting. The report will include the descriptive information for each activity, including linked performance measures and expected results statements. (See Chapter 10 for more information on performance measures.)

2.2   HOW TO TREAT ADMINISTRATIVE COSTS IN THE ACTIVITY INVENTORY

Activity costs include related administrative costs essential to support activity

The Activity Inventory should provide a reasonable estimate of the full cost of any activity, including related administrative costs that are essential to support it.

Administrative costs can be divided into two components: indirect costs and overhead costs. The information below describes how to handle the two types of costs in the Activity Inventory.

Definitions

We realize many of the cost terms used here may mean different things in different organizations. Use the definitions below for the purpose of developing Activity Inventory estimates.

- **Allocate indirect costs to activities.** Indirect costs are administrative costs linked to two or more activities. They are closely related and tend to vary with activity level or size, but usually cannot be practically or economically assigned as direct charges. Indirect costs should be assigned to activities through cost allocation and included in the total cost of the activity in the Activity Inventory.

  Types of costs that could be classified as indirect costs may vary from agency to agency, but some examples are:
  - rent costs (if these are not already direct charged)
  - postage costs
  - software development and IT support costs
  - other shared administrative costs closely related to activity levels and size

- **Show overhead costs as a separate "administration" activity.** Every agency has core administrative functions and costs regardless of the number or size of its activities. Overhead costs usually support the entire organization, are not directly attributable to specific activities and tend to be relatively fixed and not easily affected by fluctuations in activity levels. These costs should not be allocated to activities because they are not "caused" by the activity. Indicate these costs separately in one "Administration" activity in the Activity Inventory.

Types of costs that could be classified as overhead costs also may vary from agency to agency, but examples are:

- salary and support costs for the agency director
- core portions of accounting, budgeting, personnel, communications and receptionist functions
- other shared administrative costs that are not closely related to activity levels and size.

OFM is not concerned that each agency classifies the same type of cost in the same way. We want to ensure that activity costs include administrative costs that are critical to support the activity and help to achieve its intended outcomes.

Certain agencies are not required to have a separate administrative activity

OFM determined that some agencies (those with only one or a few activities) were not required to break out overhead costs as a separate administration activity. This distinction is reflected in the current Activity Inventory. These agencies do not need to add an administrative activity for the budget submittal.

How to allocate indirect costs to activities

Indirect costs should be assigned to activities on some generally accepted cost allocation basis. We encourage agencies already using a cost allocation methodology for some accounting purposes to use their method to allocate indirect costs to activities. Other possible approaches to allocating indirect costs to activities include, but are not limited to:

- allocating by the number of FTEs in each activity
- allocating by the total dollars budgeted for each activity
- allocating by one or more bases that serve as good surrogates for the costs caused by each activity; for example, allocating IT staff costs by the number of personal computers or rent costs by the number of square feet

Provide allocation information to OFM

The allocated costs should be included in the total costs for the activities. Agencies must also provide the following information in the agency budget submittal about the cost allocation approach:

- total amount of indirect costs allocated
- brief description of the allocation method selected
- allocation percentage for each activity (percentage of the total indirect cost the agency allocated to each activity)
- dollar amount allocated to each activity each fiscal year

Use a format similar to that shown below. Send an electronic copy to Linda.Swanson@ofm.wa.gov.

Activity Inventory Indirect Cost Allocation Approach

Agency: ABC				
Date:				
Allocation Method Description:				
Total indirect costs were allocated to activities based on the number of FTEs in each activity.				
	% Allocation Received	**Dollars Allocated FY1**	**Dollars Allocated FY2**	**Total Allocated**
Activity A	20	$200,000	$250,000	$450,000
Activity B	50	$500,000	$625,000	$1,125,000
Activity C	10	$100,000	$125,000	$225,000
Activity D	20	$200,000	$250,000	$450,000
TOTAL	100	$1,000,000	$1,250,000	$2,250,000

Chapter 3

Decision Packages

3.1 What is a Decision Package?

What is a decision package?

Decision packages are the key set of building blocks to construct the budget request. The decision package is the place for the agency to make a persuasive case for any proposed changes. OFM will rely upon this information when evaluating the request.

Decision packages organize and describe proposed cost changes in a way that highlights the budget decisions. The decision package consolidates financial information, supporting justification and statement of impact for a specific action or policy proposed in the budget. One decision package describes a proposed item of change listed on the RecSum.

BDS assists agencies in developing budget decision packages. It also automatically displays the expenditure, revenue and FTE detail that agencies enter into the system rolled up to the selected level (agency or program) for the decision package report.

When is a decision package needed?

A decision package is required for all incremental changes to the current biennial budget except for carry-forward roll-up and the maintenance level adjustment to activities.

Agency request legislation decision packages must be submitted with the budget

If an agency submits proposed agency request legislation with a budget impact, a corresponding decision package must be included in the agency budget submittal. Decision packages should be prepared at the required *budget* level (agency level except for those agencies listed in Chapter 1.2), but should always describe which *programs* and *activities* are affected by the request.

Decision packages should represent discrete decisions

Each decision package will appear as one line with a *positive* or *negative* amount in the RecSum and should represent a discrete budget decision. Craft your decision packages so related items are grouped together, but do not obscure or combine separate decisions. The budget decision hinges on the stated performance objective or outcome being addressed.

Example: Seven new driver's license examining stations are proposed to expand geographic coverage and reduce client waiting time.

The performance objective in this case is singular (e.g., expanding coverage and reducing wait times). While the location of the examining stations is a necessary component of meeting the objective, the location of each station is not a separate budget decision. In this case, the agency would submit one decision package.

Contact your assigned budget analyst if you have questions about how best to organize budget requests into decision packages.

Budget requests should be anchored to the agency's strategic plan

OFM expects agency budget requests, including budget reductions, to be anchored to the agency's strategic plan and clearly support the implementation of these strategies and achievement of performance targets.

Use Plain Talk principles

Your decision packages will be persuasive only if OFM analysts and decision makers can understand them. Use Plain Talk principles. Avoid jargon and acronyms. Keep your writing brief and clear.

Be clear and complete, and anticipate questions

The time available for budget review is scarce and the capacity for rounds of questions on agency decision packets is very limited. OFM is likely to require agencies to rework decision packages if they are unclear, if requested information is missing, if assumptions are incomplete or if expected performance impacts are not explained.

3.2   REQUIRED ELEMENTS OF A DECISION PACKAGE

OFM uses the decision package information to evaluate the merit of your requests

Decision packages are composed of elements for key information OFM needs to analyze the request. We expect justification materials to vary in length and complexity, depending on the proposal.

Make your decision package concise and compelling. Avoid jargon and acronyms. This document should be understandable by an audience that is not expert on your agency or the issues.

BDS will export the decision package metadata, financial detail and RecSum text that agencies will copy to the Decision Package Template found at Template.

Use approved codes to designate change items

With few exceptions (see following note), agencies are free to use any combination of two-digit RecSum codes (e.g., Alpha/Alpha, Alpha/Numeric, Numeric/Numeric and Numeric/Alpha). RecSum codes are called decision package codes in BDS, and the terms are used interchangeably in this document.

Note: OFM designates codes that must be used for certain types of maintenance and performance level changes (see Chapter 5.2). RecSum codes containing the letter O or the letter I are not allowed to prevent confusion with zero and one.

Note: BDS reports will sort RecSum codes as follows:
1. AA to ZZ
2. A0 to Z9
3. 00 to 99
4. 0A to 9Z

The decision package has the following required elements

- BDS (BASS – BDS017 Report) will export the following data for inclusion in your Word-created decision package document:

> ✓ **Agency**: Agency number and name (BDS)
>
> ✓ **Decision Package Code/Title**: 2-digit RecSum code and short, descriptive title, limited to 35 characters. This will appear on RecSum reports (BDS)
>
> ✓ **Budget Period**: Biennium for which appropriation is requested (BDS)
>
> ✓ **Budget Level**: Maintenance level or policy/performance level RecSum code (BDS)
>
> ✓ **Agency Recommendation Summary Text**: Brief description of the decision package, written in complete sentences. This text will be loaded into the OFM Budget System and be the starting point for the text that describes items funded in the Governor's budget. (BDS)
>
> ✓ **Fiscal Detail**: The operating expenditures by account and objects of expenditure; staffing detail by FTEs and revenue detail by account that agencies have entered into BDS for each decision package.

The agency must then also complete the required elements of the decision package in the Word template:

Package description

Detailed description of the proposal, including background or context for the proposed change, the current state, what is proposed and how it will improve the lives of Washingtonians. Agencies are strongly encouraged to use high-quality narrative descriptions, informative tables, charts, logic models, graphs, timelines, flowcharts, maps or other graphics to thoroughly describe the package and its justification.

High-quality descriptions will address the following questions:
- ✓ **What is the relevant history or context in which the decision package request is being made?**
- ✓ **Problem statement/current situation: What is the problem, opportunity or priority the agency is addressing with the request?** This description should allow OFM, the Governor and the Legislature to understand the nature of the proposal, including what is driving it, why it is important, who is affected by it and how they are affected.
- ✓ **Proposed solution: How does the agency propose to address this problem, opportunity or priority?**
- ✓ **How does the package relate to the agency's strategic plan?**
- ✓ **Purchase description: What will the funding package actually buy? What services and/or materials will be provided, when and to whom? How will the purchases achieve the desired outputs, efficiencies and outcomes?**

Base budget

If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

Decision package narrative expenditure, FTE and revenue assumptions, calculations and details

Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: Use of separate attachments of fiscal models or detailed fiscal backup information is strongly encouraged.

Outline, in detail, the workload and policy assumptions the agency is making over the ensuing four fiscal years. Please identify:

- ✓ Expenditure information by fund source and object by fiscal year
- ✓ FTE information by job classification, including salary and FTEs by fiscal year
- ✓ Identify multiple cost/revenue components. Many decision packages contain multiple components to achieve a desired outcome. If this package contains discrete funding proposals, the fiscal models or details must break out the costs/savings of each component part.
- ✓ Identify one-time costs/revenues. Also clearly articulate all one-time expenditure or revenue components.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change, including which Results Washington goal areas will be affected. What outcomes and results will occur? What undesired results will be reduced or mitigated? How will efficiency increase? Will outputs change? How?

Performance measure detail

If one or more activity performance measures the agency reports in Results Washington or in the Results through Performance Management system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable fiscal year if the decision package is adopted. Include any new performance measures and targets proposed. How will the agency measure its performance related to this decision package?

Fully describe and quantify expected impacts on state residents and specific populations served

Who will be affected by the package and how? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.

What are the important connections or impacts related to this proposal?

Complete the following table and provide detailed explanations or information:

Impact(s) To:		Explanation/Information
Regional/county impacts?	Select Y/N	Identify:_____
Other local gov't impacts?	Select Y/N	Identify:_____
Tribal gov't impacts?	Select Y/N	Identify:_____
Other state agency impacts?	Select Y/N	Identify:_____
Responds to specific task force, report, mandate or exec order?	Select Y/N	Identify:_____
Does request contain a compensation change?	Select Y/N	Identify:_____
Does request require a change to a collective bargaining agreement?	Select Y/N	Identify:_____
Facility/workplace needs or impacts?	Select Y/N	Identify:_____
Capital budget Impacts?	Select Y/N	Identify:_____
Is change required to existing statutes, rules or contracts?	Select Y/N	Identify:_____
Is the request related to or a result of litigation?	Select Y/N	Identify lawsuit (please consult with Attorney General's Office):_____
Is the request related to Puget Sound recovery?	Select Y/N	If yes, see Budget Instructions Section 14.4 for additional instructions.
Identify other important connections		

Provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

What other options were explored? Describe the pros/cons of the alternatives and why they were not selected. Explain why this request is the best option.

What are the consequences of not funding this request?

How has or can the agency address the issue or need in its current appropriation level?

Is this package a high-enough priority that the agency has or would reprogram current resources to accomplish it? If yes, what programs or services were/would be reprogrammed? How? With what consequences? What process improvements and best practices have been or will be undertaken to improve the efficiency and effectiveness of the process/program affected by this proposal?

Other supporting materials

Attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology

Does this decision package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

☐   No **STOP**

☐   Yes. Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.

2017–19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation) or IT staff. Be as specific as you can. (See Chapter 12.1 of the Operating Budget Instructions for guidance on what counts as "IT-related costs.")

Information Technology Items in this DP (*insert rows as required*)	FY 2018	FY 2019	FY 2020	FY 2021
Item 1	xxx	yyy	zzz	aaa
Item 2	xxx	yyy	zzz	aaa
Total Cost	Enter Sum	Enter Sum	Enter Sum	Enter Sum

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by Chapter 43.88.092 RCW. The answers to the questions below will help OFM and the OCIO determine whether this decision package is an IT project or enhances/modifies one:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☐Yes ☐ No

2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☐ No

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐Yes ☐ No

If you answered "yes" to *any* of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to Chapter 12.2 of the Operating Budget Instructions for more information.

Chapter 4

The Recommendation Summary View

4.1   WHAT IS THE RECOMMENDATION SUMMARY?

Recommendation Summary summarizes the incremental expenditure portion of budget request — your budget at a glance.

This is the step table format that summarizes the incremental expenditure change information. It begins with legislative spending authority in the current biennium and lists the incremental changes in the carry-forward, maintenance and performance levels to arrive at the agency's 2017–19 request. Each budget line on the RecSum represents a single budget policy decision in the form of a decision package.

Conceptual Description of the RecSum

Budget Level	Appropriate Items
Current biennium	Legislatively authorized appropriation level and nonappropriated expenditure level
Carry-forward changes	• Biennialization of legislatively directed workload and program changes • Shifting of any continuing unanticipated federal and private/local expenditures to anticipated appropriation type • Negative adjustments for nonrecurring costs
Maintenance changes - level 1	• Mandatory caseload, workload and enrollment changes only. Typically tied to official forecasts.
Maintenance changes - level 2	• Rate changes, such as lease, fuel and postage • Central service agency charges and other rate adjustments • Specific compensation adjustments: OASI, merit increments (only for agencies with fewer than 100 FTEs) and retirement buyout costs • Inflation • Changes to nonappropriated accounts beyond current allotted levels • Other mandatory cost increases outside agency control • Replacement of existing, but worn-out equipment • Operating costs of just-completed capital projects • Transfers between programs or agencies, or between years for dedicated accounts • Unanticipated receipts not included in carry-forward level • Federal, private/local and dedicated fund adjustments *Note: See Section 5.2 for further details on maintenance level.*
Performance changes	Prioritized: • Discretionary workload in current programs • New programs or services • Reductions or eliminations of programs or services • Reallocation of existing resources • Significant changes in fund sources
Total Budget Request	Sum of above items

4.2   RECOMMENDATION SUMMARY SUBMITTAL REQUIREMENTS

The RecSum report has a required format

The RecSum displays the requested dollars by fund and the number of average annual FTEs for the biennium for each change between the current biennium and the ensuing biennium budget request. Each change item in the carry-forward, maintenance and performance levels is listed as a separate line item with its own RecSum/decision package code and descriptive title.

BDS will generate the RecSum

The agency is able to generate the RecSum directly from BDS once it has entered all required decision package information.

Most agencies submit the RecSum at the agency level

Agencies must submit a RecSum at the agency level unless they are required to submit budgets at a lower level. Agencies listed in Chapter 1.2 must submit a RecSum at the program (or category) level.

Use approved codes to designate change items

With few exceptions (see following note), agencies are free to use any combination of two-digit RecSum codes (e.g., Alpha/Alpha, Alpha/Numeric, Numeric/Numeric and Numeric/Alpha). RecSum codes are called decision package codes in BDS, and the terms are used interchangeably in this document.

Note: OFM designates codes that must be used for certain types of maintenance and performance level changes (see Chapter 5.2). RecSum codes containing the letter O or the letter I are not allowed to prevent confusion with zero and one.

Chapter 5

Carry-Forward and Maintenance Levels

5.1   WHAT IS THE CARRY-FORWARD LEVEL?

What is the carry-forward level?

The carry-forward level is a reference point created by calculating the biennialized cost of decisions already recognized in appropriations by the Legislature.

OFM calculates and provides carry-forward level to agencies

In consultation with legislative staff, OFM calculates the carry-forward level for each agency and provides agencies with a worksheet indicating the amount, by account, that must be placed in budget submittals. OFM budget analysts will discuss these calculations with agencies as soon as possible after passage of the 2016 supplemental budgets. We expect carry-forward levels to be finalized in June 2016.

At the agency and fund level, the carry-forward level in the agency budget submittal must match the total for each account-appropriation type on the OFM carry-forward cost worksheet. Agency budget submittals should display at least one incremental step between the current biennium and carry-forward level to reflect total changes. As the OFM budget database will already contain all the incremental items that belong in carry-forward level, it is not necessary for an agency to create a decision package for each item.

OFM uses RecSum codes to summarize common items of change at the statewide level. These codes are identified on the report sent to agencies that indicate carry-forward level amounts by account. Agencies should consider using these codes in their own budgets for consistency and comparative purposes.

How OFM calculates the carry-forward level

The OFM calculation starts with the 2015–17 expenditure authority as represented by current appropriations, compensation or other allocations and the nonappropriated funds assumed in the legislative budget. Governor's Emergency Fund allocations are considered nonrecurring costs and not typically added to the base. Adjustments are then made for biennialization of workload and service changes directed by the Legislature and for deletion of costs that the Legislature considered nonrecurring. Nonappropriated funds are adjusted to match allotments. These ensuing biennium revisions generally match legislative assumptions of "bow wave."

Unanticipated receipts received and approved in 2015–17 that will continue in 2017–19 are also considered part of carry-forward level if approved prior to the finalization of the carry-forward cost calculation. (See Chapter 5.3.)

Examples of carry-forward level adjustments

- **Legislatively directed workload changes**

  Only those changes already recognized by the legislative appropriation level in 2015–17 (or for nonappropriated accounts through a change in the legislative budget database or allotments) are included. Examples include staffing for opening of new facilities and biennialization of the cost of mandatory caseload, enrollment or population growth that occurred during 2015–17.

- **Legislatively directed changes in level of services**

  Again, only the carry-forward of those changes recognized by the Legislature through revised appropriations are included in carry-forward level. Examples include a change from annual to semi-annual inspections or an increased resident-counselor ratio.

- **Nonrecurring costs**

  Nonrecurring costs usually reflect deletions of what the Legislature has identified as projects or other short-term expenditures. Legislatively directed nonrecurring costs are eliminated in carry-forward level. Agency-generated savings would be shown as negative adjustments in maintenance level.

RecSum reports submitted must match OFM's carry-forward level control amounts

Carry-forward decision packages prepared in BDS will not be released to OFM; OFM will use its calculated carry-forward level as the base data. However, OFM and legislative staff do use the RecSum reports provided by the agency in its budget submittal. **These reports must match the OFM-approved carry-forward level control numbers. Agencies will not be able to electronically release the budget from BDS when the carry-forward level for the version does not match OFM's carry-forward level.**

Note: Carry-forward control numbers will be published to the Version Reporting System version "CF" in BASS when available.

5.2   WHAT IS MAINTENANCE LEVEL?

What is maintenance level?

Maintenance level reflects the cost of mandatory caseload, enrollment, inflation and other legally unavoidable costs not contemplated in the current budget. Expenditure adjustments may be positive or negative, depending on expected experience in the ensuing biennium. Agencies will notice that BDS splits maintenance level into two levels to indicate different kinds of maintenance level costs.

Who prepares maintenance level?

Agencies prepare the maintenance level component of the budget submittal. Like the carry-forward level, maintenance level is a reference point for budget consideration. It is not a guarantee of that amount of funding.

Maintenance Level 1 includes mandatory caseload and enrollment changes

A mandatory caseload or enrollment change arises from an explicit statutory requirement for state-funded services. A change in the demand or the need for a service is not mandatory unless the recipients of that service (or benefactors of the activity) are entitled by statute or rule. Mandatory maintenance level changes are entered as Maintenance Level 1 items in BDS.

Be sure to identify projected caseload growth separately for each discrete service provided by the agency at the same level of detail as forecasted by the Caseload Forecast Council.

Maintenance Level 2 includes inflation and other rate changes

Costs related to inflation and mandatory rate changes are included in BDS as Maintenance Level 2 items. Examples of these types of changes are OASI rate revisions, salary increments (for agencies with fewer than 100 FTE staff), current lease/purchase contract payments, utility expenses and increased costs for current leases. Costs for new leases, moves or acquisition of new space not associated with mandatory caseload, workload or service level changes should be included in a performance/policy level budget request.

Also included in Maintenance Level 2 are:

- Costs related to replacing existing, but worn-out equipment.
- Operating costs for just-completed capital projects. These costs should be previously assumed in the capital project plan. Operating costs related to changes in assumptions or scope should be included in the policy/performance level.

Merit system salary increments

Because vacancy rates typically result in savings that can offset salary increment costs in large agencies, agencies exceeding 100 FTE staff per year should not include merit system salary increments in their maintenance level calculation. The Court of Appeals (which functions as three autonomous courts, each with fewer than 100 FTEs) and other smaller agencies may identify increments as long as the cost does not exceed 2.5 percent of annual salaries for classified staff.

If agencies believe they have justification for salary increments beyond these limits, they should include the increments in their performance/policy level. Merit system salary increments should not be added for exempt or Washington Management Service staff.

Nonappropriated expenditure adjustments

Unless they are part of a performance/policy level decision package, budgeted/nonappropriated expenditures beyond current allotment belong in the Maintenance Level 2 category. Decision packages for nonappropriated accounts that reflect a policy change should be requested in the performance level of the agency's budget.

The 2017–19 budgeted level for nonappropriated funds will become the Expenditure Authority control numbers for the 2017–19 allotment of those accounts. For this reason, agencies should budget the maximum amount they anticipate spending in the ensuing biennium.

Agencies must use OFM-specified RecSum codes for selected maintenance level items

OFM has RecSum codes to more clearly identify certain maintenance level items of change at the statewide level. Agencies must use the RecSum codes identified below for these maintenance level changes. Agencies are free to use other available codes and titles for other maintenance level items.

Budget Level	RecSum Code	Description
Workload, caseload and utilization type adjustments		
ML1	93	Mandatory caseload adjustments (for officially forecasted caseloads only)
ML1	94	Mandatory workload adjustments (for DSHS, HCA and DOC)
ML1	95	Enrollment/workload adjustments, OSPI
ML1	96	Utilization changes (DSHS and HCA)
Wage and compensation type adjustments		
ML1	9C	Initiative 732 COLA
ML2	8C	Minimum wage adjustments
ML2	97	Merit system increments (only for agencies with fewer than 100 FTEs)
ML2	99	OASI adjustments
ML2	9P	Pension adjustments, other than rate changes
ML2	8R	Retirement buyout costs
Budget structure change, cost allocation and transfer type adjustments		
ML2	8D	Budget structure changes (LEAP-approved)
ML2	9T	Transfers (between programs, agencies, years or funds)
ML2	8Y	Cost allocation adjustment (cost must net to zero in the agency)
Specific cost type adjustments		
ML2	8F	Fuel rate adjustments
ML2	8L	Lease rate adjustments (Also see: 8V – Lease Adjustments > 20,000 sq. ft.)
ML2	8M	Mileage rate adjustments
ML2	8P	Postage rate adjustments
ML2	8U	Utility rate adjustments (for non-Department of Enterprise Services utility billings)
ML2	8V	Lease adjustments > 20,000 sq. ft. (*See Chapter 11*)
ML2	9E	Other fund adjustments
ML2	9F	Federal funding adjustment
ML2	9H	FMAP match adjustment
ML2	9I	K-12 Inflation (OSPI only)
ML2	9J	Nonappropriated fund adjustment
ML2	9K	Levy equalization update (OSPI only)
ML2	9L	Local funding adjustment
ML2	9Q	Equipment maintenance/software licenses
ML2	9S	Equipment replacement costs
ML2	9U	Unanticipated receipts not in carry-forward level
ML2	9V	Operating costs for just-completed capital projects (costs previously planned)
ML2	9W	Operating costs for proposed capital projects
ML2	9M	Medical inflation
Summary and recast type adjustments		
ML1	90	Maintenance level revenue (all maintenance level revenue not related to individual expenditure decision packages)
ML2	9Z	Recast to activity
OFM use only		
ML2	98	General inflation
ML2	9D	Pension rate changes

How to treat payments to central service agencies in maintenance level

Do not include maintenance level changes for payments for the central service accounts listed in Chapter 13.1 in the agency budget submittal. They will be added by OFM in the fall when decisions have been made on these central service agency budgets. Agencies will be provided with a base amount and

proposed fund splits in the spring and will be asked to review and request changes to fund splits at that time. (See Chapter 13 for more information.)

5.3 HOW TO TREAT UNANTICIPATED RECEIPTS

What are unanticipated receipts?

Unanticipated receipts are monies received from the federal government or other nonstate sources that were not anticipated in the budget approved by the Legislature and that can be used only for a purpose specified by the grantor. A statutory process described in Chapter 43.79.270 RCW allows agencies to request expenditure authority for these unanticipated revenues through OFM.

Where should they be included in the budget?

OFM will work with agencies to review unanticipated receipts already approved this biennium to determine if there is a realistic expectation that the original funding source support will continue. If the support is expected to continue, and if the activity remains consistent with statewide priorities, the funding should be included in the 2017–19 budget requests. This will enable the Legislature to consider the activity as part of the regular budget process.

OFM will confirm if the item should be included in carry-forward or other budget level. You must use the federal or private/local appropriation type rather than an unanticipated receipt appropriation type for these items.

Chapter 6

Policy and Performance Level

6.1 WHAT IS THE POLICY AND PERFORMANCE LEVEL?

Incremental expenditure changes that do not fall under the definitions of carry-forward or maintenance levels are considered policy or performance changes. These changes may represent revised strategies or substantial differences in program direction, and will include proposed program reductions. Each significant change to current performance must be justified in a decision package. Examples of policy and performance level items are:

- **Discretionary workload**
  The expenditures necessary to address workload not defined as mandatory.

- **New programs or services**
  New programs or any change in the level or scope of existing programs. This category also covers improvements that would result in more effective delivery of services or higher quality services, and proposals for enhanced employee development or training programs. Funding changes for new program structures requiring legislative authorization should also be included in the RecSum at the policy level. (See Chapter 1.4.)

- **Program reductions and other changes**
  Requests for new programs can sometimes replace lesser priority programs. Any policy decision that would result in a reduction of service level or the number of clients served should be displayed as a separate decision item.

Include related revenues in the same decision package

Revenue changes related to a policy level item should be included in the same decision package with the expenditures.

Performance level decision packages must be allocated by activity

Each performance level decision package must indicate the costs and FTEs by activity. (See Chapter 2.2 for more information).

Chapter 7

Salary, Pension and Insurance Data

7.1   AGENCY COMPENSATION DATA COLLECTION AND UPDATE

The salary data collection process for collective bargaining has concluded

The Governor's Office, supported by the OFM Labor Relations unit, negotiates collective bargaining agreements for state governmental agencies and for some institutions of higher education. The nature of collective bargaining requires OFM to have salary data at the employee level. OFM must be prepared for proposals that group employees by bargaining unit, classification, range and step, years of service, etc. It also is necessary to have compensation data available at this level of detail for nonrepresented state employees to enable similar calculations for nonrepresented groups.

OFM data collection for 2017–19 collective bargaining salary negotiations and budgeting for all state employee salaries and benefits concluded May 30, 2016.

7.2   VALID PENSION SYSTEM CODES

The following table reflects all valid pension system codes for the 2017–19 biennial budget.

Retirement Systems	Description
H1	higher education system – 5% contribution rate
H2	2 year hi ed system – 7½% contribution rate
H3	2 year hi ed system – 10% contribution rate
H4	4-year hi ed system – 7.5% rate capped at 6%
H5	4-year hi ed system – 10% rate capped at 6%
J2	Judicial Retirement System (capped)
JA	Judicial Retirement Account Plan/PERS 1
JB	Judicial Retirement Account Plan/PERS 2/3
L1	Law Enforcement Officers' and Fire Fighters' – Plan I
L2	Law Enforcement Officers' and Fire Fighters' – Plan II
NE	not-eligible/unknown system
P0	the retired-rehired
N2	Public Safety Employees' Retirement System
P1	Public Employees' Retirement System – Plan I
P2	Public Employees' Retirement System – Plan II
P3	Public Employees' Retirement System – Plan III
T1	Teachers' Retirement System – Plan I
T2	Teachers' Retirement System – Plan II
T3	Teachers' Retirement System – Plan III
S1	Washington State Patrol Retirement System – Plan I
S2	Washington State Patrol Retirement System – Plan II

7.3   OTHER COMPENSATION COST NOTES

Salaries

In developing decision packages, agencies should use base salaries from the salary schedules published by OFM/HR at http://www.hr.wa.gov/CompClass/Compensation/Pages/SalarySchedules.aspx. If there are tentative collective bargaining agreements that would affect the cost of a decision package, agencies should estimate that impact and refer to them, separately, in the decision package.

Discuss the use of any other compensation plan with your OFM analyst before using it in a budget request. Agencies should not budget for overtime, sick leave or shared leave.

Workers' compensation costs (medical aid and industrial insurance)

OFM will coordinate with the Office of Actuarial Services at the Department of Labor and Industries to determine agency rates and add workers' compensation rate adjustments to agency budgets in the biennial budget. Agencies should not submit decision packages for workers' compensation in the biennial budget request.

In supplemental budgets, however, an agency may submit a decision package for the portion of the rate adjustment that the agency believes it cannot accommodate in its budget.

Chapter 8

Agency Revenues and Fund Balance Reports

8.1 SUMMARIZED REVENUES REPORT

Who must submit revenue projections?

Agencies must provide revenue projections for monies they collect, deposit, distribute or transfer for any budgeted account whether they spend out of the account or not. Only projected revenue transactions executed by an agency should be reported by that agency. For example, the Department of Revenue would report taxes it collects, although it may not spend them. The State Treasurer, instead of individual agencies, should report interest earnings (Source 0408).

Revenue projections are reported on the Summarized Revenue by Account and Source Report.

How are the data used?

The Governor must propose a balanced budget in which all funds are balanced. Revenue estimates from agencies for the ensuing biennium are combined with beginning budget fund balances, working capital reserves, current biennium revenue actuals and estimates, and proposed expenditure data to determine each account's estimated 2017–19 ending fund balance for the proposed budget.

What is on the Summarized Revenue by Account and Source Report?

The Summarized Revenue by Account and Source Report form shows revenues that are expected for budgeted funds in the ensuing biennia. These include all accounts with a budget type of A, B or M and certain type H accounts. See the State Administrative and Accounting Manual Section 75.30.50 for a list of funds and their respective budget types (http://www.ofm.wa.gov/policy/75.30.htm#75.30.50). The report also includes RecSum text for each entered revenue-related decision package.

Remember to include both the capital and operating budget revenues

Revenue estimates related to the capital budget should be included with estimates for the operating budget on the Summarized Revenue by Account and Source Report. Although it is typical for a capital project to take several biennia to complete, the revenue estimates should be limited to the 2017–19 biennium.

What information is required?

Agencies must submit maintenance level and policy level revenue estimates for the 2017–19 biennium by fiscal year, account, major source and source. Revenue estimates should be reported on a GAAP basis.

OFM does not require current biennium or carry-forward level estimates for revenue. Total maintenance level revenue for the 2017–19 biennium should be entered in a single step as one revenue-only decision package in Maintenance Level 1 with the RecSum code of 90. There is one exception: The revenue adjustments related to an individual maintenance level item should be included in the same decision package as the expenditures for that item and not included in the M1-90 decision package.

Agencies may choose to enter information at the current biennium and carry-forward levels in BDS, but this information will be rolled together as a maintenance level total on the Summarized Revenue Report upon submission to OFM.

Policy level revenue items must be submitted in a policy decision package. Related expenditures, if any, should be included in the same decision package. Review Chapter 9 if you have new or increased fees.

Explain assumptions in the decision package

In a decision package containing revenue, include the following information in the narrative:

- Key assumptions underlying the estimate of each revenue source
- Numerical expressions showing how the projected revenue amounts were calculated and derived
- If the health and continued viability of the revenue source are in question, discuss why and the expected impact

What if an account is only partially budgeted?

When an account is partially budgeted, the agency should not report revenue associated with the nonbudgeted portion of the account. Partially budgeted or mixed funds are generally proprietary funds. In proprietary funds where only administrative costs are budgeted, only enough revenue should be submitted to offset the budgeted expenses. The administering agency should be sure that reported revenue is sufficient to cover the budgeted expenditures for all agencies that spend from that account. In budgeted proprietary funds that engage in sales of merchandise, gross profit (sales net of cost of sales) should be submitted in the budget rather than total sales revenue.

Reminder about balancing federal and private/local revenues and expenditures

Except as noted below, each agency's federal revenue must equal its federal expenditures shown in the agency's budget (both operating and capital), unless the agency receives federal revenue that is spent by another agency. In this case, federal revenue and expenditures must net to zero at the statewide level.

Known exceptions to the "federal match by agency" rule include:

- Office of Superintendent of Public Instruction, Fund 113-Common School Construction Account

- Military Department, Fund 05H – Disaster Response Account. Federal revenue will exceed expenditures by the amount of recovery dollars received when disasters are closed out. These dollars become state fund balance, which offsets federal expenditure variance.

- Health Care Authority, Fund 001 – General Fund Federal. After expenditures are settled, match revenue leaving a positive variance to offset negative variance in Veterans Affairs. These funds are Medicaid dollars booked at HCA but spent in support of veterans homes in Retsil and Orting.

- Department of Veterans Affairs, Fund 001 – General Fund Federal. Negative variance is offset to positive variance in Health Care Authority (HCA). Funds are Medicaid dollars booked at HCA but spent at the veterans facility in Spokane.

- Employment Security, Fund 119 – Unemployment Compensation Administration Account. Carry forward fund balance from previous biennium.

- Washington State Department of Transportation/Bond Retirement and Interest, Fund 389 – Toll Facility Bond Retirement Account. For the federal GARVEE bonds, Washington State Department of Transportation records the revenue to pay the debt service. Bond Retirement and Interest pays the debt service and records the expenditure.

Similarly, private/local revenues must equal private/local expenditures shown in the agency's budget (both operating and capital) unless the agency receives private/local revenue that is spent by another agency. In this case, private/local revenue and expenditures must net to zero at the statewide level.

Known exceptions to the "private local match by agency" rule include:

- Criminal Justice Training Commission, Fund 03M – Municipal Criminal Assistance Account. Carry forward fund balance from previous biennium.
- DSHS, Fund 001 – General Fund Private/Local. After expenditures are settled, match revenue.

BDS will produce a warning if federal or private/local revenues and expenditures are not in balance on the pre-release edit report.

Use BDS for preparing the report

Agencies must use BDS to prepare the Summarized Revenue Report. BDS will generate the report based on the revenue entered in the decision packages. Contact the WaTech Solutions Center at 360-407-9100 or SolutionsCenter@des.wa.gov if you have questions or need access to the system.

Use prescribed revenue and source codes

Use the correct two-digit major source code and two-digit source code to identify each type of revenue. Refer to the list of official revenue source codes in the State Administrative and Accounting Manual for the appropriate Revenue Source Codes and titles.

Provide updated revenue estimates to OFM in the fall if forecasts change

OFM uses the Economic and Revenue Forecast Council's September and November forecasts for accounts that they, and participating agencies, forecast. **Agencies must inform OFM of material adjustments to the submitted revenue estimates not formally included in state forecasts. Agencies should ensure that current biennium revenue allotments are kept up to date to provide an accurate picture of resources in dedicated accounts.**

8.2   FUND SUMMARY AND FUND BALANCING

Reserve fund balance for compensation and other changes

Agencies should ensure their budget submittals will reserve enough remaining fund balance to cover potential salary, health insurance, pension and central service agency charge adjustments by OFM and the Legislature. As a guide, look at the amounts funded for these changes in previously enacted budgets.

Fund administrators must coordinate with other agencies on projected 2015–17 ending fund balance

Administering agencies for specific accounts need to coordinate with other agencies using that account to ensure that combined budget proposals do not put the account into a projected negative fund balance at the end of the 2017–19 biennium.

If you have questions about which agency is considered the fund administrator, consult the Fund Reference Manual that lists the administrator for each account, in addition to other information, at http://www.ofm.wa.gov/fund/agency.asp.

Beginning budget fund balances

OFM will send agencies the beginning budget fund balances that will be used for the budget. These are divided into two groups:

- **Governmental funds**

  Each biennium, the Governor must prepare a budget proposal that is balanced for every account. Beginning fund balances for the current biennium are based on Comprehensive Annual Financial Report data. These balances represent beginning "budgetary" or "spendable" fund balances, and may not be the same as the accounting fund balance. They will also likely not be the same as the cash balance in AFRS or the 'cash' or 'book' balances in TM$. OFM will notify agencies in the spring of the adjusted beginning balances that it plans to use based on the General Ledger (G/L) codes listed below.

  In the case of Governmental Funds, all Revenue (32xx) and all Expenditure (65xx) codes and the following fund balance G/L codes are included in the beginning fund balance:

  - 9230   Restricted for Higher Education
  - 9231   Restricted for Permanent Funds – Realized Investment Losses
  - 9232   Restricted for Education
  - 9234   Restricted for Transportation
  - 9235   Restricted for Bond Covenants
  - 9238   Restricted for Other Purposes
  - 9240   Restricted for Human Services
  - 9242   Restricted for Wildlife and Natural Resources
  - 9244   Restricted for Local Grants and Loans
  - 9246   Restricted for School Construction
  - 9248   Restricted for State Facilities
  - 9250   Restricted for Budget Stabilization
  - 9252   Restricted for Debt Service
  - 9255   Restricted for Cash and Investments with Escrow Agents and Trustees
  - 9260   Restricted for Pollution Remediation Liabilities
  - 9270   Restricted for Unspent Bond Proceeds
  - 9271   Restricted for Operations and Maintenance Reserve
  - 9272   Restricted for Repair and Replacement Reserve
  - 9273   Restricted for Revenue Stabilization
  - 9274   Restricted for Unspent GARVEE Bond Proceeds
  - 9283   Restricted for Third Tier Debt Service
  - 9285   Restricted for GARVEE Bond Debt Service
  - 9310   Committed for Higher Education
  - 9311   Committed for Education
  - 9320   Committed for Transportation
  - 9321   Committed for Other Purposes
  - 9323   Committed for Human Services
  - 9324   Committed for Wildlife and Natural Resources
  - 9325   Committed for Local Grants and Loans
  - 9330   Committed for State Facilities
  - 9340   Committed for Debt Service
  - 9372   Assigned for Other Purposes
  - 9390   Unassigned
  - 9720   Prior Period Material Corrections (OFM only)
  - 9721   Fund Type Reclassification Changes (OFM only)
  - 9722   Accounting Policy Changes (OFM only)
  - 9723   Capital Asset Policy Changes

- **Proprietary funds**

  In the case of proprietary funds, restricted and long-term assets and liabilities are removed by excluding the following G/L codes from beginning fund balances, thereby converting proprietary fund balances into meaningful budget balances.

The G/L codes excluded in calculating the budget fund balance for proprietary funds are listed below:

Note: An x indicates all G/L codes in that series are excluded.

- **1130** Petty cash
- **1140** Cash with escrow agents
- **1150** Cash with fiscal agents
- **12xx** Investments (except 1205-Temp./Pooled cash investments)
- **1410** Consumable inventories
- **1440** Raw materials inventories
- **1450** Livestock
- **1510** Prepaid expenses
- **16xx** Long-term receivables (except 1656-Advances due from other funds)
- **19xx** Other assets and deferred outflows
- **2xxx** Capital assets
- **3110** Approved estimated revenues
- **32xx** Accrued/Cash/Noncash revenues
- **5114** Annuities payable, short-term
- **5118** Benefit claims payable, short-term
- **5125** Annual leave payable, short-term
- **5127** Sick leave payable, short-term
- **5128** Compensatory time payable, short-term
- **516x** Short-term portion of bonds payable
- **5172** Lease payable, short-term

- **5173** COP payable, short-term
- **5192** Unavailable revenues – short-term
- **5196** Obligations under reverse repurchase agreements
- **5197** Obligations under securities lending agreements
- **52xx** Long-term liabilities and deferred inflows
- **59xx** Other credits
- **61xx** Expenditure authority and estimated expenditures
- **62xx** Allotments
- **63xx** Reserves
- **6410** Encumbrances
- **65xx** Other expenses
- **91xx** Budgetary control and nonspendable fund balance
- **92xx** Restricted fund balance
- **93xx** Committed fund balance and net investment in capital assets
- **97xx** Correction/Changes
- **94xx** Retained earnings
- **95xx** Reserves
- **96xx** Other reserve accounts

8.3   REVENUE TRANSFER RECONCILIATION STATEMENT

When must a Revenue Transfer Reconciliation Statement be submitted?

Generally, operating revenue transfers balance at the agency level. When both sides of a transfer are not shown on the Summarized Revenue report (e.g., transfers between budgeted and nonbudgeted funds), a Transfer Reconciliation Statement is required as part of the revenue justification material. This statement assists the OFM analyst in understanding the purpose and mechanism for the complete transfer.

Here is a sample format for the Transfer Reconciliation Statement:

SOURCE 06XX — TRANSFERS IN:
Fiscal Year Amount   To Account   Purpose

SOURCE 06XX — TRANSFERS OUT:
Fiscal Year Amount   From Account   Purpose

8.4   WORKING CAPITAL RESERVE (B9-1)

Who must submit this statement?

The administering agency of an account should submit a Working Capital Reserve form (B9-1) that lists the recommended ending fund balance for those accounts.

Use BDS for preparing the report

Agencies use BDS to prepare this report. BDS includes the appropriate worksheet and prints the report.

What to consider when estimating a reasonable working capital reserve

The agency should enter the working capital reserve that, in its judgment, should remain in the account at the end of each biennium to cover fluctuations in cash flow. For most funds, a reasonable amount would be sufficient to cover two months' worth of cash expenditures.

The recommended balance should be entered for each account needing a working capital reserve. There is no need to indicate a source code.

The recommended ending balance should include a cash reserve sufficient to ensure the account does not end the biennium with a negative cash balance. However, administering agencies may find it prudent to recommend a higher ending balance because of volatile revenues or unique cash-flow cycles, or to offset an operating deficit in the ensuing biennium.

Administering agencies should ensure sufficient balance to cover compensation, central service agency charge increases and other cost adjustments typically made by OFM after agency budgets have been submitted.

Since only administering agencies may enter a recommended reserve, they should contact any other agencies operating in the account to determine the impact of those operations before recommending an ending balance.

8.5   REMINDERS FOR PREPARING REVENUE SUBMITTALS

- Do you have a clear method(s) for estimating revenue that your agency collects? Have there been recent changes that would impact your revenue collections?

- Do federal and private/local revenue match the combined expenditures of both the operating and capital budgets for the biennium? (See Chapter 8.1 for a list of exceptions.)

- Did you include all revenue collected by your agency, even if spent by another agency? Check to see what actual revenues are reported by your agency in AFRS.

- Did you include revenue estimates for changes or new sources resulting from recently passed revenue legislation?

- Did you reduce revenues available for transfer or distribution for the amount of new expenditures proposed from those funds?

- Are there sufficient revenues to cover dedicated account expenditures?

- Did you reserve enough fund balance to cover possible compensation or central service agency charge adjustments by OFM?

- Will you send revised revenue estimates to OFM in the fall for agency dedicated fund forecast changes?

- Did you remember that you:
  - Do not submit estimates for revenue that is collected by another agency.
  - Do not include interest earnings (Source 0408), which are part of the Treasurer's Office estimates.
  - Do not include transfers or revenue distributions executed by the Treasurer's Office.

Chapter 9

Fee Information

9.1 APPROVAL FOR NEW OR INCREASED FEES

Whenever possible, agencies are encouraged to request new fees or increase existing fees to make programs self-supporting. This applies to programs currently not supported by fees as well as those partially supported by fees.

As required by Chapter 43.135.055 RCW, unless otherwise exempted, fees may be imposed or increased only if approved by the Legislature. Submit legislation authorizing new fees or fee increases through the agency request legislation process. The Governor's Office will issue instructions for agency request legislation in June. Request legislation is not required for any new fee or increased fee if an agency already has statutory authority to impose or increase that fee.

New fees, extensions of existing fees and all fee increases, whether legislation is required or not, must be part of the budget submittal. Submit justification for new, extended or increased fees using the process described in this chapter.

Justification for new or increased fee requests

Provide justification for any new, extended or increased fee proposed for the 2017–19 biennium. Include the justification in the decision package related to the expenditure increase or create a separate decision package if not submitting an expenditure increase request. The decision package should include the following information:

1. Fee name
2. Current fee rate (FY 2016)
3. Proposed fee rate
   - FY 2018
   - FY 2019
4. Incremental rate change for each year
   - FY 2018
   - FY 2019
5. Expected implementation date
6. Estimated additional revenue generated by the increase
   - FY 2018
   - FY 2019
7. Justification for the increase and discussion of consequences of not increasing the fee
8. Indication of any changes in who pays
9. Indication of any changes in methodology for determining the fee
10. RecSum code for the related expenditure request, if tied to a budget request
11. Alternatives considered to an increase
12. Indication of whether the fee increase requires a statutory change, i.e., a separate bill. If yes, a proposal should be submitted as part of the agency request legislation process.

9.2   SUBMITTAL PROCESS

Excel template for fee data

An Excel template, available at Budget Forms, captures the requested new, extended or increased fee data. Instructions for completing the form and an example are also provided. The spreadsheet is a summary of the information provided in your decision package and should be shown at the level for which you need legislative authority. For example, new and renewal licenses should be shown together on the spreadsheet, but if they have different rates, should be detailed in the decision package.

Include fee information as part of agency budget request

Print and include the decision package and the Excel spreadsheet as part of the agency budget request paper document. Send an electronic copy of the Excel spreadsheet to Derek.Rutter@ofm.wa.gov.

Some fee increases will not match up to expenditure changes on the RecSum. Examples are fees necessary to support the 2017–19 carry-forward level or fees that support nonbudgeted funds. Regardless, justification for new fees and *all* fee increases must be submitted as part of the agency budget request document.

Chapter 10

Performance Measures

10.1 ACTIVITY PERFORMANCE MEASURE TARGETS

Why is performance measurement important?

Performance measurement makes accountability possible. It attempts to answer a simple question: "Are we making progress toward achieving our targeted results?" A credible answer to this question is backed by evidence, which comes from performance measures.

Information about the effectiveness of an activity purchased in the budget is important to gauge whether the investment has proven worth the cost. Analyzing performance can help agencies and analysts recognize how to improve performance and whether other strategies can contribute more toward achieving activity and statewide results.

Statewide result goal indicators are available in activity reports

Through the Results Washington process, the Governor has identified key indicators of success for the five statewide goal areas. Each agency's activities are associated with one of these areas. For more details, see http://www.results.wa.gov/.

Submit performance measure target information for each activity

Agencies are required to propose at least one performance measure for every major activity (Chapter 43.88.090 RCW). The measures should be able to determine if the agency is achieving or making progress toward the purpose of that activity and statewide priorities. For the most part, measures telling the story about whether an activity is achieving its purpose will be found in the middle range of the logic model. The OFM Performance Measure Guide provides examples of logic models. For the budget submittal, agencies must specify targets for these activity measures.

Required totals for each performance measure

For each performance measure linked to an activity in BDS, use the Results through Performance Management (RPM) system to:

- Report actual performance levels attained for FYs 2015 and 2016, and the target for FY 2017.
- Provide performance level targets for FYs 2018, 2019 and 2020, assuming all the agency's proposed decision packages are enacted. Each decision package that affects the measure should also note the incremental effect on the performance level.

Each activity must have at least one performance measure or statement of expected result

RCW 43.88.090 now requires each major activity in the agency's Activity Inventory to have at least one performance measure. If the agency and OFM agree that it is not possible to identify an appropriate quantitative performance measure for an activity, the agency must at least provide a narrative description of the intended outcome for the activity in the "expected results" text box provided in the system. **The agency will not be able to submit its budget to OFM unless each activity is linked to at least one performance measure or has an expected results statement.** The performance measure and

expected results information will be printed on the Activity Inventory report that the agency must include in its budget submittal.

FAQs about performance measures

Q. Is each activity required to have a unique measure?

No. An agency may have several activities that are all targeted toward achieving the same outcome. The system allows you to link one measure to multiple activities. However, make sure that measures linked to an activity indicate whether the agency is achieving or making progress toward the purpose of that activity and toward statewide priorities.

Q. Is it acceptable for an activity to have both performance measures and an expected result statement?

Yes. The combination of outcome description and quantitative measures will more clearly express the contribution the activity makes in achieving agency goals and statewide results.

Q. Are we required to create a performance measure for each decision package?

No. You are required to describe the expected outcome of funding the investment in the narrative justification portion of the decision package under the heading "What specific performance outcomes does the agency expect?" However, that doesn't mean a unique performance measure should be created for each package in RPM. For each decision package, ask:

- Will this investment affect one or more of the activity performance measures reported by the agency in RPM? If yes, identify the expected incremental change in annual performance targets for each measure and for each applicable fiscal year if the decision package is enacted. BDS provides the tools to identify the incremental impacts for these measures.

- If the answer to the first question is "no," but the decision package will contribute to another significant ongoing activity outcome, we suggest that the agency establish a new measure in the system for that activity.

- If the decision package is expected to generate some other performance change that would not be relevant as an ongoing measure of activity results, do not create a new measure in RPM.

Q. Why do we have to develop activity-related measures?

OFM asks for activity-related performance measures to help assess the results achieved for budget investments. The Legislature also finds this perspective helpful, and it amended RCW 43.88.090 to require agencies to report at least one performance measure for every major activity in the agency's activity inventory. Each measure should be able to be used to determine if the agency is achieving or making progress toward the purpose of that activity and toward statewide priorities.

Q. May we modify the activity-related measures we are reporting now?

If you want to propose alternative measures, you must submit the new or modified measures to OFM via RPM. OFM can then review and either approve them or follow up with the agency on a suggested alternative. You will need to submit new measures to OFM prior to releasing your agency budget so they can be approved and available in BDS for the Performance Measure Incremental Estimate Report.

If your agency has received recommendations for improving activity-related performance measures in an OFM performance measure assessment, implement those improvements, wherever feasible.

Performance measure resources

Refer to the OFM Performance Measure Guide at
http://www.ofm.wa.gov/budget/instructions/other/performancemeasureguide.pdf.

Contact your OFM assigned budget analyst with questions about performance measures, to review proposed agency measures or to obtain information about performance measure training.

10.2 PERFORMANCE MEASURE INCREMENTAL ESTIMATES REPORT

Indicate the effect of decision packages on activity performance

As discussed in Chapter 3.2, a decision package should describe the change in performance that can be expected from the investment. If this change in performance is a change in one of the activity performance measures reported in the system, agencies should indicate the incremental change in the performance measure related to that decision package. If the decision package will contribute to another ongoing activity result, the agency should establish a new measure in the system for that activity. Any activity performance measure descriptions established in BDS will be available on the selection list in the decision package screen.

If the decision package is expected to bring about another kind of performance change that would not be relevant as an ongoing measure of activity results, do *not* create a performance measure for the sole purpose of describing the effect of a decision package. This information should be described, and if possible, quantified in the decision package narrative. Consider including a logic model illustrating the linkage between the decision package and relevant Results Washington or RPM performance measures.

These incremental changes recorded in the BDS decision package console will be listed in the Performance Measure Incremental Estimates report required as part of the budget submittal.

Chapter 11

Facility Leases and Facility Maintenance

11.1 LEASE RENEWAL AND RATE ADJUSTMENTS, MAJOR LEASE REQUESTS AND SIX-YEAR FACILITIES PLAN

What additional information is required in a decision package related to a facility lease?

In addition to the decision package information requirements in Chapter 3, for **all** lease rate decision packages (regardless of maintenance level or policy level), attach a spreadsheet that contains the following information for all current and projected leased facility costs:

- Action (new, renew, change, close)
- Address (street address, where available, and city)
- Square feet
- Current lease start date and end date
- Services included in the lease
- FY 2017 funded level
- Renewal increase (in percent)
- Projected FY 2018 and FY 2019 need
- Requested one-time costs (total dollars)
- Any relevant notes

A maintenance level lease rate decision package (**8L**) may include renewal, lease rate adjustments and new space projects **less** than 20,000 square feet.

A maintenance level lease rate decision package (**8V**) may include new space and relocation projects **greater** than 20,000 square feet.

A request for one-time costs should include details about the individual project costs.

Costs for new leases, moves or acquisition of new space not associated with mandatory caseload, workload and service level changes should be included in a performance/policy level budget request following the criteria found in Chapter 1.

A template is available at Budget Forms to assist you in submitting this information.

OFM encourages the use of market research data or a standard lease renewal rate increase tool based on CPI-U. This market data and the CPI-U tool are available upon request from OFM Facilities Oversight.

What additional information is required for major leases?

Chapter 43.82.035 RCW requires major leases to be included in the 10-year capital plans. To comply with this law, OFM will provide a list of major lease projects through the 2017-23 Six-Year Facilities Plan published by OFM in conjunction with the 2017–19 budgets. A major lease project is defined as a new space or relocation project over 20,000 square feet. Agencies must provide a separate operating budget policy level decision package for major lease projects. While this budget decision package may

contain multiple projects over 20,000 square feet, it needs to fully describe the business need for *each* new space, and provide the general location and square footage, along with responses to all decision package questions. For relocation, also provide the current lease information and the current lease end date.

Contact information is available at Facilities Contacts.

Decision packages with space-related costs should be consistent with the Six-Year Facilities Plan

Agency operating budget requests for space-related costs must be consistent with the information the agency provided to OFM as part of the statewide six-year facilities planning process. Space-related costs include:

- existing lease cost changes
- new leases
- one-time costs of acquiring new space or relocating

What is a Six-Year Facilities Plan?

OFM, with the cooperation of state agencies, develops and publishes a statewide Six-year Facility Plan for the state of Washington by January 1 of each odd-numbered year. This document includes state agency space requirements and other pertinent data necessary for cost-effective facility planning. This planning process and the resulting product are expected to improve the oversight, management and financial analysis of state agency facilities. The development of this plan is directed by Chapter 43.82.055 RCW.

The Six-year Facilities Plan will include:

- lease renewals
- leased and owned relocations
- new facilities projects

See the 2017–23 Implementation Approach for more information about the plan and plan scope. Visit the OFM Facilities Oversight website for information about the planning process and related tools.

Questions?

Contact your assigned OFM Facilities Analyst at Facilities Contacts.

Chapter 12

Statewide Enterprise Approach for Decision Packages that Include Information Technology

12.1 INFORMATION TECHNOLOGY PLANNING AND BUDGET REQUESTS

Information technology is a common part of any initiative or investment, and the state recognizes that there is a fundamental difference between standard IT expenditures and IT projects. The Legislature has clearly indicated a desire for transparency in all IT expenditures, yet the degree to which these expenditures will be separately scrutinized will depend on the type and purpose of the investment.

Per Chapter 43.105.020 RCW:

> "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, radio technologies, and all related interactions between people and machines.

> "Telecommunications" includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines.

For the purposes of IT budgeting, IT expenditures include the following:

- IT hardware (computers, laptops, telephones, servers, networking equipment, etc.)
- Software (licenses, development of custom software)
- IT services (software-as-a-service, infrastructure-as-a-service, platform-as-a-service)
- IT contracts, including quality assurance and independent verification and validation
- IT staff or staff who will be performing IT functions

All decision packages with IT costs must include a completed IT Addendum. The IT Addendum has two parts. Part one is a table in which you will itemize these costs. Part two is three yes/no questions to help the agency, OFM and the OCIO determine whether each decision package constitutes an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service?

2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

If the answer to any of these three questions is "yes," the decision package tentatively qualifies as an IT project/system/investment to be reviewed and prioritized by the OCIO, as required by Chapter 43.88.092 RCW. The OCIO will receive copies of all decision packages with IT costs, and can include or exclude decision packages from its review at its discretion.

Email an electronic copy of all decision packages with IT costs, including the IT Addendum and any associated attachments, to the OCIO at budgetrequest@ocio.wa.gov **no later than the agency budget submission deadline.**

12.2 IT PROJECTS/SYSTEMS/INVESTMENTS THAT REQUIRE CONSULTATION WITH THE OFFICE OF THE CHIEF INFORMATION OFFICER

Agencies must screen all decision packages with IT costs using the three criteria listed in section 12.1 above. If the decision package meets any of those three criteria, it tentatively meets the threshold for requiring review and prioritization by the OCIO.

Agencies with decision packages that meet any of the three the criteria in section 12.1 must contact the OCIO to schedule and complete a concept review for each qualifying IT investment before the budget submission deadline. As part of the concept review, the OCIO will work with agencies as necessary to shape their requests to ensure compliance with state IT policies and guidelines, and alignment with state IT strategic goals. The concept reviews will also help the OCIO IT policy consultants gain a deeper understanding of each IT investment, which will help them be better prepared to brief the scoring panels during the OCIO decision package prioritization process. The OCIO and the agency will work together to review the OCIO Scoring Worksheet, which will be used to measure each project's alignment to state IT strategic goals. The OCIO will use this information during the decision package ranking process.

In preparation for concept review meetings with the OCIO, agencies should follow the directions provided at https://ocio.wa.gov/programs/project-oversight-decision-package-prioritization for each qualifying IT investment.

12.3 IT INVESTMENTS MUST COMPLY WITH IT STATUTES AND POLICY

All IT investments — projects and nonproject expenditures — are expected to be in compliance with IT statutes and policies. The OCIO can provide a more comprehensive list, but some of the most frequently used requirements are listed here for convenience.

Use of CTS for Utility-Based Infrastructure Services: State agencies must rely on the Consolidated Technology Services agency for those services with a business case of broad use, uniformity, scalability and price sensitivity to aggregation and volume. Utility-based infrastructure services include personal computer and portable device support, servers and server administration, security administration, network administration, telephony, email and other information technology services commonly used by state agencies. If the decision package includes use of any of these services, the agency must consult with CTS to get a cost estimate for these services and include the estimate with its decision package. (Chapter 43.105.007 RCW)

Use of the State Data Center: State agencies must locate all new servers in the State Data Center (SDC). An agency decision package that includes enhancing, modifying or expanding an agency data center must include a cost estimate from CTS for either SDC Managed Services or SDC Co-Location Services. Any agency proposing to locate servers outside the SDC must request a waiver from the OCIO in writing as specified in Policy 103. An agency proposing to use cloud services does not need a waiver from the OCIO, but must still provide a comparable cost estimate from CTS. (OCIO Policy 184 and Chapter 43.105.375 RCW)

Radio, Radio over Internet Protocol and Public Safety Communications Investments: Agencies must receive written approval from the State Interoperability Executive Committee before beginning any

major investment in radio, Radio over Internet Protocol or public safety communication systems development, enhancement or acquisition. Approval is required regardless of the funding source or whether the request is for additional funding or for a previously approved or funded effort. The OCIO can provide more information about this requirement during the project's concept review. (Chapter 43.105.331 RCW)

12.4 STATEWIDE IT PLAN AND TECHNOLOGY BUDGET

The OCIO and Budget Division will work together to develop the Governor's 2017–19 IT Plan and Technology Budget, as required by Chapter 43.88.092 RCW. This document will be an appendix to the Governor's budget proposal that will include the following information:

- Agency detail of the previous biennium's IT expenditures. If available, this data will be pulled from the technology business management program (currently Apptio). Otherwise, information will be pulled from data coded in the Agency Financial Reporting System as Project X and Y.
- IT projects included in the Governor's 2017–19 budget using information contained in the associated decision packages for each project.
- Budget information for existing IT projects under OCIO oversight, as reported by agencies to the OCIO.

Agency chief financial officers and chief information officers should ensure that IT accounting and other data are accurate as it will be published in the Governor's 2017–19 IT Plan and Technology Budget.

Chapter 13

Central Service Agency Charges, Risk Management and Self-Insurance Premiums

13.1 CENTRAL SERVICE CHARGES HANDLED BY OFM

Central service charges listed in the table below are globally handled by OFM when building the Governor's proposed budget. OFM will determine maintenance level updates to agency budgets. Agencies do *not* need to submit separate decision packages for incremental maintenance level changes to these charges.

Agency	Charge	Service Provided
SOS	Archives and Records Management	Archival and records management services provided by the Secretary of State.
SAO	Auditing Services	Audit services provided by the State Auditor.
AGO	Legal Services	Legal services provided by the Attorney General.
OAH	Administrative Hearings	Administrative hearings services provided by the Office of Administrative Hearings.
WaTech/CTS	Office of the Chief Information Officer	The state Chief Information Officer sets statewide IT policies and oversees major IT projects.
WaTech/CTS	Enterprise Systems Fee	This fee includes access and support for the statewide financial, budget, contract, procurement, reporting and payroll systems.
WaTech/CTS	State Network	This service funds maintenance, operations and improvements to the state network.
WaTech/CTS	State Data Center	The cost of the debt service for the State Data Center shared by state agencies.
WaTech/CTS	Security Gateway	This service provides secure access to state government network (SGN) websites.
WaTech/CTS	Security Infrastructure	This service protects the SGN from hackers and viruses.
WaTech/CTS	Secure File Transfer	This service transfers data securely between any two online locations.
WaTech/CTS	Access Washington	WaTech/CTS maintains the state's Access/Inside Washington website.
WaTech/CTS	GIS Rate	WaTech/CTS provides the state's shared geographic information system services.
DES	Campus Rent, Utilities and Parking	DES charges state agencies for maintenance and operation of state-owned buildings and a small portion of the costs to maintain employee parking spaces.
DES	Capital Project Surcharge	A surcharge to cover the cost of DES-managed capital projects based in Thurston County.

Agency	Charge	Service Provided
DES	Financing Cost Recovery	Charges related to the construction, renovation and occupancy of certain space owned and managed by DES in Thurston County.
DES	Public and Historic Facilities and Visitor Services	DES manages public areas of the Capitol Campus and operates the Visitor Services Office.
DES	Lease Renewal Services	DES provides lease renewal services to client agencies.
DES	Risk Management Administration and SILA premiums	DES administers the state self-insurance liability program and charges an administration fee.
DES	Small Agency Client Services	DES provides small agencies with budget, accounting, payroll, accounts receivable and accounts payable services.
DES	Personnel Services	DES provides personnel services to state employees such as training, layoff resources and the Employee Assistance Program.
DES	Perry Street Day Care	This charge is used for the maintenance of a facility contracted out by DES to a licensed child care provider for use by state employees.
LNI	Workers' Compensation	LNI charges agencies for workers compensation insurance.
OFM	Enterprise Resource Planning	OFM is leading the initiative to replace the state's core financial system.

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

If a client and service provider agency determine a need to increase the type or utilization level of service, both the client and service 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. In particular, provider and client agencies should submit performance level decision packages to request changes to their expected use of services provided by the Office of the Attorney General, the State Auditor and the Office of Administrative Hearings.

Central service agency amounts are estimates

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.

Notify service provider 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.

13.2 CENTRAL SERVICE CHARGES *NOT* HANDLED BY OFM

The following central service charges are *not* handled by OFM. Budgeting for these charges is the responsibility of the client agency:

Agency	Charge	Service Provided
OFM	Personnel Services Charge	This charge is used to fund many of the statewide human resources services. Agencies with classified positions must pay this charge.
OFM	Labor Relations Fees	Fees charged by the Labor Relations unit are for labor relations services, such as biennial contract negotiations and bargaining on grievances and other union issues.
DES/CTS	Fee-for-Service Charges	DES and CTS provide a wide array of other services to agencies for a use fee, charged when the service is used.
DES	Small Agency Human Resources	DES provides small agencies with human resource services.

13.3 FUND SPLIT ADJUSTMENTS FOR THE CENTRAL SERVICE MODEL

Fund splits represent how OFM and the Legislature will allocate central service costs among different agency funds. Some agencies may need to adjust fund splits for the 2017–19 central service model.

OFM will provide agencies with a spreadsheet with the latest fund split information and information about recent legislative changes that may impact fund splits. Update the spreadsheet and provide a short description explaining proposed updates. Fund split adjustments are due at the same time as the agency budget submittal.

Regardless of whether fund splits are changing or remaining the same from 2015–17 to 2017–19, OFM still requires written confirmation. Send updated fund split information to your assigned budget analyst with a copy to Regan.Hesse@ofm.wa.gov.

13.4 OTHER INFORMATION REQUIRED OF CENTRAL SERVICE PROVIDER AGENCIES

Central service agencies must provide an agency billing list for the current biennium and for the proposed 2017–19 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.

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

13.5 RISK MANAGEMENT AND SELF-INSURANCE PREMIUMS

Risk management is a key strategy for reducing costs and improving outcomes

Risk is defined as anything that poses a potential barrier to an agency achieving its mandated and strategic objectives/goals on time. Risk management refers to the practices an agency uses to manage its risks.

Enterprise risk management (ERM) is a coordinated method of performing risk management that considers all risks that affect an agency's goals across all parts of the agency. ERM allows an agency to identify, measure, prioritize and respond to its risks. This approach can create cost savings and enhance efficiency by identifying resources and linking them to agency goals and action plans. This section of the budget submittal offers a means to describe agency ERM strategies, programs, activities and needs.

Self-Insurance Premiums

When available, preliminary estimates for self-insurance premium cost changes for 2017–19 will be posted at http://des.wa.gov/services/Risk/AboutRM/Pages/agencyBudgetRiskManagement.aspx.

Agencies do not submit self-insurance premium decision packages for self-insurance premium adjustments. OFM will update agency budgets for self-insurance premium adjustments in the fall when those costs are finalized.

Request extraordinary enterprise risk management funding separately

Request other extraordinary ERM-related costs (e.g., unexpected costs related to implementing ERM programs or unexpected costs related to specific risks and their associated treatment plans) in a separate policy-level decision package.

An enterprise risk management update must be submitted

Agencies must submit an ERM update with their budget submittal and to the Department of Enterprise Services' Office of Risk Management (ORM). The update should be a one-page submittal describing three major risks that could impact the agency's ability to achieve its strategic objectives/goals on time and any existing or proposed initiatives the agency has to address these risks.

When submitting the enterprise risk management update, *do not* include confidential information related to specific claims or lawsuits. Seek advice from agency legal staff if there are questions about confidentiality issues.

Email a copy of the update to ORM at desmiriskmanagement@des.wa.gov.

Resources

- ORM can provide a loss history profile of agency losses, including pending claims. For additional risk management information and resources, visit the ORM website at http://des.wa.gov/services/Risk/AboutRM/Pages/agencyBudgetRiskManagement.aspx.

- ORM staff members are available to assist you with interpreting loss trends and developing risk management goals at 360-407-9199.

Chapter 14

Other Budget Reports

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.

14.1 NONBUDGETED LOCAL FUND SUMMARIES

Nonbudgeted local fund summaries (Chapter 43.88.030(1)(f) RCW)

The Nonbudgeted Local Fund Summary is used to summarize financial data for nonbudgeted (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: In account code number sequence, list all nonbudgeted local accounts in the agency. Include the full title of each account, a brief description of the 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 Nonbudgeted Local Format Summary form. List each nonbudgeted local fund by fund code sequence.

The fund balances shown for July 1, 2015, and June 30, 2017, should be reported on a modified GAAP basis. (Refer to Chapter 8.2.)

An Excel template for this requirement may be found at Budget Forms.

14.2 STATE MATCHING REQUIREMENTS FOR FEDERAL FUNDING

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

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.

The data include:

- Federal catalog number (CFDA)
- Activity inventory number for the most significant activity(s) 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 (2014–17)
- Account code of state match source

An Excel template for this requirement may be found at Budget Forms.

14.3 Additional Federal Receipts Reporting Requirements

Chapter [43.88.096](#) RCW requires that designated agencies submit additional information related to receipt of federal funds. The requirements include:

1) Reporting the aggregate value of federal receipts the agency estimated for the ensuing biennium
2) Developing plans for operating the designated state agency if there is a reduction of:
   a) 5 percent or more in the federal receipts that the agency receives; and
   b) 25 percent or more in the federal receipts that the designated state agency receives.

Designated state agencies subject to this requirement are:

- Department of Social and Health Services
- Department of Health
- Health Care Authority
- Department of Commerce
- Department of Ecology
- Department of Fish and Wildlife
- Department of Early Learning
- Office of Superintendent of Public Instruction (the report by OSPI must include the information required for each school district in the state)

An Excel template for this requirement may be found at [Budget Forms](#).

14.4 Puget Sound Recovery

Additional budget submittal and reporting requirements to OFM and Puget Sound Partnership

Per Section 311 of the 2015–17 enacted operating budget and as amended by [2SESHB 2376](#), the Partnership must provide the Governor with a single, prioritized list of state agency 2017–19 operating and capital budget requests related to Puget Sound by Oct. 15, 2016. The primary criterion used by the Partnership to prioritize agency budget requests is how strongly the requests align with the Action Agenda. More specifically, greater consideration is given to budget requests that directly support implementation of priority near term actions (NTAs) and associated substrategies.

To facilitate the Partnership's mandated budget request prioritization process, all agencies requesting budget changes related to Action Agenda implementation must provide the information described below.

For both operating decision packages and capital project requests

- In the RecSum text (for operating) and Agency Summary (for capital), include the statement, "Related to Puget Sound Action Agenda Implementation."

- In the Narrative Justification, under "Other important connections or impacts" (for operating) and the Project Description, under question number eight (for capital), include the following:

  o A response to the question, "Is the request related to Puget Sound recovery?"
  o An explanation of how the budget request relates to NTAs, substrategies, strategic initiatives and/or key ongoing programs identified in the Action Agenda. Budget requests that include multiple NTA or substrategy components must provide information to distinguish each component, including dollar amounts, FTEs and fund source by fiscal year. This includes Puget Sound-related monitoring and program evaluation requests.
  o An estimate of the amount of the budget request that impacts Puget Sound, including dollar amounts, FTEs, fund source by fiscal year and an explanation of the methodology used to determine the Puget Sound portion. This is particularly important for programs and requests that cover multiple geographic areas, such as shoreline master program updates and forest practices regulation. See the reference section below for link to the Puget Sound map.

Additional submittal requirements for both operating and capital requests

- Send an email with copies of the all Puget Sound budget requests to OFM and the Partnership by your designated budget submittal due date. OFM and Partnership contact information is provided later in this section.

- Complete a cloud-based template summarizing your agency budget requests submitted to OFM and the Partnership for prioritization. The Partnership will email the template and instructions to affected agencies by mid-July.

Summer 2016 consultation with the Partnership
To ensure Puget Sound budget requests align with the Action Agenda, all agencies requesting operating and capital budget changes that implement the Action Agenda or affect Puget Sound recovery are required by RCW 90.71.320 to consult with the Partnership prior to submitting their budget requests to OFM. Partnership staff will contact agencies to schedule meetings to discuss the budget process and proposed budget requests during June and July.

Additional reporting requirements to the Partnership

Chapter 90.71.320 RCW also requires state agencies responsible for implementing elements of the Action Agenda to provide to the Partnership their cost estimates and budget resources needed to implement their portion of the Action Agenda. To accommodate the adoption of the Action Agenda update the deadline for reporting this information has been moved to Aug. 12, 2016. See summary timeline at the link provided in the "References" section, below.

For assistance, see the below contacts.

Ginger Stewart, Chief Financial Officer, Puget Sound Partnership
360-464-1218, ginger.stewart@psp.wa.gov

Linda Steinmann, Budget Assistant to the Governor (operating), OFM
360-902-0573, Linda.Steinmann@ofm.wa.gov

Myra Baldini, Budget Assistant to the Governor (capital), OFM
360-902-0525, Myra.Baldini@ofm.wa.gov

References
Puget Sound Partnership Action Agenda Overview: http://www.psp.wa.gov/action_agenda_center.php
Puget Sound reference map: https://pspwa.box.com/s/m4ye38amxy81ovui3td3s0oj1pbsei30
2015 State of the Sound: NTA Expenditure and Funding Gap Analysis:
https://pspwa.app.box.com/v/nta-expenditure[Summary timeline]

14.5 OTHER BUDGET REPORTS AND DATA

Updated agency descriptions

Agency descriptions and missions must be published as part of the budget document. We will send
agencies a template in August 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.

Appendix A-1

AGENCY BUDGET SUBMITTAL DATES

No later than Sept. 9, 2016:

080	Office of the Lieutenant Governor		185	Horse Racing Commission
082	Public Disclosure Commission		190	Board of Industrial Insurance Appeals
086	Governor's Office of Indian Affairs		205	Board of Pilotage Commissioners
087	Commission on Asian Pacific American Affairs		220	Board for Volunteer Firefighters
090	Office of the State Treasurer		227	Criminal Justice Training Commission
095	Office of the State Auditor		228	Traffic Safety Commission
099	Commission on Salaries for Elected Officials		305	Department of Veterans Affairs
100	Office of the Attorney General		315	Department of Services for the Blind
101	Caseload Forecast Council		340	Student Achievement Council
104	Economic and Revenue Forecast Council		341	LEOFF Plan 2 Retirement Board
110	Office of Administrative Hearings		351	School for the Blind
116	Washington State Lottery		353	Center for Childhood Deafness and Hearing Loss
117	Gambling Commission		355	Department of Archaeology and Historic Preservation
118	Commission on Hispanic Affairs		390	Washington State Historical Society
119	Commission on African-American Affairs		395	Eastern Washington State Historical Society
120	Human Rights Commission		406	County Road Administration Board
124	Department of Retirement Systems		407	Transportation Improvement Board
126	State Investment Board		410	Transportation Commission
140	Department of Revenue		411	Freight Mobility Strategic Investment Board
142	Board of Tax Appeals		460	Columbia River Gorge Commission
147	Office of Minority & Women's Business Enterprises		462	Pollution Liability Insurance Program
160	Office of the Insurance Commissioner		467	Recreation and Conservation Funding Board
163	Consolidated Technology Services		468	Environmental and Land Use Hearings Office
165	Board of Accountancy		471	State Conservation Commission
167	Forensic Investigations Council		701	Treasurer's Transfers
179	Department of Enterprise Services		705	Treasurer's Deposit Income
			740	Contribution to Retirement Systems

No later than Sept. 9, 2016 (due date for Local Fund Statements):

106	Economic Development Finance Authority		515	Fruit Commission
148	Housing Finance Commission		521	Hardwoods Commission
346	Higher Education Facilities Authority		522	Hop Commission
356	Life Sciences Discovery Fund Authority		524	Puget Sound Gillnet Salmon Commission
412	Materials Management and Financing Authority		525	Potato Commission
500	Apple Commission		526	Strawberry Commission
501	Alfalfa Seed Commission		528	Mint Commission
502	Beef Commission		529	Red Raspberry Commission
503	Blueberry Commission		530	Seed Potato Commission
505	Bulb Commission		532	Turf Grass Seed Commission
506	Asparagus Commission		533	Tree Fruit Research Commission
507	Cranberry Commission		534	Wine Commission
508	Canola and Rapeseed Commission		535	Grain Commission
510	Dairy Products Commission		545	Beer Commission
512	Dry Pea and Lentil Commission		599	Health Care Facilities Authority

No later than Sept. 16, 2016

001	State Revenues for Distribution	225	Washington State Patrol
005	Federal Revenues for Distribution	235	Department of Labor and Industries
010	Bond Retirement and Interest	240	Department of Licensing
011	House of Representatives	245	Military Department
012	Senate	275	Public Employment Relations Commission
013	Joint Transportation Committee	300	Department of Social and Health Services
014	Joint Legislative Audit and Review Committee	303	Department of Health
020	Legislative Evaluation and Accountability Program (LEAP) Committee	310	Department of Corrections
035	Office of the State Actuary	350	Office of Superintendent of Public Instruction
037	Office of Legislative Support Services	354	Workforce Training and Education Coordinating Board
038	Joint Legislative Systems Committee	357	Department of Early Learning
040	Statute Law Committee	359	Washington State Charter School Commission
045	Supreme Court	360	University of Washington
046	Law Library	365	Washington State University
048	Court of Appeals	370	Eastern Washington University
050	Commission on Judicial Conduct	375	Central Washington University
055	Administrative Office of the Courts	376	The Evergreen State College
056	Office of Public Defense	380	Western Washington University
057	Office of Civil Legal Aid	387	Arts Commission
075	Office of the Governor	405	Department of Transportation
076	Special Appropriations to the Governor	461	Department of Ecology
085	Office of the Secretary of State	465	State Parks and Recreation Commission
102	Department of Financial Institutions	477	Department of Fish and Wildlife
103	Department of Commerce	478	Puget Sound Partnership
105	Office of Financial Management	490	Department of Natural Resources
107	Health Care Authority	495	Department of Agriculture
195	Liquor Control Board	540	Employment Security Department
215	Utilities and Transportation Commission	699	Community and Technical Colleges

Appendix A-2

BUDGET DISTRIBUTION AND ROUTING

DISTRIBUTION	OPERATING NORMAL	DSHS OPERATING	OPERATING HIGHER ED	TRANSPO*	CAPITAL
Operations - Linda Swanson	1	1	1	1	1
SBA Staff	1	1	1	1	
Policy Analyst	1	1	1	1	
Operating Analyst	(HCA 2) 1	5	1	(DOT 4) 1	1
Capital Analyst & SBA					1
House Appropriations MS: 40600	1	1	1	DOL, WSP 1	
House Capital Budget MS:40600					1
Senate Ways & Means MS: 40466	1	1	1	DOL, WSP 1	1
Washington Student Achievement Council MS: 43430			1		
Council of Presidents			1		
House Transportation Committee MS: 40600				1	
Senate Transportation Committee MS: 40468				1	
Joint Transportation Committee MS:40937				1	
Total Copies	(HCA 7) 6	10	8	7*	5

*Department of Transportation must submit 10 copies
Washington State Patrol must submit 9 copies
Department of Licensing must submit 9 copies

Appendix A-3

ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: _____

Agency Name: _____

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1: (Preferred)

❑ This agency posts all decision packages for our 2017–19 budget request to our public-facing website at the following URL:

URL: http://_____

Option 2:

❑ This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance standards.

Agency contact: _____

Contact phone: _____

Contact email: _____

Date: _____

This form is available at [Budget Forms](#).