



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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May 10, 2017

TO: Agency Budget Officers

FROM: Jim Crawford, Assistant Director
Budget Division

SUBJECT: BUDGET FORMAT CHANGE REQUESTS

This memorandum provides instructions for agencies considering revisions to their budget format reporting structure. As provided in [RCW 43.88.030](#), a “budget format change” requires prior approval from OFM and the Legislative Evaluation & Accountability Program (LEAP) Committee. A budget format change refers to any of the following changes in budget, allotment, or accounting formats:

- shift of costs between programs (subprograms/categories for the Department of Social and Health Services, Department of Corrections, and Health Care Authority);
- program creation, consolidation, elimination, or division of programs/subprograms/categories;
- title change, if the new title is different from the current program, subprogram, or category name; or
- any other revisions that would affect the comparability of expenditures, revenues, workload, performance and personnel over time.

Agencies proposing any such changes must submit a request to the Office of Financial Management (OFM) no later than **Tuesday, May 23, 2017**.

Odd-numbered calendar years are a good time to submit proposals for accounting or allotment structure changes in anticipation of implementing the ensuing biennial budget. Please note that **agencies are not required to submit budget format change proposals**. Changes should be limited to those that serve a legitimate business purpose.

Program changes already adopted by legislative action in substantive legislation or an appropriations act do not require LEAP Committee approval; however, **a ten-year historical restructure of data is still required** ([RCW 44.48.150](#)). For information on the type and format of the data required, contact Mike Schaub in OFM’s Statewide Accounting Division at (360) 725-0225 or michael.schaub@ofm.wa.gov.

Required Elements of Program Structure Change Request

Agencies must provide a thorough description and explanation of each proposed budget format change. Include the elements on the following page to ensure your agency submittal is complete.

1. Narrative Description of Change (see Tab A of attached Excel file, Program Structure Change Example). This should focus on the following questions:

- What purpose is served by the change?
- How will this change affect the availability and understanding of budget and accounting information for policymakers and the public? For example, if programs are being consolidated, explain how this change will affect the availability and understanding of data from formerly independent programs.
- The name, telephone number, and email address of the representative(s) who will testify regarding the proposed changes at the LEAP Committee hearing. All agencies with program structure change requests must have a representative available to testify.

2. Crosswalk should display details within the affected programs in the existing structure compared to the proposed structure. (See Tab B of Program Structure Change Example.)

3. Comparison of Current Structure to Proposed Structure should compare the total estimated current biennial expenditures and FTEs, for all programs, before and after the proposed changes. (See Tab C of Program Structure Change Example.)

[Program Structure Change Examples and FAQs](#)

After conferring with legislative staff, OFM will communicate our recommendations to the LEAP Committee, which only considers requests recommended by OFM. Historically the LEAP Committee has met to act on these requests in mid-June. Please keep this time frame in mind for your planning purposes.

If a program restructure request is recommended by OFM and approved by the LEAP Committee, the approval will be contingent upon OFM and LEAP Committee staff's receipt of the reconstructed ten-year operating and capital expenditure and FTE history (fiscal years 2008 through 2015, with fiscal years 2016 and 2017 reconstructed after the biennial close) to reflect the revised structure. This information will be used to update OFM's historical database. **No program restructure may be instituted prior to validation of the ten-year reconstruction of data by OFM and LEAP Committee staff.**

Please email your agency program structure change requests, as editable source documents (e.g., Excel, Word) and not .pdf files, to OFM.Budget@ofm.wa.gov.

Questions should be directed to your [assigned budget analyst](#).

Attachment

cc: Tom Jensen, LEAP
Michael Mann, LEAP
Linda Swanson, OFM
Mike Schaub, OFM
Garry Austin, OFM
Derek Rutter, OFM