



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

April 10, 2012

TO: Agency Budget Officers

FROM: Candace Espeseth, Assistant Director
Budget Division

**SUBJECT: PROPOSED BUDGET FORMAT CHANGE REQUESTS
Legislative Evaluation and Accountability Program (LEAP) Committee**

This memorandum provides instructions for agencies considering budget format revisions to their reporting structure. A “budget format change” refers to any of the following changes in budget, allotment, or accounting formats:

- A major shift of costs between programs (subprograms in DSHS)
- A program consolidation or separation
- A title change, if the new title is substantially different from the current program or sub-program name
- Any other significant revisions that would affect the comparability of staffing, expenditure, or revenue data over time

Agencies proposing any such changes must submit a request to the Office of Financial Management (OFM) no later than **Friday, May 11, 2012**.

Program changes already adopted by legislative action (e.g., creation of a new agency or moving an existing program to another agency) do not require a formal request or LEAP approval; however, a ten-year history restructure of historical data is still required.

For information on the type and format of the data required, please contact Mike Schaub of OFM’s Accounting Division at (360) 725-0225 or michael.schaub@ofm.wa.gov.

Required Elements of a Program Structure Change Request:

Agency submittals must provide a thorough description and explanation of each proposed budget format change. Include the following elements to ensure that your agency submittal is complete (see enclosed example memo and Attachments A and B):

1. Narrative Description of Change (see example memo) that focuses on the following questions:

- What purpose is served by the change?
- How will this change affect the availability and understanding of budget information for policymakers and the public? For example, if programs are being consolidated, explain how this change will affect the availability of data from formerly independent programs.

2. Crosswalk (see Attachment A) displaying details within the affected programs in the existing structure and in the proposed structure.

3. Comparison of Current Structure and Proposed Structure (see Attachment B), comparing the total estimated current biennium expenditures and FTEs, **for all programs**, before and after the proposed changes.

All budget format changes must be approved by OFM and OFM will communicate, after conferring with legislative staff, our recommendations to the LEAP Committee. It is anticipated that the LEAP Committee will meet to review these requests in mid-June. All agencies with recommended program structure change requests must have a representative available to testify at the LEAP hearing.

If a program restructure request is recommended and approved by the LEAP Committee, it is contingent upon OFM and LEAP staff's receipt of the reconstructed ten-year Operating and Capital expenditure and FTE history (Fiscal Years 2002-2011, with Fiscal Years 2012 and 2013 reconstructed after the biennial close) reflecting the approved structure. For planning purposes, this will be on or about July 15. This information will be used to update OFM's historical database. **No new program restructure may be instituted prior to validation of the 10-year reconstruction of data.**

Budget program structure change requests as editable source documents, rather than .pdf files, should be e-mailed to:

Linda Swanson, Budget Assistant
Office of Financial Management
Linda.Swanson@ofm.wa.gov

Questions should be directed to your [Assigned Budget Analyst](#)

Attachments

(EXAMPLE ONLY)
STATE AGENCY NAME

April 10, 2012

TO: Linda Swanson, Budget Assistant to the Governor
Office of Financial Management
Budget Division
P.O. Box 43113
Olympia, WA 98504-3113

FROM: John Smith, Assistant Director
Administrative Services Division

SUBJECT: BUDGET PROGRAM STRUCTURE CHANGE

(State Agency Name) requests a budget program structure change for the 2013-15 biennium and all subsequent biennia. The change consists of separating our marketing services functions from the significant production functions.

Purpose of the change

Our agency recognizes marketing resources as a vital asset to the state. By creating a separate program, the marketing resources and costs will be more visible and we will have better data with which to manage them. We anticipate that this will produce greater results.

Communication of budget information

We believe this change will improve the communication of budget information both internally and externally. This proposal takes costs previously consolidated in one program and breaks them into two components. When consolidated with other production costs, the marketing costs are difficult to identify and manage. This change will provide a better picture of our overall production costs, and there will not be any loss of information or visibility.

The new program would be numbered **050** and would be titled **Marketing Services**. Attached please find a **Crosswalk of Programs Affected by Restructure** and a **Comparison of Current Structure and Proposed Program Structure**.

Thank you for your consideration. If you have any questions, please contact Jane Brown, our budget officer, at 664-9999.

Attachments

ATTACHMENT A
(EXAMPLE ONLY)

Agency Crosswalk of Programs Affected by Restructure:

2011-13 Existing Structure	2013-15 Proposed Structure
030 – Significant Production	030 – Significant Production
Research Product Design Production Quality Control Customer Sampling Focus Groups Advertising Shipping	Research Product Design Production Quality Control <i>Transferred to Program 050</i> <i>Transferred to Program 050</i> <i>Transferred to Program 050</i> Shipping
Proposed New Program (050)	050 – Marketing Services
	Customer Sampling Focus Groups Advertising

Comparison of Current Structure and Proposed Structure 2013-15 Estimated Expenditures and FTE Staff by Program

Attachment B

Agency: Department of Significant Products

	Before Structure Change			After Structure Change			Summary of Justification
	FTEs	GF-State	Other Funds	FTEs	GF-State	Other Funds	
Current Programs:							
010-Administrative Services	106.4	132,650	16,491,425				
020-Significant Assistance	686.8	0	101,702,955				
030 Significant Products	241.3	0	244,079,472				
040 Significant Policy	107.4	2,386,882	10,576,802				
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Proposed Programs:							
010-Administrative Services				64.0	16,000	8,556,111	This program structure change will accomplish the following: * Marketing Investments will be more visible to decision makers * Establish accountability for return on Marketing Investments
020-Significant Assistance				686.8	0	101,702,955	
030 Significant Products				241.3	0	244,079,472	
040 Significant Policy				107.4	2,386,882	10,576,802	
050-Marketing Services				42.4	116,650	7,935,314	
Totals				1,141.9	2,519,532	372,850,654	