



STATE OF WASHINGTON

## OFFICE OF FINANCIAL MANAGEMENT

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May 5, 2016

**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 the Legislative Evaluation & Accountability Program (LEAP) Committee and 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 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 20, 2016**.

OFM strongly encourages agencies to submit proposed *budget structure changes* in even-numbered calendar years, in advance of biennial budget development. Major changes are considered less appropriate during odd-numbered, supplemental budget years. (However, odd-numbered calendar years are a good time to submit proposals for accounting or allotment structure changes.) **Note that agencies are not required to submit budget format change proposals**; please do not submit proposed changes that do not 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 history restructure of historical data is still required** ([RCW 44.48.150](#)). For information on the type and format of the data required, please contact Mike Schaub in OFM’s Accounting Division at (360) 725-0225 or [michael.schaub@ofm.wa.gov](mailto:michael.schaub@ofm.wa.gov).

### **Required Elements of 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:

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 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.
  - 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 and 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. Only requests recommended by OFM will be considered by the LEAP Committee. It is anticipated that the LEAP Committee will meet to act on these requests in mid-June. Please keep this date 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 2005 through 2014, with fiscal years 2015 and 2016 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.**

Please email your agency program structure change requests, as editable source documents rather than .pdf files, to [OFM.Budget@ofm.wa.gov](mailto: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