

CHAPTER 5

BUDGET IMPLEMENTATION

The capital budget is enacted after the House and Senate pass, and the Governor signs, a compromise budget. For more information, see A [Guide](#) to the Washington State Budget Process.

Once the budget is enacted, agencies must follow a process before spending their appropriation. This chapter outlines the steps for agencies to expend funds, beginning with OFM assigning an Expenditure Authority (EA) code.

Allotments

After the EA code is assigned, agencies must submit allotments for expenditures, revenues and FTEs.

The Budget, Accounting, and Reporting System Act (Chapter [43.88](#) RCW) outlines the legal authority and responsibility of the Governor and OFM to allot public funds. OFM publishes allotment instructions that describe the agency's responsibilities and requirements for submitting initial allotments, amended allotments and special allotments to detail the plan of expenditures, revenue estimates and related full-time equivalent (FTE) estimates of enacted budgets. (Visit OFM's [website](#) for the allotment instructions after the 2019-21 budget is enacted.)

Agencies must use The Allotment Management and Review System (TALS-AMR) for submitting allotments to OFM. No expenditures may be incurred prior to OFM approval of allotments.

Minor works lists

Once the capital budget is enacted, submit final minor works project lists, including requested revisions to the project lists, to OFM for review and approval, and to the House Capital Budget and Senate Ways and Means committees for review and comment.

Minor works lists submittal must include:

- Parent project number and project title.
- Minor works projects and budget estimates.
- Explanation of variances from the enacted capital budget minor works lists.
- Alternate minor works projects, if applicable.

No expenditures may be incurred prior to OFM's written approval of the updated minor works lists and allotment schedule. With OFM approval, savings from a minor works subproject may be transferred to another minor works subproject for which the project budget allocation is insufficient, or to fund an alternate minor works subproject that is approved by OFM. Minor works projects must be completed within the biennium in which they were appropriated.

Major project status and final closeout reports

Agencies administering a major capital project or projects specifically identified for reporting requirements by OFM, as required by RCW [43.88.160](#), must submit a major project status report to OFM each July 1 and December 31.

After a major project is completed, an agency must also submit a major project final closeout report to OFM. Agencies must report project savings following the completion of projects to OFM.

Agencies must use the report [template](#) posted on OFM's website. Contact a capital budget [analyst](#) with any questions.

Transfers

Subject to certain restrictions, the Governor, through OFM, may transfer project savings to another project for which the appropriation is insufficient (RCW [43.88.145](#)). An agency may request such a transfer by submitting a letter to OFM. No expenditures may be incurred prior to OFM approval of the transfer request and allotment schedule.

Status updates for reports and studies funded by the budget

NEW !

Please check in quarterly with your capital budget analyst to update them on reports and studies funded by the capital budget. This update should identify any risks to the successful, on-time completion of the study or report. For cabinet agencies, at least two weeks must be included in the project schedule for OFM budget and Governor's Office policy review. Please submit completed reports and studies to OFMPolicy@ofm.wa.gov.

Life cycle cost analysis and life cycle cost tool

These life cycle cost analysis tools use a Washington-specific discount rate to estimate the present value of future costs. This rate is updated annually and is identified in both Excel workbooks available on OFM's website.

During predesign

For predesign projects, agencies must use OFM's life cycle cost analysis (LCCA) [model](#) to compare the long-term costs of project alternatives (RCW [39.35B.050](#)). This tool evaluates the tradeoff over time from increased capital investment in the purchase and/or construction of facilities. Please refer to the predesign manual for more information.

The model and instructions are available on OFM's [website](#).

During design, construction, and project close

After a project enters the design phase, agencies must use OFM's life cycle cost [tool](#) (LCCT) to demonstrate how the building design contributes to energy efficiency and conservation. The LCCT is required for facilities with an area of 5,000 square feet or greater (Executive Order [13-03](#)). The LCCT evaluates the tradeoff over time from increased initial capital investment in high-performance energy system components that may include, but are not limited to, the building envelope, HVAC system, water-using fixtures and/or lighting. OFM will not allot construction funds until the analysis is completed.

The tool, instructions and training webinars are located on OFM's [forms](#) page.

State efficiency and environmental performance executive order

NEW !

The state efficiency and environmental performance executive order requires some newly constructed, state-owned (including lease purchase) buildings be designed as net-zero energy or net zero-energy capable, and include consideration of net embodied carbon. In situations where a cost effective zero-energy building is required and not yet technically feasible, buildings must be designed to exceed the current state building code for energy efficiency to the greatest extent possible (Executive Order [18-01](#)).

Bond fund cash flow plans

The Office of the State Treasurer (OST) conducts a regular survey to collect updated information on agency cash flow needs. This assists in planning future bond sales. Some agencies, as requested, must complete and return the bond fund cash flow estimates form, expected use of proceeds form, and any supporting materials to OST by the due date.