



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

September 20, 2012

**TO:** Agency Directors

**FROM:** Stan Marshburn  
Director

**SUBJECT: INSTRUCTIONS FOR 2013 SUPPLEMENTAL BUDGET SUBMITTALS**

First, I want to thank all of you who have submitted your 2013-15 budgets. Yesterday's release of the September revenue forecast – with essentially no change in the level of expected revenue for the current biennium – reminds us that we are operating with a small positive balance. There is little capacity to address anything other than the most pressing current biennium budget issues.

I look forward to working with you on Governor Gregoire's budget recommendations for both 2013-15 and the remainder of the current biennium.

**Submittal Instructions for 2013 Supplemental Budget**

Supplemental budget requests are due to OFM no later than October 17, 2012. Only the following types of budget revisions should be submitted:

- Non-discretionary changes in legally-mandated caseload or workload.
- Necessary technical corrections to the currently enacted budget.

As indicated in OFM's August 24 memo from Marty Brown, agencies should continue to monitor the federal budget for potential impacts on state services. Please consult with your OFM budget analyst about possible supplemental budget reductions related to expected federal cuts.

Agencies anticipating *additional* federal or private/local funding during the 2011-13 biennium should contact their assigned OFM budget analyst regarding utilizing the unanticipated receipt process or including those funds in a supplemental decision package. As always, the normal unanticipated receipt process is suspended during the legislative session.

Proposed **operating** supplemental budget revisions should be submitted to OFM electronically through the Budget Development System (BDS). Justification narrative follows the decision package format described in Chapter 4 of OFM's 2013-15 Budget Instructions found at [http://ofm.wa.gov/budget/instructions/operating/2013\\_15/chapter4.pdf](http://ofm.wa.gov/budget/instructions/operating/2013_15/chapter4.pdf).

Narrative descriptions for any revisions should be as detailed as possible. If new costs are requested, please ensure that the justification fully explains why those additions cannot be absorbed within the agency's existing budget. Also describe the implications to program outcomes and client

services, revenues (including fees), legislation, and federal rules, as well as any barriers that might complicate achievement of a reduction. Clearly identify any changes that require new legislation.

Some agencies have statutory authority to set program fees at a level sufficient to cover the costs of administering that program. Under Initiative 960 (RCW 43.135.055), such statutes do not authorize agencies to increase fees without prior and specific legislative approval. Agencies with legislative mandates for fee-supported programs, or other requests for new or revised fees, must document the specific fees by using OFM's *2013-15 Agency Request for New or Increased Fees* form found at <http://www.ofm.wa.gov/budget/forms.asp>.

Because agency budget requests are distributed to OFM and legislative staff, we require submittal of six paper copies from most agencies, seven copies from transportation agencies (fourteen copies from WSDOT), and eight copies from higher education agencies. The copies must include the Recommendation Summary Report from BDS, narrative decision package justification, summarized revenue report from BDS for agencies submitting revenue changes, and *Agency Request for New or Increased Fees* form, if applicable.

All **capital budget** revisions are to be submitted to OFM using the Capital Budget System (CBS). The justification must follow the format outlined in Chapter 2 of OFM's 2013-15 Capital Budget Instructions at <http://ofm.wa.gov/budget/instructions/capinst/13-23capinstr/chapter2.pdf>. Please send seven copies (nine copies from higher education agencies) for distribution to OFM and legislative staff.

Proposals for the 2013 supplemental capital budget should be limited to technical corrections, emergency issues, or return of project savings. Because of the potential impact of any state GF-S revenue losses on projects supported by general obligation bonds, OFM may ask some agencies for more information on reappropriation needs, cash disbursement schedules, or project options.

Send the specified number of supplemental operating or capital budget requests no later than October 17 to:

Donna Thomas  
Office of Financial Management  
300 Insurance Building  
P.O. Box 43113  
Olympia, WA 98504-3113

Thank you for your continued good work. If you have any questions, please contact your [assigned OFM budget analyst](#).

cc: Agency Budget Officers