



Washington's Biennial Budget Cycle

North Kitsap School District
Community Financial Advisory Committee
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Biennial Budget Cycle





Biennial Budget Cycle





Supplemental Budget

- Changes to the original appropriations of the biennial budget.
- Modified in any Legislative session.
- Annual supplemental budgets are common.



Roles and Responsibilities State Agencies

- Develop budget estimates and submit budget proposals to the Governor.
- Implement approved policies and programs.
- Agency directors are accountable for carrying out the legal intent of appropriations



Roles and Responsibilities Governor

- Recommends a budget to the Legislature.
- Veto authority of appropriation bills.
- Monitors agency expenditures.
- Assists in implementation of legislative policy directives.



Roles and Responsibilities

Office of Financial Management

- Coordinates submittal of agency budget requests.
- Prepares Governor's budget recommendations to the Legislature.
- Evaluate budget requests for consistency with executive policy priorities.
- Maintains the state's central accounting system.



Roles and Responsibilities

WA State Legislature

- Mandates the money each state agency can spend.
- Specific fiscal committees have primary responsibility to prepare the legislative budget.
- Conference committee of legislators may be convened to reconcile differences.
- Beginning with the 2013-15 biennium, enacted budget must leave a positive ending fund balance in the General Fund.



Roles and Responsibilities

Economic and Revenue Forecast Council

- Composed of representative from legislative and executive branches.
- Adopts an official forecast of General Fund-State (GF-S) revenues for the current and ensuing biennia.
- As of 2012, ERFC became responsible for overseeing preparation of GF-S expenditure outlooks for future biennia.



Roles and Responsibilities Caseload Forecast Council

- Created by the 1997 Legislature.
- Consists of two members appointed by the Governor and four appointed by the legislative political caucuses.
- Prepares official caseload forecasts for state entitlement programs



Budget and Accounting Structure

- 114 agencies, boards, and commissions.
- State's budget and accounting system includes more than 640 accounts.
 - ✓ Largest is General Fund – very flexible
 - ✓ Dedicated accounts are less flexible (i.e. hunting license fees, motor vehicle fuel tax)



Budget Development Approach

Two-step Agency Budget Process – Step 1

- Agencies required to re-base state program budgets to a level below the maintenance level budget request for programs not protected from reduction by either state constitutional provisions or by federal law.
- 15 percent reductions of unprotected GF-S.
- Prioritized budget reductions are required from central service provider agencies whose dedicated revenue is derived from, subsidized from, affects or interacts with the General Fund.



Budget Development Approach

Two-step Agency Budget Process – Step 2

- Budget reductions identified in step one result in a re-based GF-S budget.
- Agencies submit budget requests for funding.
 - Decision packages must be submitted in ranked priority order. Includes proposals to restore funding of identified reductions and new funding requests.



Sources of State Revenue

- WA receives most of its revenue from taxes, licenses, permits and fees, and federal grants.
- Each revenue source is designated by law for deposit into specific accounts to support state operating or capital expenditures.



State Operating Budget

- Total operating budget for 2013-15 biennium = \$71.3 billion.
- Separate capital budget finances major building, renovation and land acquisition projects = \$3.6 billion
- Transportation capital projects = \$5.6 billion



State Operating Budget

- Approximately 46% of the operating budget is supported by GF-S tax and fee revenues and reserves.
- Because the Governor and Legislature have the greatest discretion over these funds, programs supported by these funds receive substantial attention during the budgeting process.
- Majority of GF-S funding is spent on K-12 Education, Human Services, and higher education.



State Budgeting Information

- Legislative Budget Information
<http://leap.leg.wa.gov/leap/default.asp>
- Legislative Bill Information
<http://apps.leg.wa.gov/billinfo/>
- K-12 LEAP Documents
<http://leap.leg.wa.gov/leap/budget/leapdocs/k12docs.asp>
- Office of Financial Management
<http://ofm.wa.gov/budget/>