

Title	Agency Budget Overview and 2015-17 Budget Request
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Synopsis:	<p>The Office of Financial Management issued instructions for submission of biennial budget requests, which are summarized in the enclosed memo from OFM Director David Schumacher. WSAC’s agency budget request is due on September 12, 2014.</p> <p>Decision packages comprising the 2015-17 biennial budget request will fall into three categories, as directed:</p> <ul style="list-style-type: none"> • 15% Reduction of Near General Fund-State Maintenance Level • Proposals to Restore Identified Reductions • Proposals for New or Enhanced Funding <p>Reduction proposals must be prioritized based on impacts or consequences, ascending from simplest to implement with least impact on clients to the more difficult with greater impact. Proposals for new or enhanced funding and buybacks of reduction items must be prioritized in the one sequence, descending from the first and highest priority.</p> <p>Council members will review a summary of decision packages under development and discuss prioritization in the context of the Strategic Action Plan recommendations.</p>
Guiding questions:	<p>Does the Washington Student Achievement Council have adequate financial resources to carry out its statutory mission and duties?</p> <p>Do proposals for new or enhanced funding reflect priorities in the Strategic Action Plan?</p>
Possible council action:	<input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Approve/Adopt <input type="checkbox"/> Other: _____
Documents and attachments:	<input type="checkbox"/> Brief/Report <input type="checkbox"/> PowerPoint <input checked="" type="checkbox"/> Third-party materials <input type="checkbox"/> Other



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION › OPPORTUNITY › RESULTS

Agency Budget Overview – 2015-17 Request

Don Bennett, Deputy Director

Budget Overview and Request

- State Operating Budget Timeline
- WSAC Appropriations Overview
- 2015-17 Agency Budget Request:
(Per OFM Instructions)
 - 15% Reductions
 - Restore Some Reductions
 - New or Enhanced Funding Requests

State Budget Timeline

2014

You are here!



2015



2016

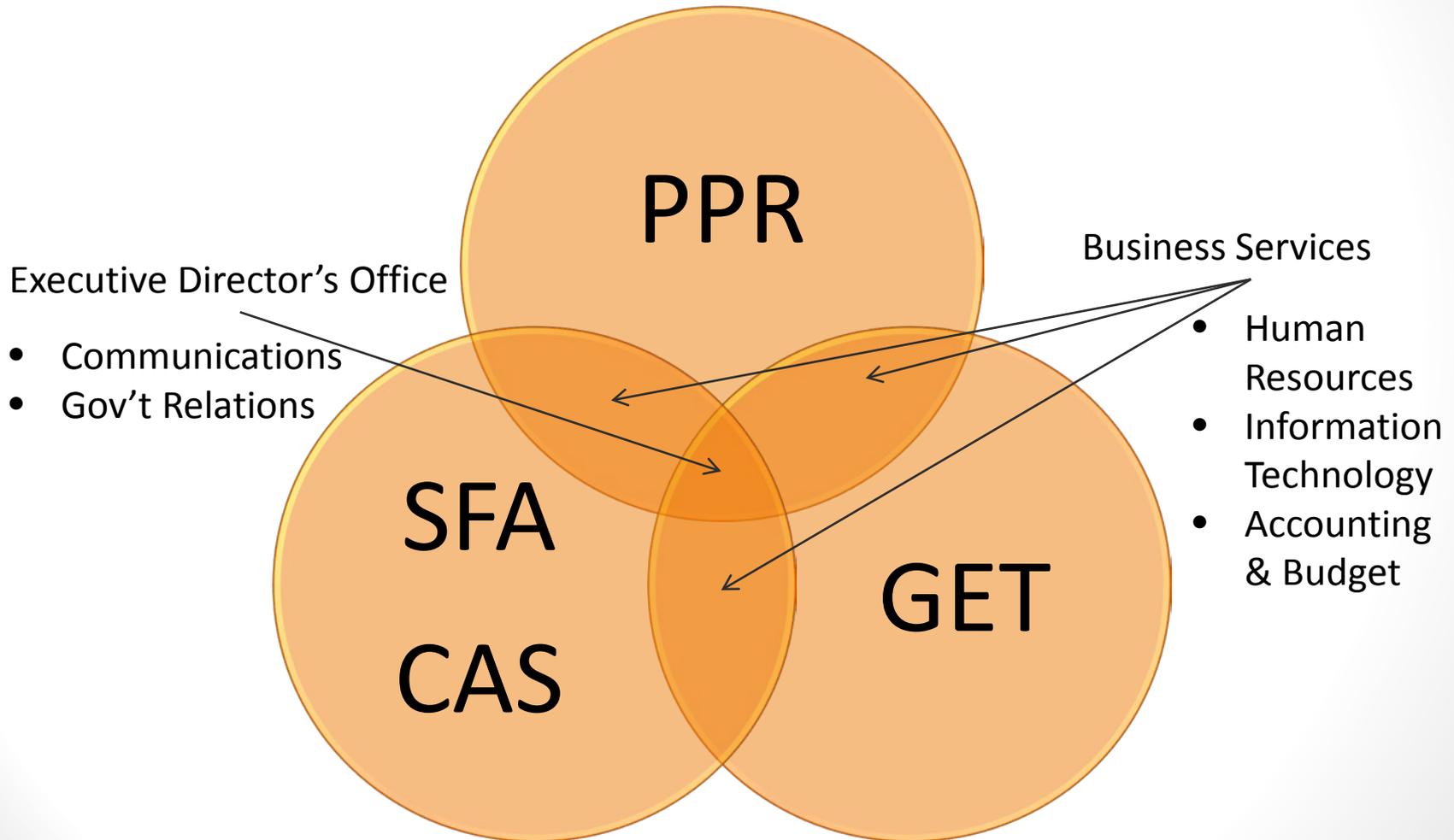


Agency Appropriations

Current Level vs. Carry Forward Level

	13-15	15-17	Change
Policy Coordination & Administration			
General Fund – State	10.6 M	10.6 M	52 K
General Fund – Federal	4.8 M	4.8 M	20 K
	15.4 M	15.4 M	72 K
Student Financial Assistance			
General Fund – State	494.8 M	518.9 M	24.1 M
General Fund – Federal	11.6 M	11.6 M	48 K
Education Legacy Trust	79.6 M	60.5 M	-19.1 M
Opportunity Pathways	141.0 M	135.0 M	-6.0 M
	727.0 M	726.0 M	-1.0 M

Agency Overview



15% Reductions

	15-17 Reduction
<u>Program Suspensions:</u>	
Foster Care Endowed Scholarship	150,000
Community Scholarship Matching Grants	492,000
Professional Student Exchange Program (WICHE)	374,000
Washington Scholars	6,400,000
Washington Award for Vocational Excellence	2,000,000
Future Teachers Conditional Scholarship and Loan Repayment	2,000,000
Health Professional Loan Repayment and Scholarship	7,600,000
Agency Administrative Reduction	1,000,000
Reduce Aerospace Loans	2,000,000
Reduce State Need Grant	79,471,000
<i>Total Reductions</i>	101,487,000

Restore Reductions

	15-17 Reduction
<u>Program Suspensions:</u>	
—Foster Care Endowed Scholarship	150,000
—Community Scholarship Matching Grants	492,000
—Professional Student Exchange Program (WICHE)	374,000
—Washington Scholars	6,400,000
—Washington Award for Vocational Excellence	2,000,000
—Future Teachers Conditional Scholarship and Loan Repayment	2,000,000
—Health Professional Loan Repayment and Scholarship	7,600,000
Agency Administrative Reduction	1,000,000
Reduce Aerospace Loans	2,000,000
Reduce State Need Grant	79,471,000
<i>Total Reductions</i>	101,487,000
<i>Total Restored</i>	80,471,000

New or Enhanced Funding

Strategic Action Plan Recommendation Options	Annual Increase
State Need Grant:	
Full Funding – Serve all unserved eligible students	\$137.0 M
Partial Funding – Serve all unserved by 2023	\$ 16.0 M
State Work Study:	
Moderate Increase – Serve an additional 5,625 students	\$ 5.0 M
Small Increase – Serve an additional 2,250 students	\$ 2.0 M
Student Support Services	<i>Up to</i> \$ 5.0 M
<i>Total Additions</i>	<i>TBD</i>

Summary of Requests

Decision Package	Amount
15% Reductions	\$ 101.4 M
Restore Some Reductions	\$ 80.4 M
New or Enhanced Funding	TBD



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

June 13, 2014

TO: Agency Directors
Presidents, Higher Education Institutions
Boards and Commissions

FROM: David Schumacher
Director

SUBJECT: 2015-17 OPERATING AND CAPITAL BUDGET INSTRUCTIONS

The state's economy is slowly recovering from its deepest recession in 70 years. Meanwhile, state revenue collections are rebounding at a much slower pace than after previous recessions. As a result, demands on the state's resources through inflation and mandatory caseload and other increases continue to outpace revenue growth. This structural fiscal gap is compounded by the fact that the state must continue phasing in legislative commitments to increase K-12 education funding by at least \$5 billion over the next two biennia (*McCleary v. State of Washington*). In addition, the state faces cost pressures to address workforce compensation needs and to meet continuing and emerging policy issues.

The magnitude of the *McCleary* decision and other budget pressures necessitate a thorough review of budget reduction options along with options to increase state revenues to achieve sustainable spending levels and to articulate to citizens the results and outcomes of difficult budget choices. Further, the state must be prepared to adapt to potential changes in fiscal conditions, even after emerging from the fiscal crises of the great recession. The 2015-17 biennial budget provides the opportunity for the state to adjust to current fiscal and policy conditions, as well as to prepare for the future.

For the 2015-17 budget, OFM is asking agencies 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. Agencies with protected programs and activities should continuously evaluate these services for improvements that can be achieved within current funding. In addition, OFM is asking all agencies to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. Decision packages describing these reductions are the first step in a two-step agency budget process.

OFM also is requiring prioritized budget reduction packages from central service provider agencies and from agencies whose dedicated revenue is derived from or subsidized by the General Fund. Budget reductions identified in the first step of the agency reduction process will result in a re-based Near GF-S budget, below the levels necessary to sustain currently authorized services and programs as they are currently delivered.

June 13, 2014

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Agencies are then asked to submit budget requests for funding building off of this lower budget base. Decision packages requesting incremental funding above the new base budget level must be submitted in ranked priority order, including both proposals to restore identified reductions necessary to achieve the lower base budget, as well as any new funding requests for services or enhancements not currently provided. Detailed instructions are outlined in [Appendix A-3](#) of the Budget Instructions.

As described earlier, we expect enormous pressure on General Fund resources for at least the next two biennia as the McCleary funding commitments are met. In addition to submitting budget reduction decision packages, agencies should severely limit requests for new or expanded programs or for new policy initiatives. Agencies also are encouraged to make fee-based programs self-supporting.

The 2015-17 Budget Instructions are available on OFM's website at [2015-17 Budget Instructions](#).

Agency operating and capital budget requests are due to OFM beginning **September 11**. For your specific agency due date, see [Appendix A-1](#) of the Budget Instructions.

Thank you for your assistance. We look forward to working with you and your staff on this challenging budget.

cc: Agency Budget Officers