

**OFFICE OF FINANCIAL MANAGEMENT  
TRANSITION DOCUMENT TIER 1—EXECUTIVE SUMMARY**

**Agency Information**

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**The Office of Financial Management (OFM)**, established by the Washington State Legislature in 1969 as staff to the Governor for financial and management affairs, has both decision-making and operational responsibilities. OFM’s mission is to provide vital information, fiscal services and policy support that the Governor, Legislature and state agencies need to serve the people of Washington State. OFM serves the Governor, all state agencies, and members of the public in the following ways:

- Plays a central role in budget planning, policy development, and fiscal administration for the executive branch
- Prepares the executive budget proposal and monitors budget implementation
- Maintains state government's statewide accounting systems, central books of accounts, and financial databases, while also providing budget and accounting services to state agencies
- Oversees statewide personal service and client service contracting activities
- Provides official population estimates and forecasts for revenue distribution and growth management planning; prepares budget driver, expenditure, economic, and revenue forecasts; conducts research to support budget and policy development; and administers the state census data center
- Provides a comprehensive risk management program for all state agencies
- Plays a critical role in statewide public employee labor management relations

**Office of the Director**

The Office of the Director includes the positions of Director, Deputy Director, and administrative support staff, as well as the Labor Relations, Legal Affairs, Legislative Affairs, Communications, OFM/Governor’s office Accounting, Employee Services and Management Consulting units. The Office of the Director:

- Provides executive fiscal management direction to all state agencies
- Provides executive staff support to the Governor and top management
- Communicates with the public, media and the Legislature on fiscal issues
- Provides accounting and fiscal services to the Office of the Governor and to OFM
- Provides personnel and management assistance to the Office of the Governor and to OFM

## **Budget Division**

The Budget Division performs an ongoing role in the planning, analysis, and implementation of the state's operating and capital budgets. It has the primary responsibility for making budget recommendations to the Governor and presenting the Governor's budget proposal to the Legislature and the public. After budgets are approved by the Legislature, OFM monitors state agency activities for conformance with executive and legislative intent. This division:

- Assists the Governor in developing state budget recommendations consistent with executive priorities
- Leads and assists agencies in the appropriate budget planning, process, and requests
- Prepares the executive budget proposal and monitors budget implementation
- Prepares fiscal notes to assist legislators in the development of financial and revenue impacts.
- Provides fiscal review and analysis of all enrolled bills and makes recommendations to the Governor as to the approval of bills

## **Contracts, Forecasting, and Risk Management Division**

The Contracts office provides oversight of personal service and client service contracting activities. The Forecasting office provides analysis and forecasts of critical state indicators such as population, caseloads, enrollments and revenue, and provides data and research support for biennial budget development and monitoring. The Risk Management office provides comprehensive risk management services for all state agencies. This division:

- Provides official population estimates and forecasts for revenue distribution and growth management planning
- Prepares budget driver, expenditure, economic, and revenue forecasts, and prepares Initiative 601 spending limit calculations.
- Conducts research to support budget and policy development, including “six year outlook” for fiscal planning.
- Administers the state census data center
- Issues statewide policies for personal service and client service contracts
- Provides review and approval of personal service contracts
- Trains all agencies in legal and appropriate contracting procedures
- Maintains statewide contract database
- Investigates, processes, and adjudicates all tort and sundry claims filed against the state of Washington
- Manages risk financing (including the self-insured liability program and commercial insurance policies)
- Provides loss prevention services, and administers the loss prevention review team program
- Conducts oversight of joint self-insured local government property/liability programs and individual or joint self-insured local government employee health and welfare (health) benefit programs

## **Accounting Division**

The Accounting Division includes Statewide Accounting Services, Statewide Financial Systems, and the Small Agency Client Services and Administrative Services. The division:

- Maintains state government's electronic budgeting, accounting and reporting systems, central books of accounts, state administrative and accounting manual and financial databases
- Provides budget, accounting and payroll services to 38 small state agencies
- Develops, operates, and supports statewide financial information technology systems in accordance with generally accepted accounting principles
- Develops and issues statewide administrative and accounting policies
- Provides financial consulting, and monitoring services
- Provides training on accounting policies and financial and administrative systems
- Prepares Comprehensive Annual Financial Report, the Federal Single Audit Report, the Audit Resolution Report and the Annual Cash Management Improvement Act Report

## **Information Services and Facilities Division**

The Information Services and Facilities is an OFM and Governor's office internal service division that:

- Provides software application and maintenance support to the Governor's office and OFM
- Designs, develops and maintains websites for the Governor's office and OFM
- Provides network technology, desktop technology, IT security and IT policy support to the Governor's office and OFM
- Provides secure networking and connectivity between desktops and other computer infrastructure components
- Provides mail distribution, office supply management, workplace safety, and facilities management for OFM

## **Office of Labor Relations**

The Office of Labor Relations manages the collective bargaining process with union-represented state employees on behalf of the Governor. This office:

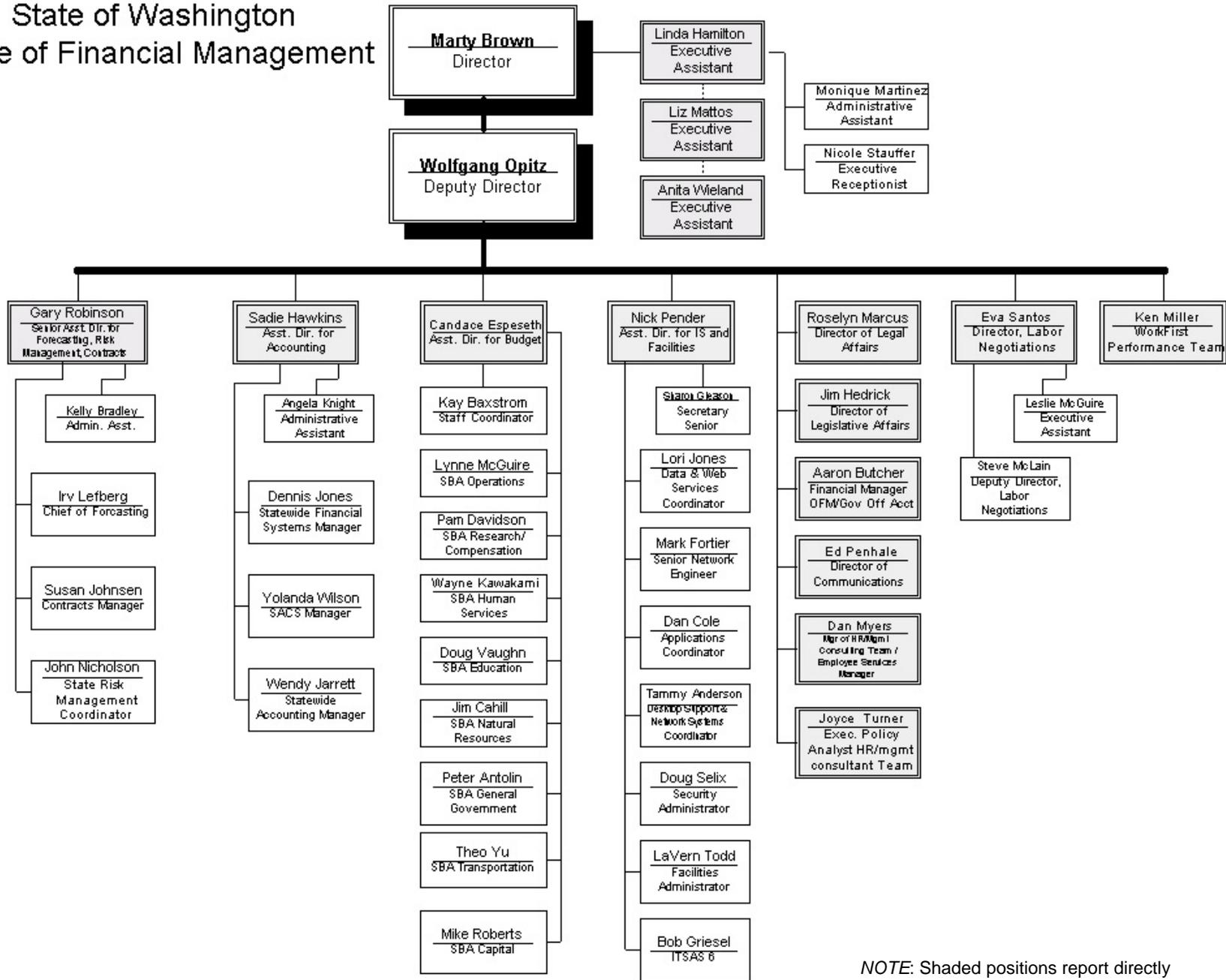
- Plays a critical role in statewide public employee labor/management relations
- Collectively bargains with public employee organizations
- Trains and advises state agencies in labor relations
- Oversees grievance arbitration for the state
- Collectively bargains on behalf of the home care workers

## **WorkFirst Performance Team**

The WorkFirst Performance Team coordinates the welfare reform activities on behalf of the Governor. This office:

- Oversees implementation of welfare reform including budget and policy recommendations
- Coordinates the welfare reform activities of four state agencies
- Communicates with the public, the media, and the Legislature on welfare reform

# State of Washington Office of Financial Management



NOTE: Shaded positions report directly to agency director.

**Office of Financial Management**

**03-05 Budget**

<u>PROGRAM</u>	<u>FUND SOURCE</u>	<u>AMOUNT</u>
Administration	General Fund - State	\$ 2,370,975
Budget	General Fund – State	5,897,871
Information Services	General Fund – State	5,043,582
	Data Processing Rev. Account	1,344,730
Accounting & Administrative Services	General Fund – State	837,038
Statewide Accounting	General Fund – State	2,140,607
	Data Processing Rev. Account	587,816
	Auditing Services Revolving Account	25,000
Forecasting	General Fund – State	3,960,323
	General Fund – Federal	100,000
	Violence Reduction/Drug Enforcement	242,000
Management	General Fund – State	419,619
Labor Relations	Labor Relations Service Account	3,033,038
Risk Management	Risk Management Admin. Account	20,867,168
Statewide Financial Systems	Data Processing Rev. Account	18,100,232
Special Projects	General Fund – State	663,000
	General Fund - Federal	22,066,000

\* Special Projects funding appears in the OFM budget. The reporting of these projects is in the Governor's office.

## **Additional Information**

The Office of Financial Management will be providing separate briefing materials on:

- The budget and six-year outlook;
- Washington Works, which includes collective bargaining, competitive contracting, civil service reform and the new Human Resources Management System;
- WorkFirst welfare reform; and
- The Priorities of Government (POG) budget development process.