



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

June 3, 2014

TO: Selected Agency Directors
Presidents of Higher Education Institutions

FROM: David Schumacher
Director

A handwritten signature in blue ink, appearing to be "DS", written over the name David Schumacher.

SUBJECT: ALLOTMENT REDUCTION FOR EFFICIENCY SAVINGS

Section 714 of 3ESSB 5034 (Chapter 4, Laws of 2013, 2nd Special Session), as amended by ESSB 6002 (Chapter 221, Laws of 2014), directs the Office of Financial Management to reduce General Fund-State allotments for fiscal year 2015 to reflect \$40.0 million in savings resulting from lean management and other performance management strategies.

OFM used the following methodology to allocate the allotment reduction:

- OFM originally requested affected state agencies to submit efficiency plans targeting reductions in General Fund-State allotments for fiscal year 2015 totaling \$30 million.
- The following agencies and programs were exempted from planning requirements:
 - legislative and judicial agencies
 - agencies led by separately elected officials
 - debt service and pension contributions
 - basic education and levy equalization programs in K-12 education
 - Early Childhood Education and Assistance Program
 - financial aid to higher education students
 - small agencies or programs with less than a \$10,000 impact
- OFM reviewed agency plans and determined in consultation with agencies that a spread of the original \$30 million reduction target based upon enacted 2015 GF-S appropriations can be achieved. The attached allotment reduction allocations reflect application of the same spread to the increased reduction of \$40 million, except in the case of higher education where tuition revenues also were taken into account in the distribution of the reduction.

Attached is the agency breakdown of allotment reductions to fulfill the requirements of Section 714. Agencies with reduction allocations are requested to submit an allotment packet. Please submit allotment packets by June 20, 2014, using a packet purpose type of "Operating Legislative Allotment Reductions" titled **Section 714 Efficiency Savings** to place your reduction in reserve.

Questions may be directed to your [assigned budget analyst](#).

Attachment

Section 714 Efficiency Savings

Dollars in Thousands

Governmental Operations

Office of the Governor	\$	(28)
Department of Commerce	\$	(326)
Office of Financial Management	\$	(93)
Department of Revenue	\$	(576)
Department of Enterprise Services	\$	(20)

Human Services Agencies

HCA Medical Assistance	\$	(11,177)
HCA Other	\$	(282)
Criminal Justice Training Commission	\$	(84)
Department of Labor and Industries	\$	(96)
Department of Social and Health Services	\$	(15,791)
Department of Health	\$	(321)
Department of Veterans Affairs	\$	(39)
Department of Corrections	\$	(4,502)

Natural Resource Agencies

Department of Ecology	\$	(138)
State Parks and Recreation Commission	\$	(23)
State Conservation Commission	\$	(37)
Department of Fish and Wildlife	\$	(157)
Department of Agriculture	\$	(83)

Transportation Agencies

Washington State Patrol	\$	(176)
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Higher Education

Student Achievement Council (Operations)	\$	(50)
University of Washington	\$	(1,726)
Washington State University	\$	(1,003)
Eastern Washington University	\$	(265)
Central Washington University	\$	(230)
The Evergreen State College	\$	(131)
Western Washington University	\$	(318)
Community and Technical College System	\$	(2,262)

Other Education

Department of Early Learning (operations)	\$	(66)
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Total	\$	(40,000)
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