

June 17, 2013

Office of Financial Management
Insurance Building, P.O. Box 43113
Olympia, WA 98504-3113
Attn: David Schumacher



Re: Contingency Planning for Agency Operations
Eastern Washington State Historical Society, Agency #395

Dear Mr. Schumacher,

I am responding to your June 12, 2013 letter regarding contingency plans for operating on July 1, 2013.

Approximately 55 percent of the Eastern Washington State Historical Society's funding is provided by the State of Washington; for the current biennium (2011-13), funding is directed through the Washington State Heritage Center Fund (14E) as appropriated during the 2011 Legislative Session. [The Governor, State and House each have proposed funding the Society's 2013-15 operating budget through the State General Fund (001).] The remaining 45 percent of the agency's annual funding is derived from locally contributed and earned sources; these funds are not appropriated by the legislature but are allotted by our agency.

The State funds 18.6 FTE, interagency fees, and 37 percent of the agency's occupancy costs (utilities and facilities maintenance). Earned and donated fund the balance, including 6.3 FTE, 63 percent of occupancy costs, and all mission-related program expenses.

As we interpret your letter, we believe that all expenditures of local funds to support ongoing operations would be permitted to continue, since these funds are non-appropriated (Category 2). Further, we posit that the preservation of the collection (irreplaceable artifacts, documents/manuscripts, ephemera and art) held in trust for the public – and the buildings in which they are housed – must be maintained and preserved during any potential closure. To avoid catastrophic loss of state property (Category 4) we have identified three positions critical to ensure their protection and preservation: [1] Maintenance Mechanic who maintains all building systems which are mission critical; [2] Security Guard to monitor security for a 5-acre campus, two historic buildings, new Exhibit Hall and Collection Storage; and [3] Fiscal Analyst to process payroll and accounts payable (with local funds, if necessary) to maintain the collection and preserve key business relationships.

It is critically important to note that, with 45 percent of operating funds generated in the local community, any reduction in State funds – actual or anticipated – will have a negative impact on our ability to generate those funds and reduce our dependence on State support. This has been demonstrated during recent biennia: When consolidation (with the Washington State Historical Society) or closure was considered by the Governor and/or Legislature, the Society experienced a 10 percent decrease in earned and contributed income.

If you have any questions about this information, please do not hesitate to contact John Drexel, the Society's Chief Financial Officer, at 509.363.5305 or john.drexel@northwestmuseum.org.

Sincerely,

Forrest

Forrest B. Rodgers
Executive Director