



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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CORRECTED

July 28, 2020

TO: Agency Directors

FROM: David Schumacher
Director

A handwritten signature in blue ink, appearing to be "DS", located to the right of the "FROM:" field.

SUBJECT: AGENCY SAVINGS AND CORONAVIRUS RELIEF FUND

We appreciate the hard work that you have undertaken to find savings starting in fiscal year 2020 and continuing in fiscal year 2021. You have worked to identify 15 percent savings options, furlough employees, and freeze hiring, personal service contracts, and equipment purchases.

In addition, agencies have invested tremendous effort and incurred significant costs in responding to the pandemic. The information provided in May and June on the costs has helped with the initial distribution of the federal stimulus funds. We need to continue the work of responding to the virus and seeking reimbursement for those costs.

Savings

Although the 15 percent savings options are informative, much of those savings, if taken, would be implemented through revised appropriations in a supplemental and possible early action budget. We need to continue to work cooperatively as a state team to do more now to help address General Fund-State and other fund shortfalls, including the transportation budget, in the current and next biennia.

The Office of Financial Management has asked agencies to submit allotments to move their savings from suspension of the general wage increase for certain employees and implementation of furloughs to reserve status. I am writing to ask you and your staff to continue working with your assigned [OFM budget analyst](#) to identify, quantify and implement additional immediate savings related to the freeze on hiring, personal services contracts and equipment purchases and other operating budget items for General Fund-State and other accounts in fiscal year 2021.

Suggested savings include:

- Identify under-expenditures, premium adjustments and efficiencies
- Use other funds in lieu of General Fund-State whenever possible
- Eliminate travel and other discretionary activities
- Identify programs or services that do not meet your core mission
- Look for opportunities to immediately realize savings through program changes that may be proposed in the 2021-23 budget requests
- Reduce programs
- Delay implementation of programs

Please be aware that statutorily required and directed activities may not be discretionary and cannot be postponed, delayed, or eliminated without prior approval from OFM and the Legislature. However, if you believe savings can be realized from a statutorily required activity, please first contact your assigned assistant attorney general and then your OFM analyst.

At this time, do not reduce program eligibility or caseloads. Any savings information will inform OFM and the Legislature on an early action budget, but do not take these savings before you receive authorization.

When deciding upon savings, consider the impact on equitable outcomes for Washingtonians. Be aware of the communities that would be affected by the proposal and how disparities would be impacted.

Submit allotment amendments using the Quarterly Adjustments packet purpose type to place your target amounts from the attachments in “reserve” status with the following titles:

1. “Hiring, contract, and equipment purchase freezes”
2. “FY 21 Savings” for additional savings which may be implemented immediately.

Coronavirus Relief Funds

By **August 15**, complete the attached spreadsheet to identify any General Fund-State and dedicated account expenses related to the pandemic response so that we can optimize the use of federal funding and lessen the state’s financial impact of COVID-19. The time period for the actual and estimated expenses is **March 1, 2020 through December 30, 2020**. Include costs for staff who are substantially dedicated to public health and safety COVID-19 response (see page 1 of the [Coronavirus Relief Fund Frequently Asked Questions](#) and page 3 of the [Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments](#)), and indicate whether you have applied for FEMA-Public Assistance or when you will apply for reimbursement of those expenses. The requests for federal funds previously submitted will also help inform decisions, and this information may update the existing requests.

See the attached **Guidance on Coronavirus Relief Fund and FEMA-Public Assistance** for basic information. The federal website and the Military Department can provide additional information.

If federal funding from the CARES Act or FEMA-Public Assistance is provided to reimburse General Fund-State or the specified dedicated accounts, place the funds in reserve status by submitting an allotment amendment using the “Operating Allocation” packet purpose type.

Although this applies to cabinet agencies, all agencies are urged to participate.

Guidance on Coronavirus Relief Fund and FEMA-Public Assistance

[FEMA Eligible Assistance](#) (works best in Chrome or Firefox)

Under the COVID-19 Emergency Declaration described in the link above, FEMA may provide assistance for emergency protective measures including, but not limited to, the following, if not funded by the HHS/CDC or other federal agency. *While some activities listed may be eligible for funding through HHS/CDC, final reimbursement determinations will be coordinated by HHS and FEMA. FEMA will not duplicate any assistance provided by HHS/CDC:*

Management, control and reduction of immediate threats to public health and safety:

- Emergency Operation Center costs
- Training specific to the declared event
- Disinfection of eligible public facilities
- Technical assistance to state, tribal, territorial or local governments on emergency management and control of immediate threats to public health and safety

Emergency medical care:

- Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
- Related medical facility services and supplies
- Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)
- Use of specialized medical equipment
- Medical waste disposal
- Emergency medical transport

Medical sheltering (e.g., when existing facilities are reasonably forecasted to become overloaded in the near future and cannot accommodate needs):

- All sheltering must be conducted in accordance with standards and/or guidance approved by HHS/CDC and must be implemented in a manner that incorporates social distancing measures
- Non-congregate medical sheltering is subject to prior approval by FEMA and is limited to that which is reasonable and necessary to address the public health needs of the event, is pursuant to the direction of appropriate public health officials and does not extend beyond the duration of the Public Health Emergency
- Household pet sheltering and containment actions related to household pets in accordance with CDC guidelines

Other activities:

- Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
- Movement of supplies and persons
- Security and law enforcement
- Communications of general health and safety information to the public
- Search and rescue to locate and recover members of the population requiring assistance
- Reimbursement for state, tribe, territory and/or local government account overtime costs

Coronavirus Relief Fund Use of Funds

A state government, Tribal government, and unit of local government shall use the funds provided under a payment made under this section to cover only those costs of the State, Tribal government, or unit of local government that:

1. are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government;
3. incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

General categories of COVID-19 spending

- a. Amount transferred to other governments;
- b. Payroll for public health and safety employees;
- c. Spending on budgeted personnel and services diverted to a substantially different use in Covid-19 response;
- d. Spending to improve telework capabilities of public employees;
- e. Spending on medical expenses;
- f. Spending on public health expenses;
- g. Spending to facilitate distance learning;
- h. Spending providing economic support;
- i. Spending on expenses associated with the issuance of tax anticipation notes; and
- j. Amount spent on items not listed above.