



November 15, 2024

Pat Sullivan, Director
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

Dear Director Sullivan:

Per your instructions, the Office of Financial Management is submitting the attached budget reduction options for the FY25 current year budget, as well as the 2025-27 budget. While OFM is an administrative agency, we understand our need to participate in the solution of the state's expected budget deficit. These options were developed with the agency's need to provide excellent service, while working together for an equitable future of every Washingtonian.

In addition to our immediate savings, we are implementing the following freezes*:

1. Freeze hiring for all positions.
2. Freeze all new contracts that are not already pre-approved. All existing subscriptions will be reviewed for utilization.
3. Freeze all travel and all non-required training that is not already pre-approved.
4. Freeze all new equipment purchases.

*Given its criticality to the State of Washington, One Washington and Workday Services will exercise fiscal responsibility and partner with OFM Fiscal and the Deputy Director on approach for supporting critical project activities while also aligning with budgetary expectations and constraints.

Exceptions to these freezes will be reviewed and granted on a case-by-case basis by the deputy and/or the director.

If you have any questions regarding this submittal, please contact me or OFM Budget Manager Kathy Cody at Kathy.cody@ofm.wa.gov or 360.480.7237.

Sincerely,

Jamie Langford-Herbig, CPA
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360.870.7766

**Office of Financial Management
Proposed Cuts FY25**

Agency	Title	Program Impacted	Fund	Onetime/Ongoing	Amount	Description/Consequences of Reductions
Expenditure Reductions						
105	Training and Committee Reductions	Executive	001-1	Onetime	\$ 115,000	Will impact continuous improvements and Equity Belonging Advisory Team
	BNSEF (BIPOC led small nonprofit equity					This reduction will eliminate Serve WA's AmeriCorps Equity Fund
105	fund) Reduction	ServeWashington	001-1	Onetime	\$ 500,000	(BIPOC), otherwise known internally as BNSEF, which has not started.
105	Vacancy Savings	Multiple	001-1	Onetime	\$ 600,000	Vacancy Savings FM 13-16
105	Vacancy Savings	SHR	415-1	Onetime	\$ 300,000	Vacancy Savings FM 13-16
105	Vacancy Savings	Forecasting, Budget, and Accounting	468-1	Onetime	\$ 550,000	Vacancy Savings FM 13-16
Total FY25 Savings					\$ 2,065,000	
Proposed Rate Holiday for either FY25 or FY26 - but can only be applied one-time (Revenue Impact Only)						
105	OFM Central Service Fee	Forecasting, Budget, and Accounting	468-1	Onetime	\$ 4,000,000	Rate Holiday - OFM will bill agencies less, but will not impact our authority level. Will use existing fund balance.
105	Personnel Services Fee	SHR	415-1	Onetime	\$ 1,300,000	Rate Holiday - OFM will bill agencies less, but will not impact our authority level. Will use existing fund balance.
105	ORCA billings	SHR	415-1	Onetime	\$ 562,000	Rate Holiday - OFM will bill agencies less, but will not impact our authority level. Will use existing fund balance.
105	Labor Relations Fee	SHR	436-6	Onetime	\$ 540,000	Rate Holiday - OFM will bill agencies less, but will not impact our authority level. Will use existing fund balance.
Rate Holiday					\$ 6,402,000	
Proposed 25-27 Efficiency						
105	OFM Shared Service Support for OII		001-1	Ongoing	\$ 2,500,000	Transfer/transition GFS received to support OII and 14 authorized FTEs to OII (agency 229) to allow them to provide or procure their administrative services. This reflects the amount per fiscal year.
105	OFM Central Service Fix	Forecasting, Budget, and Accounting	468-1	Onetime	\$ 1,600,000	Reduce CSM to match appropriation authority