



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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November 25, 2008

**TO:** State Elected Officials  
Agency Directors  
Presidents of Higher Education Institutions  
State Boards and Commissions

**FROM:** Victor A. Moore  
Director

**SUBJECT: SEVERE REVENUE DROP TRIGGERS NEED TO SAVE MORE**

We know you have all been working diligently to implement the variety of spending controls that were imposed in August and October. Your effective work to save money in these difficult times has already paid off, but ever-deepening national economic problems and historically low consumer confidence have caused a sharp drop in revenue. The forecasted drop for Fiscal Year 2009 alone is \$503 million – which will leave a negative balance by the end of the fiscal year if left unaddressed.

A revenue drop this steep requires an immediate, firm and direct response to capture \$260 million in additional cuts and savings that can be incorporated into the Governor's 2009 Supplemental Budget now being developed. You should aim to cut or save from your remaining FY 2009 General Fund appropriations as indicated on the attached list. I want to clarify that this is in addition to cuts you made in August and October.

We need you to use the following criteria to identify these cuts and savings:

1. Identify and take under-expenditures and efficiencies that go beyond those already taken;
2. Continue to pull back on new programs not yet fully implemented; and
3. Scale back existing programs and activities that fall lower in the Priorities of Government process and/or have been identified in your work with OFM as 2009-11 Biennial Budget reduction items. Please consult with your OFM budget analyst and seek appropriate legal advice as appropriate when taking these steps.

All of this work must be incorporated into the 2009 Supplemental Budget, and where appropriate, also will be included in the 2009-11 Biennial Budget. Be sure your OFM analyst has received your input by Monday, December 1.

Thank you again for all of your efforts during these challenging economic times.

## FY 2009 Appropriations and November Reduction

Agency	FY 09 Estimates	New Reduction Amount
075 Office of the Governor	\$ 6,934,000	\$ (282,665)
085 Office of the Secretary of State	\$ 21,816,000	\$ (739,888)
095 Office of State Auditor	\$ 806,000	\$ (27,987)
100 Office of Attorney General	\$ 6,703,000	\$ (267,637)
102 Dept of Financial Institutions	\$ 800,000	\$ (18,399)
103 Community, Trade & Economic Development	\$ 73,098,000	\$ (2,942,351)
105 Office of Financial Management	\$ 35,290,000	\$ (929,623)
107 Health Care Authority (Health Services Account)	\$ 302,832,000	\$ (15,000,000)
124 Department of Retirement Systems	\$ 250,000	\$ (3,638)
150 Dept of General Administration	\$ 590,000	\$ (24,293)
155 Department of Information Services	\$ 4,623,000	\$ (136,921)
225 Washington State Patrol	\$ 31,262,000	\$ (937,136)
235 Department of Labor and Industries	\$ 9,314,000	\$ (373,799)
240 Department of Licensing	\$ 2,055,000	\$ (80,261)
245 Military Department	\$ 12,445,000	\$ (458,577)
300 Dept of Social and Health Services	\$ 4,647,220,000	\$ (180,779,850)
303 Department of Health	\$ 85,628,000	\$ (3,931,810)
305 Department of Veterans Affairs	\$ 13,719,000	\$ (488,158)
315 Dept of Services for the Blind	\$ 2,608,000	\$ (124,565)
343 Higher Education Coordinating Board	\$ 195,685,000	\$ (319,439)
350 OSPI-State Office	\$ 40,472,000	\$ (1,203,983)
350 OSPI-Levy Equalization	\$ 203,555,000	\$ (8,059,773)
350 OSPI-Education Reform	\$ 89,415,000	\$ (3,488,157)
357 Department of Early Learning	\$ 76,304,000	\$ (3,891,401)
360 University of Washington	\$ 375,510,000	\$ (7,110,214)
365 Washington State University	\$ 234,836,000	\$ (4,470,117)
370 Eastern Washington University	\$ 48,879,000	\$ (1,007,573)
375 Central Washington University	\$ 47,898,000	\$ (1,016,617)
376 The Evergreen State College	\$ 29,268,000	\$ (566,276)
380 Western Washington University	\$ 67,773,000	\$ (1,318,792)
461 Department of Ecology	\$ 51,208,000	\$ (2,079,865)
465 State Parks and Recreation Comm	\$ 49,087,000	\$ (1,966,519)
477 Department of Fish and Wildlife	\$ 54,199,000	\$ (2,106,556)
490 Department of Natural Resources	\$ 51,345,000	\$ (964,922)
495 Department of Agriculture	\$ 14,555,000	\$ (572,830)
540 Employment Security Department	\$ 282,000	\$ (7,910)
699 Community/Technical College System	\$ 663,687,000	\$ (12,588,842)
	<b>\$ 15,533,727,447</b>	<b>\$ (260,287,343)</b>