October 15, 2009

TO: Agency Directors

FROM: Victor A. Moore
                  Director

SUBJECT: LIST OF MANDATORY AND NON-MANDATORY ACTIVITIES

On September 23, I sent instructions for 2010 supplemental budget submittals that communicated the need for information regarding "mandatory" General Fund-State activities.

I have attached a spreadsheet that shows a list of activities for your agency that have been identified (via the Activity Inventory) as being supported all, or in part, by General Fund appropriations. We are now asking that you distinguish which, if any, activities are mandatory. For this purpose, "mandatory" is defined as an activity that meets one or more of the following criteria:

1. required by constitutional mandates, court decisions, or federal law;

2. required by Maintenance of Effort provisions under the federal American Recovery and Reinvestment Act of 2009;

3. essential for preventing loss of life, addressing imminent issues of public safety, or avoiding immediate and catastrophic loss of state property; or

4. necessary for the governance of mandatory activities.

OFM will use this information as part of consideration of the Governor's 2010 supplemental budget proposal. We may ask for additional data or decision packages as necessary to expand on policy outcomes and other implications. A designation of "mandatory" or "non-mandatory" does not automatically translate into any particular budget decision. We know that many agencies will not have any activities that are considered mandatory under this narrow definition. This information is being requested because it is clear the state will need to focus on the most essential services as the budget is further adjusted to new revenue projections.

Specific Submittal Instructions

Activities can be identified as mandatory by indicating at least one number (1, 2, 3, or 4) in the column labeled "*Mandated?*" on the attached electronic spreadsheet. The numbers 1 through 4 correspond to the criteria for mandatory services noted above.

When one activity has components that are both mandatory and non-mandatory, the activity should be divided into smaller components and labeled separately. This detail is inserted as new rows below the original activity name, using the original activity code plus one alpha character (e.g., Activity A001 split into sub-activities A001a, A001b, etc.). The sub-activities must display individual dollar and FTE amounts that add to the original totals for the activity. Delete the FTEs and dollar amount for the original activity so that agency summary FTEs and dollars remain accurate. (See spreadsheet example.) **Do not change any other formatting in your agency's spreadsheet.**

Mandatory activities should reference any related RCW citations.

If non-mandatory activities have any of the following implications, the corresponding number designation below (5 through 8) should be inserted in the column labeled "*Implementation Issues*":

5. required in RCW;

6. governed by existing contract (may include collective bargaining agreements);

7. part of federal matching funds; or

8. produces GFS revenue.

The column headed "*Included in Targeted Reduction*" indicates whether the activity will be reduced as part of compliance with OFM's July 1 memorandum asking for targeted dollar reductions and FTE caps. Please indicate "Y" for yes or "N" for no.

All agencies with GFS appropriations must submit this information, regardless of whether a supplemental budget is being requested. Central service agencies are also included because of the potential impact on GFS payments by other agencies. Please return your agency's completed Excel spreadsheet, in electronic form, to Andrea Leigh at andrea.leigh@ofm.wa.gov by October 23.

Thank you for your assistance.

EXAMPLE ONLY

Office of Example Agency
All Activities

Activity Code	Activity Title	Statewide Result Area (POG)	FTEs	GFS $	Other than GFS	Mandated? (1, 2, 3, 4) Choose one	RCW Citation(s), if applicable	Non-Mandatory Implementation Issues (5, 6, 7, 8) Choose all that apply	Included in Targeted Reduction? (Y/N)
A002	Enforcement	Economic Vitality	20.0	$ 5,000,000	$ 2,000,000	3	RCW xx.xxx		N
A003	Prevention	Health	13.5	$ 1,500,000	$ 4,000,000			8, 10	Y
A004*	Direct Services	Economic Vitality	~~9.8~~		~~$ 2,999,000~~			9	Y
A004a	SubActivity A (renamed)	Public Safety	8.0		$ 2,000,000			9	N
A004b	SubActivity B (renamed)	Public Safety	2.0		$ 500,000	4			N
A004c	SubActivity B (renamed)	Public Safety	5.0		$ 499,000				N
A005	Local Grants	Public Safety	7.7	$ 5,000,000					N
A006	Mitigation Activities	Economic Vitality	2.5		$ 2,000,000				Y
	Total		**68.5**	**$ 11,500,000**	**$ 10,999,000**				

| | Total | | 63.7 | $ 12,000,000 | $ 10,999,000 | | | | |

*Example of instance where agency has chosen to break out the original activity into smaller components.
FTE and dollar amounts are shown as strike-outs to illustrate that the agency should zero out those numbers in order to avoid double-counting in the totals.