

From: [Ertman, Denise \(DOR\)](#)
To: [OFM Budget](#)
Cc: [Glasper, Marcus \(DOR\)](#); [Cave, Sherry \(DOR\)](#); [Smith, Vikki \(DOR\)](#)
Subject: FW: Contingency Planning for State Agency Operations
Date: Tuesday, March 17, 2015 4:55:22 PM
Attachments: [Contingency Planning - DOR Response to OFM 2015.docx](#)
[Contingency Planning Estimate.pdf](#)

Please use the attached updated information.

Denise Ertman

Executive Assistant to the Director | Executive Office
Washington State Department of Revenue

1025 Union Ave. SE, Suite 500 | PO Box 47454 | MS: 47454 | Olympia, WA 98504
360/534-1618 | F 360/534-1606 | denisee@dor.wa.gov

Working Together to Fund Washington's Future

From: Smith, Vikki (DOR)
Sent: Tuesday, March 17, 2015 3:39 PM
To: OFM Budget
Cc: Glasper, Marcus (DOR)
Subject: Contingency Planning for State Agency Operations

In response to Director Schumacher's memo dated March 4, 2015, please find attached the updated information from the Department of Revenue regarding contingency planning for state agency operations on July 1.

In summary, through working with OFM and our Assistant Attorney General in 2013, it was determined that DOR provides a critical service to the state in collecting revenue to deposit into the state's General Fund to support the State Treasurer in meeting the state's financial and other constitutional obligations as well as making the required distributions to local governments that the state collects on their behalf. The local distribution includes funds for their mandatory payment obligations and critical services such as:

- Criminal Justice
- Emergency Communications
- Juvenile Detention
- Mental Health
- Public Safety

We have included the estimate to maintain a minimum "caretaker role" for the processing and

depositing of revenue coming into the state from voluntary compliance. No enforcement efforts would occur to bring in additional revenue.

The point of contact in our agency should OFM have questions is Marcus Glasper, Acting Deputy Director. He can be reached at marcusg@dor.wa.gov or 360-534-1615.

Vikki

Vikki Smith

Acting Director
Washington State Department of Revenue

Executive Office | Capital Plaza | P.O. Box 47454
1025 Union Ave. SE, Suite 500 | Olympia, WA 98502
360/534-1619 | F 360/534-1606 | VikkiS@dor.wa.gov

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2015 Contingency Planning for State Agency Operations
Department of Revenue

Category	Department of Revenue Response
1. Services funded by appropriations in the enacted transportation budget	None
2. Services that do not require an appropriation, such as from non-appropriated funds.	Unclaimed Property - Fund 196 <i>(Even though this is an essential service provided to Washington citizens, it does not fall into the category of public safety or constitutional mandate)</i>
3. Services that must be continued based on certain constitutional mandates and federal law.	DOR has essential services to support mandatory state obligations such as bond payments and distributions to local governments to fund their mandates and public safety functions. (See note below)
4. Services necessary for the immediate response to issues of public safety, or to avoid catastrophic loss of state property.	None, but it should be noted that no funds would be deposited or distributed and interest would not be earned, resulting in a significant revenue loss to the state and local governments. (See note below).

- DOR believes it provides a critical service to the state in collecting revenue to deposit into the state’s General Fund to support the State Treasurer in meeting the state’s financial and other constitutional obligations as well as making the required distributions to local governments that the state collects on their behalf. The local distribution includes funds for their mandatory payment obligations and critical services such as:
 - Criminal Justice
 - Emergency Communications
 - Juvenile Detention
 - Mental Health
 - Public Safety
- To ensure the continued processing and depositing of revenue received from taxpayers and distribution of funds to local governments, the DOR would need approximately:
 - 19 FTE’s at a fully burdened cost of \$59K for the first week and \$33K for each week thereafter.
 - This estimate does not include the additional costs and resources that would be needed to continue operating the non-appropriated Unclaimed Property Program identified in Category 2 above.

Department of Revenue

July 1, 2015 State Shutdown

Estimate Cost to Maintain "Caretaker" Function

ASSUMPTIONS:

- Minimal staffing to assure e-file availability and cash/checks are processed and deposited.
- Consolidated Mail Services (CMS) delivers mail on the current schedule.
- Treasurer's Office would be available to process deposits.

Expenditure Estimate					
	July 1 - July 7, 2015 (Incl. Holiday & Benefits)			Weekly Estimate Through end of July	
	FTEs	Positions	1st Week		
Mgrs, ADs, Sr. ADs, Director	3.0	6	\$13,275	3.0	\$7,797
Cash Management	4.9	7	\$11,592	4.9	\$5,201
B&FS Revenue Acctg.	1.0	1	\$2,329	1.0	\$1,416
Information Services	9.5	13	\$29,677	9.5	\$17,808
TAA - ETE 3	1.0	2	\$1,916	1.0	\$1,003
			\$58,790		\$32,223

Revenue Estimate
Enforcement Collections Revenue Loss (rounded)
(\$2,300,000) Per Day (\$11,500,000) Per Week
No assumption has been included for a decreased level of voluntary collections over time.

NOTES:

- * This estimate assumes each FTE (or portion) is one (1) employee. Additional employees, working over 8 hours, receive full medical benefits.
- * Medical benefits for a full month are included in the first week estimate.
- * Estimate includes salary/benefits for FTEs only. No estimate provided for contractual obligations (i.e., leases, janitorial, subscriptions, etc.)