



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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April 15, 2025

**TO:** Matt Jones, Acting Director  
Department of Enterprise Services

**FROM:** K.D. Chapman-See  
Director

**SUBJECT: AUTHORIZATION FOR TEMPORARY CASH DEFICIENCY IN LIABILITY ACCOUNT (547)**

In response to your March 26, 2025, request and pursuant to RCW 43.88.260(2)(b), I authorize the Liability Account (547) to be in a temporary cash deficiency of up to \$580 million. This authorization for the 2023-25 biennium expires on June 30, 2025.

It is our understanding that the account will continue to experience cash deficiencies due to the timing of payments for the Self Insurance Liability Account (SILA) premiums and when the Department of Enterprise Services (DES) is reimbursed by participating agencies. SILA premiums are billed to agencies at the beginning of each fiscal year, while expenses are incurred throughout the year. There are often delays between when large claims are paid from the account and when excess amounts covered by insurance or associated agencies reimburse the account.

Additionally, we recognize that expenses paid from the Liability Account for claims and legal defense costs have surpassed the biennial premiums paid into the account. Claims in the 2023-25 biennium are currently estimated to be more than \$750 million, resulting in an estimated cash deficit of up to \$580 million.

If Account 547 does not return to a positive cash balance by June 30, 2025, or if after that date DES anticipates that the account could return to a deficit cash position, a new request will need to be submitted for approval, with updates on the account status and further steps to resolve the deficit.

If you have questions regarding this authorization, please contact Julie Jorgenson, Statewide Accountant, at [Julie.Jorgenson@ofm.wa.gov](mailto:Julie.Jorgenson@ofm.wa.gov).

cc: Susan Howson, Senate Ways and Means Committee  
Dave Johnson, House Appropriations Committee  
Schennday Hansen, Office of the State Treasurer  
Cayenne Chonette, Office of the State Treasurer  
Jason Siems, Department of Enterprise Services  
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