OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

PRIORITIES OF GOVERNMENT

NOVEMBER 2004

2004 Priorities of Government Overview

The work contained in the 2004 *Priorities of Government* Report builds on the foundation created by its innovative 2002 predecessor. The report addresses the same basic question posed two years ago—how can Washington State government best spend taxpayer dollars to achieve the results that matter most to citizens?

Directed by a Guidance Team of accomplished men and women from government and the private sector, 11 Result Teams spent hundreds of hours exploring and establishing priorities on which to base strategic revision and purchase of state government services.

The work reflected in this report will inform Governor Gary Locke's 2005–2007 Biennial Budget submittal to the 2005 Legislature. It represents the majority views of each Result Team and not necessarily the points of view of individual agencies represented on a Result Team. We hope it is useful to the new Governor and Legislature, which will adopt the final budget for the next biennium next spring.

At its heart, the work approaches state government as a single enterprise rather than as discrete agencies. Unfettered by traditional agency boundaries, recommended service-purchase plans reach across state agencies, from public safety to social services, and from health to natural resource management.

The purchasing strategies and plans in this report do not occur in a vacuum. Each of the 11 results teams has identified three to five indicators that the teams believe will provide the best evidence to citizens about progress toward the intended spending result. These indicators are meant to speak to the result as a whole rather than only to the state's role.

Lessons learned

The 2004 POG effort reinforces the budget office's earlier conclusion that systems used in POG to portray how the state spends its money are effective but can be improved. In many ways, the 2004 Priorities of Government (POG) effort represents an improvement over its 2002 predecessor.

This year, the POG process began earlier—in the spring—and focused on defining strategies and using research and tools to identify promising areas for study or action. POG teams identified performance gaps and evidence-based strategies that might close those gaps. OFM used these recommendations to issue tailored budget instructions to state agencies. These instructions asked agencies to provide specific budget proposals, legislative requests, or research aimed at increasing the results achieved. The POG teams then were able to use the subsequent agency budget requests to inform their final purchase plans.

Harnessing Data

OFM's Activity Inventory database provided a powerful foundation to the initial POG process. In early 2004, OFM updated the state budget development systems to include both activity description information and performance measures. Reports now display performance measures as part of the activity description. Results teams and analysts have found this activity approach to measures to be much more useful for analysis and decision-making.

Securing public involvement

Because POG took place in such a compressed period of time in 2002, there was very little ability to involve the public, or even state agencies beyond the result team members. Since 2002, OFM has worked hard to keep agencies abreast of planned POG developments and to improve the ability for agencies to

offer feedback and get answers to questions. The POG website was established and OFM has tried to post POG team reports and other resources as soon as they are available. The site now also includes a feedback form for citizens to provide input into the POG process.

On June 2 and 3, OFM held public meetings in Spokane and Seattle on the Priorities of Government. Marty Brown, OFM director, described each result area and discussed the key activities purchased or not purchased in the 2003–05 budget. Citizens had the opportunity to ask questions and to provide feedback through hand-held voting devices, written comments and verbal statements. The sessions were taped by TVW and were aired throughout the summer.

Addressing revenue issues

One criticism of the initial POG effort was that it did not take a look at the revenue side of the ledger, particularly tax exemptions and credits and their relative contribution to results. This year, the POG process will take a first step in reviewing tax exemptions and credits by result area. The list of credits and exemptions will be sorted by result area. Links and notes on state research available for any of the credits and exemptions will be identified and made available. The Guidance Team felt this was a necessary first step to a more comprehensive POG-type review in the future.

Team Reports

What follows are summaries of the goals, indicators and purchase plans for each of the 11 Priorities of Government results areas.

During the POG process this fall, each Result Team was allocated a dollar limit for its purchase plan. Although these amounts were broadly based on total funding in the current (2003–05) state budget, the allocations were intended as a way to force consideration of priorities, not as budget decisions. The teams were asked to ignore fund distinctions, revenue alternatives, or other budget issues that might distract them from the task of choosing activities that most directly accomplish the statewide result.

The purchase plans often demonstrate reductions to fit within the dollar allocation, especially in those circumstances where the 2005–07 cost of activities has risen because of caseload/enrollment increases or extraordinary inflation. Teams were encouraged to be innovative and to focus on getting the most with what they had. In some cases, it was determined that new programs would prove more valuable than existing programs—and that trade-off is reflected in the purchase plan. Activities that might be valuable, but could not fit in the purchase plan, are identified as the next priorities to consider if funding were available.

Student Results

Improve Student Achievement in Elementary, Middle and High Schools

Education is the state's highest priority, and it is critical that Washington's 1 million primary and secondary education students be prepared to lead productive lives. Additional education and training is needed to get good-paying jobs.

INDICATORS OF SUCCESS FOR THIS RESULT

- Reduced gaps in student achievement among different ethnic and income groups
- Improved state test scores over time
- Increased high school graduation rate

MAJOR PURCHASE STRATEGIES

- Promote early learning for children
- Align curriculum, instruction methods and assessment
- Identify and address the learning needs of individual students
- Encourage strategic and individualized preparation of teachers and early education providers
- Implement targeted secondary education reform

NEW IDEAS TO IMPROVE RESULTS

- State-focused professional development delivered through a regional structure
- DSHS development of an electronic child-care management system to improve accuracy of client information, subsidy payments and program accountability

The 2005-07 Purchase Plan

Our purchase plan strives to maintain big dollar programs for school districts, but reduces the allocations in order to buy some targeted improvements, such as help for high school students to learn basic reading, writing and mathematics skills, and to pass the Washington Assessment of Student Learning (WASL). The targeted money includes more funding to assist low-performing schools, and for regional professional development, to help teachers learn how to better teach reading and math.

This plan assumes the following implications:

- Reductions to key programs (I-728 and Levy Equalization)
- Provision of basic statewide and regional oversight and support
- Shifts of existing funds to targeted services

Purchases That Support Multiple Strategies

Many activities in the purchase plan can be tied to specific strategies, but 87 percent of what is purchased cuts across all strategy areas. This $9.4 billion in funding supports basic programs such as General Apportionment, Kindergarten–Grade 4 class size improvements, transportation, levy equalization, and food and business services. Approximately $348.8 million of programming—including charter schools, portions of the student achievement fund (I-728), levy equalization and extended skill centers—are not purchased.

Strategic Individualized Preparation For Staff

Activities like the Teacher Mentor program and principal support program account for $17.9 million in the purchase plan. An additional $6 million is dedicated to a regional system to provide expert teacher training focused on reading and mathematics.

Early Learning for Children

The Early Childhood and Education Program (ECEAP) is an important pre-school support system and is funded at existing levels for $52.3 million, plus an increase of $8.5 million to augment funding and implement new early learning benchmarks.

Curriculum, Instruction and Assessment

The purchase plan continues $37.4 million for state assessments and coordination of curriculum, while adding $1.2 million for new curriculum and instructional tools. Funding limitations force the exclusion of several smaller programs like state contributions to the Pacific Science Center.

Individual Student Attention

Special education, on-campus services at the School for the Deaf and the School for the Blind, and institutional and bilingual education are continued for $1.2 billion, while $16.3 million of specialized programs like those for highly capable students, and off-campus services for blind and deaf students, are not part of the plan.

Secondary Education Reform

A $33.5 million increase to the Learning Assistance Program is focused on secondary education reform. School districts will focus on the most effective use of the funds given their student population. Activities can include, for example, development of individualized student learning plans and additional instructional time for struggling students.

School Improvement Assistance

In addition to the strategies listed above, the purchase plan recognizes the importance of strong educational leadership and continues $29.9 million of funding for local education service districts, central administration, the School Improvement program and the Math Corps.

Workforce Results

Improve the Quality and Productivity of the Workforce

Washington envisions a workforce development system that offers every resident access to high quality academic and occupational skills education throughout their lifetime, effective help to return to work when injured or to find work or training when unemployed.

INDICATORS OF SUCCESS

A workforce that possesses the skills and abilities required by employers

- Percent of employer demand met for trained workers (for jobs not requiring a baccalaureate degree)
- Percent of businesses reporting difficulty hiring skilled workers (among those attempting to hire)

Increased employment rate

- Percent of prime working age population employed (ages 25-54)
- Percent of state labor force employed

Increased earnings level for individuals

- Washington average annual wage (inflation adjusted)
- Washington median hourly wage (inflation adjusted)
- Washington average hourly wage for the lowest-paid 20 percent (inflation adjusted)

MAJOR PURCHASE STRATEGIES

- Initial career preparation during kindergarten through grade 12
- Career preparation beyond high school by way of post-secondary education and training
- Career preparation for individuals with barriers to employment or those not ready to enter post-secondary education
- Upgrade the skills of current workers or returning retired workers
- Return unemployed, underemployed, dislocated, and injured workers to work (where possible)
- Activities that improve the outcomes across all workforce strategies

NEW IDEAS TO IMPROVE RESULTS

- Integrate adult basic education and occupational skills training
- Explore options for providing financial aid to part-time working adults
- Improve the linkages between workforce development programs, career guidance, and job placement services to provide better career counseling at the secondary and postsecondary level

The 2005-07 Purchase Plan

The Workforce Team developed specific goals for Washington's workforce and developed strategies and a purchase plan to achieve those goals. The Team strives to prepare the workforce in Washington to possess the skills and abilities required by employers, be fully employed, and earn a high standard of living. In order to achieve our three workforce goals (and ultimately our result statement), the Team has identified six strategies for preparing our workforce. Using a lifecycle blueprint for preparing the workforce, the transition from one strategy to another is not often linear. The intent of the purchase plan is to help create a flexible workforce training system that begins at the high school level and continues to meet the needs of workers and businesses through every adult age group and economic cycle.

A number of key activities that are accounted for in other results—for example, post-secondary education—also contribute significantly to workforce development. Additionally, much of the state and federal funding that was allocated for this result area is vested in the accounts that comprise the workers compensation and unemployment insurance trust funds, each with its own requirements and objectives.

Approximately 3 percent of the state funds specifically assigned to this result could be considered discretionary. The purchase plan deploys these funds in a manner designed to give priority to those activities that contribute most to achieving our workforce goals and strategies. Consideration was also given to activities that leverage federal or private/local dollars and to activities that provide direct services.

Within this framework, the Team assumed several guiding principles:

- Seek economic opportunity—enable all people to achieve economic self-sufficiency through the elimination of employment barriers
- Encourage partnerships—those who benefit from the workforce strategies should share the burden of paying the costs
- Ensure that customer requirements and desires drive policy, goals and service strategies
- Identify and promote best practices

The purchase plan focuses on the following strategies:

- Initial career preparation (skills training) during Kindergarten–Grade 12—*$232,000 state funds, $21.6 million federal or private funds*
- Career preparation beyond high school—*$4.1 million state funds, $32.8 million federal or private funds*
- Returning unemployed or injured employees to work—*$327.9 million state funds, $410 million federal funds*
- Activities that support all strategies—*$119.2 million state funds, $80.2 million federal or private funds*

Innovations and Changes to Current Operations

Career Counseling at the Secondary and Postsecondary Level

A working group, which included representatives of the Workforce Board, Employment Security, the State Board for Community and Technical Colleges, and the Office of the Superintendent of Public Instruction, developed a proposal to improve the linkages between workforce development programs, career guidance and job placement services. The working group identified the resources that are already developed by their agencies and available for wide public use, and then developed strategies to increase public awareness and use of these tools. The working group proposed a team approach and a five-year implementation plan that would rely on current resources. The purchase plan would continue to provide the necessary resources to advance these efforts.

Online Reporting and Customer Access

The plan would continue efforts to improve customer access and provide faster, more cost-effective ways of doing business with the Department of Labor and Industries. The agency is moving away from paper-based systems that no longer meet customer demands for information. This proposal will mean that the agency will be prepared to provide document imaging to workers' compensation programs beyond claims, and expand the variety and number of customers who can view document images. It will also be ready to increase online services and information for customers while improving internal processes and reducing cycle time. This proposal is the next step in a four-year plan to create a modern, secure Internet-based system that will allow customers online access to workers' compensation information and images, as well

as the ability to file information and do other electronic business with the Department of Labor and Industries via the Internet.

Skills Panels

Industry skills panels provide forums for business, labor and education leaders to work together to identify training needs and redefine occupational skills training curricula at our community and technical colleges. When combined with job-skills programs that provide customized training for employers, skills panels contribute immensely to our state's economic vitality and are an important strategy for meeting regional workforce needs and improving graduates' attractiveness to employers. Given the scarcity of flexible state dollars available, the plan was unable to provide state funding at a level the team deemed adequate for the program. Therefore, the team recommended that budget writers consider using additional Workforce Investment Act dollars to continue to expand the number of skills panels beyond the level that was funded in this purchase plan.

Unemployment Insurance Funding

While no changes are proposed in state funding practices, there was some discussion about federal funding practices for state administration of unemployment insurance programs. Two years ago, the federal government changed the way that it calculated and distributed these administrative dollars, resulting in fewer federal dollars for Washington and many other states. Efforts to either amend the new funding methodology or increase the total federal dollars available have been unsuccessful so far. The Employment Security Department is working with key stakeholders of the Unemployment Insurance program, including the business community, organized labor and the Office of Financial Management, to explore options to address this shortfall. Options include finding another revenue source, such as Reed Act funds, and/or reducing programs enacted at the state level but not included in the administrative formula. Some of these "state choice" programs benefit employers while others benefit Unemployment Insurance claimants. Given the limitations of the allocation, the team felt that this issue would be best addressed with the stakeholder group created by the Employment Security Department.

College Results

Improve the Value of Post-Secondary Learning

Post-secondary education and training is a high priority for the state. This result refers to efforts to ensure that every resident has the opportunity to attend college to improve their lives and the social and economic health of Washington.

INDICATORS OF SUCCESS FOR THIS RESULT

Improve System Efficiency

- Percentage of students participating in dual credit programs
- Freshman retention rates
- Percentage completion within 125 percent of allotted certificate/degree time

Improve Access to High Quality Programs

- Admission, retention and graduation rates across income classes and ethnic groups
- Faculty retention rates
- Student/graduate satisfaction

Improve Affordability

- Percentage of student body with income less than state median income
- Average debt accumulation for graduating students

Improve Responsiveness to Workforce Needs

- Number of degrees conferred in high-demand fields
- Employer satisfaction rating of graduates' knowledge, skills, and abilities

Improve Contribution to Economic Development

- Number of new technology transfer agreements executed and dollar volume
- Number of jobs generated as a result of state-funded and non-state-funded research

MAJOR PURCHASE STRATEGIES

- Provide convenient and efficient education service delivery
- Increase access to high quality programs
- Provide affordable learning opportunities
- Prepare a skilled workforce
- Contribute toward state economic development goals

NEW IDEAS TO IMPROVE RESULTS

- Reduce the burden of remediation
- Provide Efficiency Demonstration Grants

The 2005-07 Purchase Plan

The purchase plan began with two basic principles: work within existing funding rather than consider tuition increases or additional state appropriations, and focus on making post-secondary education more available to non-traditional participants. To do this, the plan reprioritizes funding for both administration and instruction.

The Team felt the system needed to be more accessible to those who have not traditionally participated. Thus, the purchase plan assumes an increase in basic skills education to broaden workforce participation and improve earnings potential of those at the bottom of the wage scale.

As a result, more funding is directed to basic skills training, such as English as a second language, and to worker-retraining programs such as classes to teach new skills to workers whose occupations are on the

decline. These efforts require trade-offs in academic and administrative programs, including fewer slots at four-year campuses for a growing number of high school graduates.

Sponsored and academic research made up a large portion of the allocation, and the purchase plan assumes some small reductions. But nearly all of the money in these areas is federal, and much of it is tied to specific grants, so significantly cutting expenditures in research would not free up money to be used elsewhere.

This means larger cuts in the state-funded areas, including administration, public service and instruction. Despite the cuts:

- Instruction tops the priority list for next purchases
- Financial aid remains an integral component of the overall strategy
- The state need grant allows many non-traditional students to afford education and training

PURCHASE PLAN STATE FUND EXPENDITURES BY STRATEGY:

- Convenient and efficient service delivery—*$3.2 billion state funds*
- Access to high-quality programs—*$650.6 million state funds*
- Preparation of a skilled workforce—*$711 million state funds*
- Contribution to state economic development—*$2 billion state and federal funds*

This plan comes with consequences:

- A budget at this level would mean fewer students entering the system
- These limitations, combined with an increase in high school graduates, means that participation rates of the college-age population would drop
- Fewer community college students would transfer to four-year programs at the baccalaureate institutions

Because of the significance of these potential reductions, the Team considered options to generate more funding through annual tuition increases.

Health Results

Improve the Health of Washingtonians

The state recognizes the importance of investing in services and programs that promote a healthier population.

INDICATORS OF SUCCESS FOR THIS RESULT

General Health

- Average years of healthy life remaining at age 20
- Infant mortality

Epidemiological

- Rate of tobacco use
- Rate of increase in levels of obesity

Access to Health Care

- Insurance coverage
- Unmet health care need

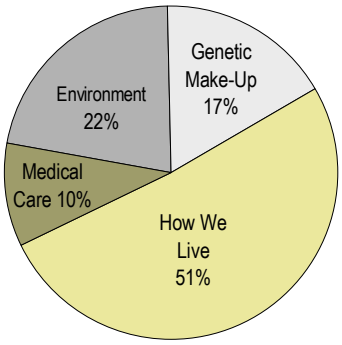
MAJOR PURCHASE STRATEGIES

- Mitigate environmental hazards
- Increase healthy behaviors
- Provide access to appropriate health care
- Identify and mitigate risk factors

NEW IDEAS TO IMPROVE RESULTS

- Reduce emergency room costs and improve results (more years of healthy life) by investing in substance abuse intervention and treatment
- Expand collaborative, evidence-based purchasing strategies

FACTORS THAT INFLUENCE HEALTH



Source: USDHEW, PHS, CDC, "Ten Leading Causes of Death in US 1975." Atlanta, Georgia Bureau of State Services, Health Analysis & Planning for Preventive Services, p. 35, 1978

The 2005-07 Purchase Plan

Faced with limited funding, the Health Result Team decided early on that it would focus on services and programs that promise to improve the health of the largest number of Washington citizens.

Unhealthy human behaviors and environmental hazards affect human health far more than does access to medical care, yet medical care consumes more than 90 percent of health care funding. The purchase plan continues to fund medical care largely at that level, but reduces spending in some health care areas in order to free up funding for primary strategies.

Reductions were determined based on the level of vulnerability of health care recipients, including their age, income and disability. Some services for citizens better able to fend for themselves were reduced first. As a result, the plan does not include services ranging from Basic Health Program coverage for citizens between 100 and 200 percent of federally-defined poverty to grants to community clinics and optional Medicaid benefits.

The way each strategy is addressed in the purchase plan is discussed below.

Mitigate Environmental Hazards

Activities in this strategy include protecting the public from hazards in the environment—whether pathogens, infectious disease agents, contaminants in drinking water and food, radiation or other factors (This does not include the environmental activities at the Department of Ecology related to air pollution, general water quality, solid waste, hazardous and toxic substances, etc).

Our environment accounts for 22 percent of the influences on individual health. This strategic area is one in which state investments can make a big difference. Not only are the activities population-based (covering a large number of people simultaneously), but are generally preventive and, therefore, cost-effective.

The Health Team recommended full funding of current activities within this strategy and provided a modest level of new initiatives.

Funds allocated for this strategy: *$125.5 million state, $119.3 million federal and other funds*

NEW INITIATIVES:

- $4.6 million additional funding for local health jurisdictions
- $0.6 million to enhance tuberculosis testing and control
- $0.6 million to address emerging animal-borne diseases; track and provide information about contaminants in fish; collect results from blood lead tests and provide outreach to affected children

Increase Healthy Behaviors

Activities in this strategy include education and outreach to the public and to specific populations to provide support and consistent, scientifically reliable, information about health and healthy behaviors.

The way we live accounts for 51 percent of the impact on our individual health. This strategic area is one in which the state can make targeted investments in areas that have been shown to have promising effects. The activities are—again—population-based, preventive and cost-effective.

The Health Team recommends full funding of current activities within this strategy and adds one new effort.

Funds allocated: *$122.2 million state, $376.7 million federal and other funds*

NEW INITIATIVE:

- $0.2 million to add a Health Management Coordinator to increase healthy behaviors among state employees, for whom health coverage is purchased. Experience in large for-profit companies has indicated a 2–5 percent reduction in net health care costs after instituting similar programs.

Provide Access to Appropriate Health Care

Related activities include reimbursement of direct health services for eligible people, subsidization of health care insurance for other low-income residents, and support for the infrastructure that delivers health care.

The medical care we receive accounts for 10 percent of the influences on individual health. However, the activities reflecting this strategy represent the most expensive of the state's health investments and involve about one million residents, almost one-sixth of the state's population.

The primary challenge in maintaining the investments we make in this area is that growth in health care costs continues to outpace the growth in general state revenues (an increase of 11–15 percent per year for health costs, versus 4–6 percent per year for revenues). It becomes increasingly evident that sacrificing investments in public health will not solve the crushing demands of paying for access.

As a result, The Health Team recommends supporting as much access as possible after fully funding the other three strategies. These purchases prioritized the most vulnerable populations first (based on age, income, and disability). The state is also expected to strive for spending that is evidence-based, efficient, and appropriate.

Funds allocated: *$4.7 billion state, $4.3 billion federal and other funds*

Applying the foregoing criteria for purchasing access means the following activities—among others—fall below the allocation line:

- Health insurance for adults between 100 and 200 percent of the federal poverty level through the Basic Health program—*$217.2 million*
- Medicaid coverage to optional categories of aged/blind/disabled people—*$183.1 million*
- Support to community clinics through grants for primary care—including dental services—to the uninsured —*$24.1 million*
- Optional health benefits for adults receiving Medicaid: vision, dental, hearing services—*$131.1 million*

Some new activities are recommended to continue progress toward the goals of evidence-based, preventive, efficient and appropriate purchasing:

- A pilot to centralize health technology assessments—*$0.7 million*
- Enhanced access to chemical dependency treatment—*$23.6 million; offset by lower subsequent medical costs*
- A curtailment of spending for medical (enteral) nutrition by creating criteria under which these products are considered medically necessary—*$2.6 million in savings*

Identify and Mitigate Risk Factors

Activities related to this strategy include testing, tracking, identifying trends and clusters of disorders, and taking mitigating action. This strategy includes population-based testing of newborns for treatable genetic disorders, testing for communicable disease, shellfish poisoning and food-borne illnesses.

Genetic factors account for 17 percent of health impacts. However, intervention in this arena is possible—primarily through testing, early intervention, planning and support. The Health Team recommends full funding of current activities within this strategy with two new efforts.

Funds allocated: *$16.5 million state, $65.7 million federal and other funds*

NEW INITIATIVES:

- $0.5 million to improve collection of hospital outpatient data
- Increase support for follow-up treatment of babies testing positive for treatable disorders that are identified in the newborn screening program

Security Results

Improve the Security of Washington's Vulnerable Children and Adults

This result refers to the state's intent to ensure that there are basic support services available for children whose families are unable or unwilling to support or protect them, and for adults unable to care for themselves because of age or a disability.

INDICATORS OF SUCCESS FOR THIS RESULT

Decreased percentage of individuals and families living in poverty

- Percentage of individuals and families living in poverty
- Percentage of disabled adults who are employed
- High school graduation/GED rates

Increased percentage of vulnerable children and adults living in permanent families and safe home or community settings

- Confirmed abuse/neglect/exploitation rate
- Ratio of entries/exists of dependent children into out-of-home care
- Ratio of caseload using home and community services versus institutional-based settings
- Percentage of homelessness

Increased ability of communities, families, and individuals to address their own social and health services needs

- Community risk and protective factors profile
- Percentage of population that meets Self-Sufficiency Standard (UW)

MAJOR PURCHASE STRATEGIES

- Increase safety
- Promote health
- Increase economic self-sufficiency
- Increase stability in the individual's environment

NEW IDEAS TO IMPROVE RESULTS

- Invest in evidence-based practices
- Shift from institutional-based service delivery when appropriate to community-based service delivery
- Integrate children/family social services with K–12 educational delivery system
- Identify and enroll eligible veterans in fully federally funded programs

The 2005-07 Purchase Plan

The Result Team looked at the variety of needs related to the security of Washington's vulnerable citizens and decided first to focus on intervention services and programs that remove an immediate risk to safety or health, and that represent a safety net of last resort. These are services and programs that are not readily available elsewhere, and that are vital to vulnerable citizens. Child welfare investigations, emergency cash and food assistance and institutional care all fall into this category.

Some funding was also directed at services that were considered effective in reducing the vulnerability of at-risk populations, thus reducing the need for intervention. Childcare programs, adoption support and vocational rehabilitation services are all examples of programs designed to promote ultimate self-sufficiency.

The team recognized the importance of up-front prevention services that reduce the need for more intensive state help for citizens later on, such as skilled nursing for aged citizens provided at day centers and employment support for citizens with disabilities. These investments make both social and financial sense. However, the immediate need to invest in services for citizens in greater crisis severely limited opportunities to invest in up-front prevention with long-term paybacks. As a funding strategy, the purchase plan prioritizes purchase of basic safety net services. However, in order to provide some level of targeted prevention services, funding for intervention services is scaled back. Reimbursement rates are reduced for mental health and nursing home providers, and cash grants are eliminated for most General Assistance clients.

The purchase plan focuses on the following strategies:

- Intervention; Current level funding for the Basic Safety Net—*$3.2 billion state funds, $3 billion federal and other funds*
- Support to persons most at-risk—*$740 million state funds, $1.4 billion federal and other funds*

The purchase plan also acknowledges some opportunities for innovations to gain efficiency and maximize results. The recommendations include ideas for:

- Reforming child welfare investigations
- Consolidating institutions for the developmentally disabled
- Consolidating regional service networks for the coordination of mental health community services
- Expanding promising pilot projects relating to the care of people with autism or dementia

Economy
Results

Improve Economic Vitality for Businesses and Individuals

The state's role in economic vitality is to continue the financial and policy investments that contribute to economic growth and ensure that the benefits of growth are fairly distributed among businesses and individuals.

INDICATORS OF SUCCESS FOR THIS RESULT

People have jobs

- Percent of prime working age population employed

Individuals are prosperous

- Median Household annual income
- Percent of households with incomes below the federal poverty line

Businesses are successful

- Index of revenue to cost

MAJOR PURCHASE STRATEGIES

- Increase productivity and quality by promoting innovation in Washington companies
- Expand infrastructure to support economic development
- Develop markets by promoting Washington products and services
- Support planning and leadership
- Reduce costs through flexible regulatory methods
- Improve the effectiveness of economic development investment through improved coordination of efforts

NEW IDEAS TO IMPROVE RESULTS

- Support the Planning and Environmental Review Fund
- Stabilize Community Economic Revitalization Board (CERB) funding and re-define the scope of the CERB investment portfolio
- Expand the Small Communities pilot project
- Support the 2010 Olympics Task Force
- Support the Bio 21 effort to expand biotechnology and health research, although the details of this strategy were not yet available to incorporate in the purchase plan when the group was deliberating

The 2005-07 Purchase Plan

The Economic Vitality Result Team's guiding principle was to "do no harm" to Washington's current ability to promote economic vitality while increasing the portion of all economic development funding that goes to the top strategies. This approach resulted in the following criteria for the choice of activities to purchase:

- The availability of evaluation data, particularly return-on-investment
- Job creation
- Achievement of multiple outcomes
- An opportunity is lost if the activity is *not* done
- Fills a gap in existing programs
- Reaction to a private sector market failure

- State leadership is required to encourage private participation
- Leverage for other dollars
- Focus on emerging and transforming industries
- Recognition of niche strategies that may be important but overlooked
- Promotion of High Wage, High Skills economy

The purchase plan assumes strategic investments in each of the top five strategies:

Encourage Innovation in Washington Companies

To promote innovation, the purchase plan makes additional investments in the Spokane Intercollegiate Research and Technology Institute (SIRTI). The team was interested in additional investments in innovation, but confronted a lack of strong proposals. This area needs greater attention. There is particular interest in the Bio 21 proposal, but it has not yet been finalized. The purchase plan also includes the Washington Technology Center, and business and project assistance.

Funds allocated for this strategy: *$18.3 million state*

Investment in Infrastructure

The team supports a proposal to increase and stabilize Community Economic Revitalization Board (CERB) funding. The CERB proposal under development includes slightly broader scope for investment options, which the team agrees with given the successful CERB governance structure. This is primarily a capital budget expenditure so only a small portion of this activity appears in the purchase plan. There is particular interest in the proposal to improve investment strategies related to military bases, but funded assumes reduced overhead cost.

Funds allocated: *$5.8 million state, $36.8 million other funds*

Promotion of Washington Products

The purchase plan includes most of a Community, Trade, and Economic Development (CTED) proposal to increase spending on trade, tourism, and marketing of Washington products. This included a specific investment in coordination around the 2010 Olympics to maximize returns to Washington from this significant tourism opportunity. Because Convention Center operations are included here, this strategy receives the most state funding.

Funds allocated: *$139.7 million state, $2.2 million other funds*

Support Planning And Leadership

The purchase plan supports expansion of the Small Communities Initiative, an economic development loan packaging initiative, and the Planning and Environmental Review Fund. The team also supported a proposal by the Office of Minority and Women Owned Businesses to increase technical assistance to their customers.

Funds allocated: *$16 million state, $3.9 million other funds*

Flexible Regulations

The plan continues certification and examination efforts by the Department of Financial Institutions, contractor registration and the state Office of Regulatory Assistance. A graphic imagining system is added to reduce paperwork in the Unified Business Licensing program. The Team also proposed reducing the state role in regulations.

Funds allocated: *$60.4 million state, $3.7 million other funds*

The purchase plan for Economic Vitality does not assume significant reductions. It does attempt to sharpen the state's investment in areas ranging from workforce training to promotion of Washington's products abroad and across the nation, and sewer, water and other systems in locales that need the infrastructure to accommodate economic growth.

At the same time, costs were made lower by purchasing professional licensing and public accountant regulation at significantly reduced levels. This was done to encourage increased reliance on membership policing by industry associations instead of state agencies. This approach stirred some debate, with significant concern that the strategy should reduce administrative cost without reducing consumer confidence or safety. In the end, the team voted to reduce funding to encourage this approach as a pilot effort.

The team discussed and supports several other objectives to make Washington more prosperous. They included a tax system that supports competitiveness, more affordable housing, more community involvement in development strategies, a more diversified economy to avoid boom-bust cycles, and more business access to capital.

Other components of the purchase plan include:

- Workforce training—*$3.8 million state, $11.8 million federal*
- Providing capital—*$2.4 million all funds*
- Safety and consumer protection—*$91.8 million state*
- Affordable housing—*$10.2 million state, $17.9 million other funds*
- Support for community involvement and entrepreneurs—*$1.5 million state, $20.1 million federal*
- Administrative and technical support for economic development activities—*$29.1 million state, $7.1 million federal and other funds*

Mobility
Results

Improving the Mobility of People, Goods, Energy and Information

INDICATORS OF SUCCESS FOR THIS RESULT

- Improved Internet connectivity at homes, businesses and schools
- State energy prices at or lower than the national average
- A balance between the demand for energy and the supply
- Preservation of the transportation infrastructure

MAJOR PURCHASE STRATEGIES

Transportation of People and Goods

- Preserve essential components of the current transportation system
- Get the most out of existing systems
- Ensure safe travel
- Create separate financing strategies for "mega" projects so that preservation of existing systems does not suffer
- Whenever possible, link the price to the service

Mobility of Information

- Ensure full and fair competition in the telecommunication market
- Use regulations to ensure universal service, service quality, and fair and reasonable prices for private telecommunications services under the state's authority
- Drive private investment to under-served areas
- Assist citizens who lack the means to purchase basic telecommunications services

Mobility of Energy

- Direct utilities to plan for long-term energy demands from consumers
- Develop a balance of conventional and alternative environmentally sound energy resources
- Preserve the benefits of service of the Federal Columbia River Power and Transmission System for Washington consumers
- Preserve and promote Washington's cost-based energy system to benefit the consumer
- Encourage utilities to reduce congestion and improve reliability of their transmission systems
- Foster a predictable and stable investment climate
- Streamline the lead-time for siting and permitting new energy facilities

NEW IDEAS TO IMPROVE RESULTS

- Mobility of People and Goods—develop a strategy that recognizes that the state's current capital requirements are far beyond existing revenue resources
- Mobility of Information and Energy—move the Washington Telephone Assistance Program from the Department of Social and Health Services to the Utilities and Transportation Commission

The 2005-07 Purchase Plan

The Mobility Team proposed multi-dimensional approaches toward the goal of improving mobility of people, goods, energy and information.

In terms of surface transportation, scarce dollars are focused on preserving key components of the existing system, and on investments that make the best use of the existing system to ensure safe travel.

At the same time, it is imperative to create financing tools and strategies that can finance and schedule the very large projects rather than draw from preservation funds to accomplish those projects. The team also

identified a need to link the price of the service to the service itself so that motorists can make informed choices regarding what they will and will not buy.

Although the state has little direct control over telecommunications activities in Washington, it can adopt policies that promote fair competition to reduce costs. It can also be proactive in terms of reducing regulation where it stifles competition.

Similarly, the state can play a role in fostering more competition in the energy market among independent electricity producers, investor-owned utilities, public utility districts and municipal utilities. It also should lobby for preservation of the benefits of cheaper power through the Bonneville Power Administration, and for the benefits of the Federal Columbia River Power and Transmission System. Moreover, the team supports continued work to diversify Washington's electrical energy sources, including increased uses of renewable power such as wind and biomass (animal by-products).

Much of the funding available to this purchase plan represents state and federal transportation funding generated by the gas tax. Washington recently enacted a 5-cent per gallon tax increase that will generate transportation improvements for years to come. Even with this new infusion of revenue, however, certain realities have to be confronted:

- The preservation backlog is increasing
- By some estimates, the unmet need for preservation of current assets and improvements reaches $50 billion
- The gas tax does not grow with inflation and consumption is leveling off as prices rise
- The 25 percent portion of the state gas tax that now goes to debt service will nearly double to 45 percent in nine years

For capital investments, the purchase plan must strike a balance between adding new capacity and preserving what we already have, as well as address how to pay for projects over multiple years.

In addition, recent gas price increases have reduced consumer consumption, which in turn reduces available revenues. The state will have to consider this issue in arriving at a 2005–07 budget.

THE PURCHASE PLAN ASSUMES FUNDING FOR THE FOLLOWING STRATEGIES:

- Construct mobility systems that improve the flow of people and goods—*$1.7 billion state, $209 million federal or local funds*
- Maintain mobility systems—*$1.1 billion state, $479 million federal or local funds*
- Operate mobility systems—*$322.3 million state, $2.9 million federal or local funds*
- Enhance systems that provide access to information and energy—*$35.2 million state*
- Provide consumer protection—*$9.9 million state*

Skillful management of the purchase plan can leverage its value. The state can strategically employ bond funding to move projects from year to year to align them with state, city and county projects. As a result, state and local government projects can be done together to solve problems in specific traffic corridors or in a particular community.

For example, one state transportation agency brought together a team of engineers, economic development specialists and local elected officials who identified the major transportation problems in a small city and the estimated cost to fix those problems. This information will be used by the agency to determine how all of these problems can be fixed together instead of in sequence over several years.

The Guidance Team asked the mobility team to consider how changes in the environmental permitting process could benefit projects that improve the mobility of people and goods. In response, another result

team funded an existing state program that "pre-permits" a specific area before development starts. This could result in completing transportation projects sooner.

The purchase plan largely proposes funding at current activities in the area of energy and information.

Safety Results

Improve the Safety of People and Property

Washington maintains its commitment to the safety of citizens and their property.

INDICATORS OF SUCCESS FOR THIS RESULT

Reduced preventable injury and loss of life or property due to criminal activities, accidents, and natural or man-made disasters

- Property and violent crimes per 1,000 population
- Drinking driver fatalities per 1 billion vehicle miles
- Injury (unintentional) hospitalizations per 100,000 population
- Direct insured property/casualty losses

Increased emergency response capability

- Percent of K-12 students in schools with geo-mapping completed
- State residents per emergency responder (police/fire/EMT)
- Percent of population living in areas with Citizen Corps Councils
- Percent of population with Community Emergency Response Training
- Percent of needed personal protective equipment available to emergency responders

Increased citizen confidence in their safety in the communities where they live

- Selected responses to OFM population survey

MAJOR PURCHASE STRATEGIES

- Maintain and apply safety standards through regulation, inspection, and enforcement
- Involve citizens in accident, crime, and fire prevention through education and mobilization
- Mitigate risks through prevention services, police patrol, infrastructure safety, public property management, drug and mental health treatment, and confining and reintegrating offenders
- Collect, analyze, and share information to prevent foreseeable events and plan for effective response
- Equip emergency responders and law enforcement appropriately
- Train professionals and citizens to respond to emergencies
- Respond to accidents, crimes, disasters, fires, threats, and other emergencies
- Investigate crimes and apprehend offenders.
- Adjudicate and punish crimes
- Civilly commit and treat dangerous persons
- Protect vulnerable children and adults from harm.
- Help and compensate victims of crimes and disasters
- Restore and improve infrastructure after disasters.
- Apply lessons learned from events to improve prevention and preparedness

NEW IDEAS TO IMPROVE RESULTS

- Make more effective use of prison capacity and reduce cost
- Move driver licensing to a risk-based model to improve results
- Use E-911 revenue for a broader range of emergency response purposes
- Target prevention investments in programs shown by well-conducted research to be cost-effective

The 2005-07 Purchase Plan

The guiding principle of the Safety Team plan is to focus on programs and expenditures that most directly advance the objective of keeping citizens safe.

It's helpful to put this intent into a broader context based on statistical evidence. Compared to about ten years ago:

- We are better prepared for terrorist attack or natural disaster, but there is greater actual risk of terrorist attack
- We are more vulnerable to internationally transmitted and zoonotic (transmitted by animals) diseases
- We have less violent crime and slightly less property crime, but recidivism rates are about the same
- Sexual abuse of children is down by almost half, but there is increased fear and concern about sex offenders in communities
- Identity theft and cyber-crime are growing, facilitated by new technology.
- Victims of crime get more help and have more information and a greater voice in the justice system.
- There are fewer vehicle accidents and drunk driving deaths
- There are fewer serious accidental deaths and injuries of most types (notable exception: fatal drug overdoses have doubled)

The first priority must be activities that enable government to respond to incidents and to meet the costs of recovery. This includes events such as accidents, crimes, fires, terror attacks and natural disasters. It also includes the delivery of criminal justice—the state's court system and prisons.

Response requires preparation. This requires the existence of trained personnel with appropriate equipment, and it also means activities that range from community emergency response training to geo-mapping of public schools to better ensure the safety of students. In terms of recovery, we must restore infrastructure, compensate crime victims and provide permanent, safe places for victims of abuse.

Finally, public safety requires activities designed to prevent the incidents that threaten public safety. These range from making sure motorists are trained and licensed, to confinement of dangerous offenders and treatment of substance abusers.

The Safety Team purchase plan assumes the following funding for its high-level strategies.

Prevention

SAFETY STANDARDS

- License drivers and regulate driver safety
- Regulate professionals who affect public safety
- Enforce codes (e.g. building, traffic) and safety requirements

INVOLVING CITIZENS

- Enable, motivate, and educate citizens to prevent crime, fires, and accidents, and prepare for disasters
- Equip and engage crime victims to avoid further victimization of themselves and others

MITIGATING RISK

- Confine dangerous offenders
- Provide rehabilitation services to offenders
- Re-integrate offenders into communities successfully after release

- Engage in directed patrol on transportation routes and in communities
- Provide effective, targeted crime prevention services
- Treat substance abuse and/or mental illness
- Improve infrastructure safety (e.g. lights, speed bumps, road and building design)
- Reduce population and construction in areas at high risk of natural disaster
- Manage public lands and other property to reduce fire and other hazards
- Market and reward prevention investments and activities

Total funding in the purchase plan for this strategy: *$1.3 billion state, $47 million federal and other funds*

Preparedness

PLANNING

- Collect, analyze, and share criminal intelligence, hazard data and community risk information
- Assess threats to public safety, natural resources and critical infrastructure
- Plan for response to emergencies and disasters, including interagency coordination
- Ensure interoperability of communication and information systems
- Evaluate prevention, intervention, and response strategies

EQUIPPING

- Equip emergency responders
- Equip law enforcement professionals
- Place emergency equipment in public places for public use
- Provide interoperable emergency communications

TRAINING

- Train emergency responders
- Train law enforcement professionals in crime prevention and response
- Train citizens, including business sector, in disaster preparedness
- Train supplemental (reserve) “surge” resources (e.g. National Guard, medical reserves)
- Conduct exercises, drills

Total funding in the purchase plan for this strategy: *$107.5 million state, $74.9 million federal and other funds*

Response/Recovery

MANAGING CRISIS/CONSEQUENCES

- Respond to accidents, fires, disasters, crimes, threats and other emergencies
- Mobilize multi-jurisdiction responses to large-scale emergencies
- Investigate crimes, accidents, fires, and disasters
- Apprehend criminal offenders
- Remove children and vulnerable adults from abusive environments

JUSTICE

- Adjudicate criminal charges
- Punish criminal offenders
- Require offenders to make restitution to victims and communities
- Civilly commit dangerous persons for treatment.

RECOVERY

- Assist and compensate victims of crimes and disasters
- Restore infrastructure (better than pre-event)
- Eliminate repetitive property losses
- Provide safe permanent placements for victims of abuse
- Treat civilly committed persons
- Apply lessons learned from events to improve prevention and preparedness

Total funding in the purchase plan for this strategy: *$921 million state, $88.7 million federal and other funds*

Faced with limited resources, the Safety Results Team focused on where spending is concentrated, finding that about half goes for correctional activities. Citizen safety may be better served by reassessing sentencing policy. The extended confinement of some offenders does not contribute as directly to public safety as some other activities, and funding can be redeployed to other areas of the plan.

Accordingly, the team recommended these adult felony sentencing policy changes:

- Reduce all non-drug felonies one seriousness level on sentencing grid, except Levels I and XVI (effective for new sentences July 1, 2005)
- Eliminate consideration of juvenile history and multiple scoring of prior adult convictions (effective for new sentences July 1, 2005)
- Incorporate static risk factors and alternative sanctions in sentencing property offenders (effective for new sentences July 1, 2005)
- Authorize Department of Corrections to convert up to last 12 months of any prison sentence to partial confinement – work release, contracted residential drug treatment, day reporting, or electronic monitoring – for low-risk non-violent, non-sex offenders (effective for current sentences)
- Allow all low-risk, non-violent, non-sex offenders to earn release credit at 50% (effective for current sentences)
- Add 30 days release credit to low-risk inmates who serve at least six months on fire crews (effective for current sentences)
- No post-release supervision of low-risk non-violent, non-sex, non-Drug Offender Sentencing Alternative (DOSA) felony and misdemeanor offenders (effective for current sentences)

The felony sentence changes would reduce prison population and slow its future growth, thereby reducing the need now forecast for new prison beds. But the changes would not reduce the immediate need to add prison capacity within the state because the immediate population effects would apply mainly to beds rented outside the state and from counties.

The team also did not purchase portions of the Supreme Court, Court of Appeals or Administrative Office of the Courts attributable to non-criminal, non-traffic cases. Inclusion of these activities would be addressed in the budget process as these activities make important contributions to a number of results areas.

Environment
Results

Improve the Quality of Washington's Natural Resources

This result relates to the state's efforts to preserve and enhance its natural resources, which are vital to our quality of life, public health and economic future.

INDICATORS OF SUCCESS FOR THIS RESULT

Reducing human impacts on the environment

- Trends in carbon dioxide emissions
- Trends in water quality from 62 long-term water quality monitoring stations
- Amount of toxics released into the air, land and water from permitted activities

Maintaining habitat to support natural systems

- Rate of resource land converted to urban uses

Maintaining healthy fish and wildlife populations

- Freshwater productivity index for selected stocks
- Wildlife species classified as endangered, threatened or sensitive

MAJOR PURCHASE STRATEGIES

- Establish safeguards and standards to prevent harm by human action
- Preserve, maintain and restore natural systems and landscapes
- Achieve sustainable use of public resources
- Change individual practices and choices
- Provide good science and monitoring data

NEW IDEAS TO IMPROVE RESULTS

- Improve on-site septic management at the local level
- Reduce greenhouse gases that cause global warming by adopting California air emission standards
- Outside Assessments of natural resource grant programs, data and monitoring activities, and land acquisition and management to improve performance and achieve costs savings

The 2005-07 Purchase Plan

The Natural Resources Results Team defined five major purchase strategies necessary to achieve environmental results.

Preserve, Maintain and Restore Natural Systems and Landscapes

Significant effort is made to prevent new damage to natural systems, but past uses have resulted in ongoing harm to the environment. This strategy works to maintain and restore the state's natural systems and the ecosystem services they provide to society and to remove latent public health hazards.

The Natural Resources Results Team further recognizes that Puget Sound is an important resource for Washington citizens. The current crisis in Hood Canal requires actions to improve water quality. Other efforts to protect Puget Sound are also necessary.

Total funds allocated: *$326.9 million*

SIGNIFICANT ACTIVITIES

- Clean up of toxic sites—*$23.3 million*
- Local watershed planning—*$14.9 million*
- Management of roads on state trust lands—*$18.7 million*

ACTIVITIES NOT PURCHASED

- Litter Pick-up—*$9.5 million*
- Brownfield clean-up assistance—$2.7 million

NEW INVESTMENTS

- Hood Canal Corrective Action—*$1million*
- Orca Recovery Planning—*$0.3 million*
- Water quality technical assistance to livestock producers—*$2.2 million*

Safeguards and Standards

Humans have a significant impact on the state's natural resources. This strategy establishes standards to prevent harm to the state's air, land, water, fish and wildlife caused by human actions, as well as avert environmental hazards that have detrimental impacts on public health.

The Natural Resources Results Team reiterated that enforcement is the backbone of environmental protection and must be maintained. Over time, the state has reduced its enforcement effort while expanding its technical and financial assistance. Although this strategy has often produced significant results, existing enforcement should not be further eroded, and in some cases should be enhanced.

Total funds allocated: *$208 million*

SIGNIFICANT ACTIVITIES

- Managing forest practices—*$20.9 million*
- Preventing water pollution from industrial discharges and sewage treatment plants —*$15.8 million*
- Motor Vehicle emission testing—*$14.7 million*

ACTIVITIES NOT PURCHASED

- Underground Storage Tank Reinsurance —*$1.9 million*
- Managing Animal Game Damage—*$2 million*

NEW INVESTMENTS

- Additional Municipal Stormwater control —*$1.5 million*
- Implement new on-site septic system rules —*$1.0 million*
- Reducing Persistent Bioaccumulative Toxins (PBTs) in the Environment—*$0.96 million*

Obtain Data on which to Make Better Decisions

Good natural resource management is dependent upon sound science and high-quality monitoring data. Monitoring data is the foundation on which decisions are made in other major strategies. Good data can help identify problem areas and target the most effective responses. In the absence of data, agencies often make more conservative decisions than they would if they had better data.

The state invests significantly in data, monitoring and science, but there are still significant gaps in data and understanding between watersheds and impacts on our air land and fish and wildlife. The Team felt that existing investments should be maintained and additional targeted investments should be a priority.

The Result Team concluded that Washington needs better information in order to target expenditures at the right place at the right time to better protect and improve natural resources, and to save money.

Total funds allocated: *$123.4 million*

SIGNIFICANT ACTIVITIES

- Fish and Wildlife Surveys—*$26 million*
- Air pollution monitoring—*$6.7 million*
- Water Quality monitoring—*$8.5 million*

NEW INVESTMENTS

- Maintaining smolt monitoring—*$0.6 million*
- Additional streamflow gauges—*$1.4 million*

Sustainable Use of Public Resources

Citizens and businesses enjoy economic benefit from the use of public natural resources. This strategy attempts to realize economic and social benefits from the sustainable use of public natural resources and in some cases funds school construction, universities, local government and other public institutions.

Total funds allocated: *$208 million*

SIGNIFICANT ACTIVITIES

- Timber sales on state trust lands—*$44.1 million*
- State fish hatchery programs—*$42.3 million*
- Managing fish and wildlife harvest—*$21.5 million*
- Managing water rights—*$15.5 million*

NEW INVESTMENTS

- Additional water right compliance and metering—*$2 million*

Change Individual Practices and Choices

The choices and actions of individuals have a significant impact on their health and the state's environment. This strategy attempts to influence the public's knowledge and understanding of their impacts on the state's natural resources and to change behavior that is harmful to the environment.

Total funds allocated: *$44.9 million*

SIGNIFICANT ACTIVITIES

- Technical and policy assistance to citizens, and other governments, public education and citizen Internet access to relevant information

Total Resources and the Role of Dedicated Accounts

Dedicated accounts extensively fund natural resource activities. Within the limits of the allocation, the Natural Resources Results Team purchase plan assumes that some adjustments will be needed legislatively to allow dedicated funds to be used for other purposes. For example, the Results team found litter pick-up and the reinsurance programs for underground storage tanks and heating oil tanks to be lower priorities. They would not be funded given the current allocation. This decision comes with the assumption that the use of several dedicated accounts will require legislative modification to allow the use of these funds for other activities.

Finally, the team determined that maintaining Washington's quality of life requires additional resources. Washington generally under-invests in environmental programs, ranking in the middle of the 50 states in terms of per capita spending and as a percentage of the total budget. Overall, investments should be increased to protect and improve the state's natural resources. However, as a matter of taxpayer fairness, these programs should not all be funded with general tax dollars. Rather, it is important to apply the principle that those who cause environmental harm or benefit from the use natural resources should help pay the costs of safeguarding and restoring the environment rather than externalizing the cost to the general public.

Recreation
Results

Improve Cultural and Recreational Opportunities Throughout the State

This result refers to Washington's efforts to continue to offer widespread and varied opportunities for recreation and cultural enrichment to its citizens.

INDICATORS OF SUCCESS FOR THIS RESULT

- Per capita participation in cultural and recreational activities
- Equity of participation in cultural and recreational activities
- Percentage of users satisfied with their experience of cultural and recreational opportunities
- Percentage of cultural and recreational resources maintained to standard
- Dollar value of volunteers' time, and private dollars donated to culture/recreation

MAJOR PURCHASE STRATEGIES

- Make strategic choices to meet priority needs and ensure access to culture/recreational opportunities
- Partner with other groups involved in culture and recreation
- Market cultural and recreational opportunities.
- Ensure good stewardship of cultural and recreational resources
- Ensure proximity of citizens to cultural and recreational resources

NEW IDEAS TO IMPROVE RESULTS

- Update the State Comprehensive Outdoor Recreation Plan
- Support additional funding for maintenance of the Department of Natural Resources' dispersed recreation sites, grant-writing, and volunteer coordination

The 2005-07 Purchase Plan

The Result Team took stock of the broad array of cultural and recreational assets controlled by Washington, adopting the basic approach of taking care of existing resources and making them available to as many people as possible throughout the state.

Strategic Choices to Meet Priority Needs

The State Parks and Recreation Commission is reviewing each of its 120 parks and other properties to determine the degree to which they fit within the agency's strategic plan. Parks and properties that do not fit will be transferred to other public owners, traded, or sold. This will allow State Parks to focus available resources on better stewardship of existing parks.

The 2004 Legislature charged the Interagency Committee for Outdoor Recreation (IAC) with submitting an inventory of recent habitat and recreational land acquisitions, and recommending a statewide strategy for coordinating future acquisitions by June 2005. This report will provide information and mechanisms to inform future capital budget decisions in the cultural and recreational, as well as natural resource, result areas.

The Results Team purchase plan includes funding to update the state's outdoor recreation resource plan. This plan provides valuable trend information and guidance in the acquisition, development and operation of recreational facilities at federal, state and local levels. Plan completion is a prerequisite for participants in certain federal grant programs.

Additionally, the purchase plan funds a proposal to support the national traveling Lewis and Clark exhibit, thereby promoting regional interest in local historical sites and more meaningful interpretation of the Lewis and Clark story.

Funds allocated: *$104.5 million state*

Partnerships with Other Groups

New partnership opportunities are being pursued or explored through existing agency activities. For example:

- Congress recently passed a bill establishing a new Lewis and Clark National Historical Park in Oregon and Washington State, creating the nation's second joint federal-state park. Individual components, such as Cape Disappointment State Park in southwest Washington, and Fort Clatsop National Memorial, are managed by their owners, but cooperate in joint ventures such as marketing.
- The Department of Fish and Wildlife (WDFW) and the Department of Natural Resources (DNR) have proposed a land exchange involving 130,000 acres of land in central Washington. For over 35 years, WDFW leased checkerboard in-holdings owned by DNR and adjacent to WDFW wildlife areas. Budget cuts in the current biennium made leasing impractical, so the agencies reviewed their inventories to identify lands suitable for exchange. The proposal would enhance state goals of protecting species and providing recreational opportunities, while maintaining value for the beneficiaries of trust lands.

Funds allocated: *$2.8 million state*

Marketing

While not primary to this result area, the state tourism activity within the Department of Community, Trade and Economic Development (CTED) provides a vital mechanism for marketing cultural and recreational opportunities to tourists. This activity has been purchased by the Economic Development team, along with a statewide marketing decision package that addresses 2010 Winter Olympics planning and the final phase of the Lewis and Clark bicentennial commemoration.

The State Tourism Office will be meeting with this results team to present and discuss its draft state tourism strategic plan. This will provide opportunities for affected agencies to coordinate and build on each other's tourism-marketing efforts.

Funds allocated: *$5 million state*

Stewardship of Resources

Historically, it has been difficult to maintain sufficient funding for cultural and recreational resources, especially during tight budget times. The purchase plan includes purchases designed to address some of the most critical stewardship challenges.

First, the plan provides additional funding for DNR recreation sites, replenishing funding for sites that cannot be operated with other dedicated funds, stepping up the level of maintenance and repair work on

their sites, and building capacity to recruit and manage volunteers. An enhanced "on the ground" management presence should enhance participant safety as well.

In addition to funding for recreation, the plan includes two purchases related to arts and historic preservation. There is additional funding to conserve and restore existing works in the state's 4,700-item public art collection. The older works require a higher level of periodic maintenance and repair than is currently provided. There is also replacement of declining federal funds that are passed through as grants to local government for cultural preservation projects.

Finally, the Culture/Recreation and Natural Resources plans jointly purchased a land-management agency efficiency study. An independent study will assist natural resources agencies in identifying savings that can be dedicated to land stewardship efforts.

Funds allocated: *$16 million state*

Proximity to Culture and Recreational Resources

Proximity can be virtual as well as geographic. The purchase plan includes funding for the Historical Society's education digital initiative, which would digitize items in the Society's collections and exhibits and post the images and standards-based curricula on the Internet. This approach furthers the linkage between cultural and recreational results and educational results by promoting understanding of Washington state history.

Concluding Thoughts

With the funding limitations inherent in this purchase plan, some worthwhile activities were necessarily excluded:

- Proposals for cabins, yurts and replacement furnishings, which respond to changing trends in parks utilization and which will improve the quality of visitor experiences
- Expanded access to hunting experiences on private lands
- Assistance to local libraries—while not primarily a cultural and recreational activity, this effort leverages federal dollars and furthers the proximity strategy by making resources more available locally

The team also noted the relationship between operating and capital funding for culture and recreation. Capital decisions must consider what the state can afford to manage and strive for lowest life-cycle cost to meet a given goal. In addition, assessment of assets and periodic transfer of the lowest value properties assures that the state's portfolio truly functions as an asset, and does not represent a drain on scarce stewardship resources.

Efficiency Results

Improve the Ability of State Government to Achieve Results Efficiently and Effectively

State government must continually work smarter and more efficiently in order to maximize the effectiveness of taxpayer dollars.

INDICATORS OF SUCCESS FOR THIS RESULT

- Citizen satisfaction with state government
- State central service agencies unit cost of service delivery
- State employee recruitment and retention
- State's bond rating

MAJOR PURCHASE STRATEGIES

- Build a workforce with the skills to achieve results
- Effectively manage financial resources
- Provide facilities, equipment, and processes that support the services that citizens need
- Develop and communicate essential data to policy-makers
- Maintain a governing structure that supports citizen involvement, efficient decision-making, and accountability

NEW IDEAS TO IMPROVE RESULTS

- Leverage purchasing power and provide the best value for taxpayers
- Improve supply chain management by developing strategies to reduce the state's investment in inventory and need for warehouse space while maximizing availability of supplies and products used or sold by state agencies

The 2005-07 Purchase Plan

The plan's overall objective is to improve the underlying workings of government in order to save money while promoting competition and better service.

The purchase plan supports the following strategies:

Human Resources

Recruit, develop, and retain a state work force capable of supporting the activities that will achieve the results that our citizens require and demand by:

- Building leadership competencies
- Developing staff competencies
- Providing competitive compensation
- Providing a safe working environment
- Aligning employee performance with agency goals

Funds allocated for this strategy: *$44.2 million state* (primarily through activities in the Departments of Personnel and Retirement Systems)

Financial Resources

Maximize financial resources available for state activities by:

- Providing agencies the tools to better identify true operating costs
- Maximizing investment returns
- Increasing revenues in self-supporting enterprise activities but not necessarily increasing demand for the product
- Employing purchase processes and inventory management practices that are the most efficient and cost effective

Excluding bond payments of $2 billion, and funds collected for lottery prizes ($591 million), this strategy includes activities such as lottery and liquor merchandizing, as well as central accounting and revenue collection.

Funds allocated for this strategy: *$681 million state*

Logistical Support

Provide facilities, equipment, and processes that support the services that our citizens require and demand by:

- Seeking collaborative and/or enterprise-wide approaches to service delivery, such as maintaining one motor pool
- Promoting sustainability goals in the management of our infrastructure assets
- Providing for appropriate asset replacement when needed

Facilities management, telephone services, custodial and other services are funded.

Funds allocated for this strategy: *$130.1 million state*

Decision Support

Develop and maintain technology and other systems that support informed and timely policy development and the delivery of results by:

- Seeking enterprise-wide solutions whenever possible
- Communicating essential data and information for making decisions and operations easier

Attorney services, data networks, and technology assistance are supported.

Funds allocated for this strategy: *$418.4 million state*

Governance

Provide opportunities for citizen participation in timely government decision-making and demonstrate accountability for government performance by:

- Connecting leaders across systems to make common policies when appropriate
- Forging common and consistent solutions
- Increasing citizen involvement
- Creating more opportunities for citizen input
- Revising internal controls to add value and reduce redundancy.

Executive and legislative functions, as well as other government operations are funded.

Funds allocated for this strategy: *$209 million state*

Innovations

The following innovations were assumed in the purchase plan:

- **Financial and Administrative Systems Roadmap:** Over the past 10 years, Washington has become a recognized leader in using technology to deliver efficient and dependable services. Building on the lessons learned from the development of the Human Resource Management System, state agencies are developing a comprehensive roadmap for the future of the state's financial and administrative processes and information systems. This roadmap will outline the steps for moving toward an enterprise set of integrated policies, processes, information tools and data.
- **Small Agency Initiative:** The Small Agency Initiative Committee was established as a collaborative effort between several central service agencies. It has developed and implemented a series of high-impact technology and facility strategies to allow small agencies to take advantage of central infrastructure like e-mail and shared space. The lessons learned from this effort can now be used in managing future facility and technology needs of all state agencies. For example, by coordinating leases, greater opportunities exist in co-locating agencies to take advantage of economies of scale.
- **Enterprise Architecture:** Enterprise Architecture is a set of principles, practices, policies, models, standards and guidelines that help with decision-making, and with the engineering of an agency's information systems and technical infrastructure. The focus of this effort is to create processes that provide business benefit and cost savings because they are standardized across state government.
- **Business Process Improvements:** The team proposes to change years of entrenched purchasing and supply management practices by undertaking a process to identify and capture savings that could be garnered from the way the state manages its procurement processes, including how the state stores, distributes and accounts for it's inventories. Currently agencies have tremendous autonomy, discretion and flexibility in how and what they purchase, as well as how they store their inventories. This proposal would promote more centralization while still addressing the unique needs of agencies. Consolidated purchase strategies, proven workable in both the public and private sectors, could save Washington a substantial amount over time.