



PRIORITIZING SHRINKING TAX DOLLARS

Five months ago, Governor Gregoire asked a group of business, nonprofit and government leaders to help her transform Washington government. She posed eight questions to guide the committee's deliberations. With its advice and input from citizens across the state, the Governor recommends the following actions to charge users of services that benefit a small group and to operate important state services at a lower cost. Her proposals address the questions of "Does the activity need to be paid through the general fund?" and "Are there more cost-effective, efficient ways to do the activity?"

State government serves citizens through a host of services that run the gamut from education to public safety to food inspection. In some cases, however, the state delivers services that target a very small group of people. When just a few benefit from a service, those beneficiaries should bear the costs, not all taxpayers. Accordingly, the Governor proposes that fees cover the actual costs to administer these and other programs. In addition, she recognizes that a number of programs that our citizens use are not economically feasible during the recession. She proposes their reduction or elimination.



STATE PARKS

Beautiful and treasured assets, our state parks provide untold recreational opportunities to thousands of visitors each year. It costs to maintain them and our limited taxpayer dollars must be used for more essential public services. Those who enjoy our state parks will be asked to pay for their operation. The Governor has asked the Parks Commission to develop ways to fund parks without the use of the General Fund.

HYDRAULIC PROJECT APPROVAL

Hydraulic project approvals are permits to protect fish resources issued to those who want or need to work within state waters (for instance, on developments, road construction, mining and logging). This program has been funded entirely by the General Fund — taxpayer dollars. The Governor proposes that the program be reformed by streamlining or eliminating the permit process for low-risk projects, and that the remaining permit applicants pay the full cost of reviewing and issuing permits.

WATER RIGHTS

Obtaining adequate water supplies can be crucial to businesses, homeowners and farmers. Today, fees collected by the state cover about 2 percent of the cost of processing applications for water rights. The Governor proposes that applicants for water rights pay the full cost of processing their application. Recovering these costs from beneficiaries will make the state program more sustainable as well as more responsive to applicants. The state would recover only necessary and direct costs of application processing, with the requirement for an efficient program with clear customer service

principles. The cost recovery proposal also includes key reforms to improve the efficiency and predictability of water rights processing.

ADULT FAMILY HOMES

The state's 3,000 adult family homes offer care to individuals in a smaller, more home-like setting than an institution. Operators must obtain a license from the Department of Social and Health Services, which recovers about 6 percent of the cost for licensing and enforcement. The state can no longer afford to subsidize this booming industry. We will set the fee to cover the state's full costs to license these homes and ensure resident safety.

WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS AND WASHINGTON STATE SCHOOL FOR THE BLIND

These schools provide evaluation and academic, independent living and outreach services for children who are visually impaired, blind, hard of hearing or deaf. In the past, each school has received a base appropriation of state funding that has not fluctuated with increases or decreases in enrollments. The Governor proposes to create a new model in which funding follows the student.

McNEIL ISLAND

To save the state \$6.3 million a year, the Department of Corrections will close McNeil Island Corrections Center by April 1, 2011. Operating this island prison is more expensive than running other prisons in the system. Closure will save money without compromising the safety of the public, staff and offenders. The department will operate sufficient beds in its remaining 12 prisons to house offenders transferred from McNeil Island. The Special Commitment Center for Sexually Violent Predators on McNeil Island will not be affected.

RESIDENTIAL HABILITATION CENTERS

The Governor believes that many people with developmental disabilities are best served in

community-based settings instead of the state's large institutions. She believes this is especially true for children, who are better served in small homes near their schools. Systemic changes are needed to extend better care to more clients and to respond to shifts in consumer preference for community integration. The federal government is taking a lead role in this work by contributing \$5.66 for every \$1 the state uses to move people out of institutions and into the community. Now is the time to implement in our state those policy shifts occurring nationally. This is why the Governor proposes to consolidate two residential habilitation centers, stop admitting school-age children to institutions and harness the expertise of residential habilitation center staff to build more community capacity.

WASHINGTON STATE ARTS COMMISSION

The Arts Commission receives money through the National Endowment for the Arts that requires matching state funds. The Governor proposes to eliminate the commission and move some staff to the Department of Commerce to preserve Washington's art assets and to seek private and other funding to maintain the program. An investment of \$500,000 in state funds will leverage approximately \$1 million in federal matching funds and \$1 million in private and local revenue.

FAMILY POLICY COUNCIL AND THE COUNCIL FOR CHILDREN AND FAMILIES

The Family Policy Council was created to reduce such behaviors as child abuse, chemical dependency and domestic violence. The Council for Children and Families was established to lead efforts to prevent child abuse and neglect. Both councils provide funding, outreach and technical assistance to communities to improve child and family outcomes. The Governor will provide one-time "seed money" to merge the functions of each council under the leadership of a new nonprofit organization. The new entity will continue to provide high-quality services by better leveraging federal and philanthropic contributions.