

**State of Washington**  
**Blue Ribbon Commission on Children and Families**  
**Fiscal Workgroup Status Report #1**

The Fiscal Workgroup is co-chaired by Rayanna Williams, Budget Assistant to the Governor, and Don Winstead, a member of the consulting team.

The group includes representatives from The Department of Social and Health Services (DSHS) including departmental staff and representatives from the Children’s Administration and the Economic Services Administration; representatives from the Department of Early Learning (DEL); the Department of Health (DOH) and the Health Care Authority (HCA).

The group has discussed a purpose statement and assumptions listed below.

**Purpose:** The fiscal work group will provide information to support decision-making by the Blue Ribbon Commission (BRC). When final recommendations are made by the commission, the fiscal work group will provide estimates on the fiscal implications of those recommendations.

**Background, Assumptions and Expectations:**

- The fiscal workgroup will not need to make detailed financial projections of potential costs but rather identify “order of magnitude” costs among options identified by the Commission for consideration. Depending on future actions by the BRC, more detailed analysis, akin to a fiscal note, can be developed from final recommendations.
- It is assumed that if existing programs, subprogram components or functions are shifted from one entity to another, the resources appropriated to those entities will follow.
- It is assumed that program, component or functional shifts may result in incremental or decremental costs due to changes in economies of scale.
- It is assumed that shifts of programs, components or functions may result in one-time costs. These will need to be identified if they are likely to be of significant size to affect decisions by the commission.
- It is assumed that information and communications technology needs will be identified by the IT Workgroup and may result in one-time costs, as well as ongoing maintenance and operations costs.

**Considerations:**

The workgroup is identifying administrative and enterprise functions where costs are likely to be incurred, but these functions are less apparent because they are not directly associated with delivery of a specific service or program. These functions will be impacted by changes in economies of scale and by potential shifts in federal funding sources. Many of the functions are

shared by multiple programs and restructuring of the programs may not reduce workload. If the funding shifts and the workload remains the same, a budget “gap” is created in the remaining entity.

In addition, the receiving entity may need to develop additional capacity to manage administrative functions and to provide oversight to these functions.

The workgroup is currently working with lists of potential program shifts that were previously referenced as option B and option C.

As decisions are made by the Blue Ribbon Commission on recommendations for organizational change, detailed work will take place to more specifically document potential costs.

An additional area of coordination will be with the IT workgroup. This is an enterprise function where cost impacts and/or opportunities are likely.

Current analysis is focusing on identifying potential incremental impacts on agencies that may see shifts of current programs to another entity and potential impacts on the receiving agency, in both scenarios that would be the DEL.

It is possible that there may be future savings or cost avoidance from actions being considered by the Blue Ribbon Commission. The Fiscal Workgroup does not have information that would indicate that organizational changes are a likely determinant of future savings. If increased emphasis on prevention or improved organizational performance are to produce future impacts, the assessment of these potential impacts are more likely to be the result of findings from the research community specializing in predictive analytics than from fiscal analysis.

The workgroup intends to continue to meet weekly by conference call. We hope that the Blue Ribbon Commission can continue to refine the list of potential changes so that we can focus our analysis on the most likely scenarios.