



CONSOLIDATING SERVICES FOR MORE EFFICIENCY AT LESS COST

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 agency consolidations and new strategies. Her proposal addresses the question "Are there more cost-effective, efficient ways to do the activity?"

One of the lessons these tough times have underscored for us all is that state government cannot conduct business as usual. We must look at delivering only the most essential services our citizens need in leaner, more targeted ways. In transforming Washington's budget, Governor Gregoire and her Cabinet agencies have identified a number of areas where we can operate more effectively and efficiently through consolidations, eliminations or other actions. For the agencies described below, we consolidate 21 to 9 over two years.

This saves money and employee costs. And it very importantly provides greater efficiency, effectiveness, coordination and simplicity.



PHASE II OF NATURAL RESOURCE CONSOLIDATION

Washington state now operates 11 agencies with a role in managing natural resources. This organizational structure is needlessly complex, inefficient and confusing to the public. The Governor continues her campaign for natural resources reform in this phase 2 proposal, ranked highly by the Transforming Washington's Budget Committee, to consolidate our natural resource agencies and programs into five primary, function-based organizations: fish/wildlife/parks, ecology, agriculture, natural resources and Puget Sound restoration. This will reduce General Fund spending by \$2.5 million and 13.5 employees in the second year of the biennium. (See chart on page 3.)

This consolidation has a clear purpose: to manage and conserve our natural resources in a period of high expectations and limited resources. The Governor's proposed organizational model moves us out of silo-based management to simplified management based on functions and accountability to:

- » Create a simpler, more functional and accountable structure.
- » Save some money now and set up for long-term savings by more efficiently using limited funds.
- » Build on last year's consolidation of eight environmental appeals boards to three, which saves money and maintains key services.

STATE GOVERNMENT CENTRAL SERVICES CONSOLIDATION

The Transforming Washington's Budget Committee also considered consolidation of the state's five central service agencies that provide "back office" services. The Governor proposes that the Department of General Administration, Office of Financial Management, Department of Personnel, the State Printer and portions of the Department of Information Services be merged into two agencies. Under the Governor's proposal, the new Department of Enterprise Services will handle facilities and lease management, fleet management, purchasing and contracts, information systems, printing, accounting and human resources, which are central services provided to all state agencies. The Office of Financial Management will continue to handle policy, budget, forecasting and labor relations. These consolidations will reduce management and line staff and cut costs of essential functions. Next biennium, we expect savings of \$18.3 million and 95 fewer employees. (See charts on pages 4 and 5.)

OFFICE OF CIVIL RIGHTS

The Governor proposes a common-sense initiative to preserve programs that provide vital access and opportunity to diverse communities while holding down costs. The new Office of Civil Rights will consolidate five smaller agencies: the Human Rights Commission, Office of Minority and Women's Business Enterprise, Commission on African American Affairs, Commission on Hispanic Affairs and Commission on Asian Pacific American Affairs. The Office of Civil Rights will also streamline the functions of the Human Rights Commission and the Office of Minority and Women's Business Enterprises. The Governor's proposal preserves the essential work of these agencies while eliminating administrative overhead and other duplicative expenses. For the biennium, we expect savings of about \$1.4 million and 16 fewer employees. (See chart on page 6.)

BOARDS AND COMMISSIONS

In the past two years, the Governor has been instrumental in the elimination or consolidation of 143 boards and commissions. This legislative session, she will introduce a bill to cut the number of Governor appointments by 351, or 14 percent. This will be accomplished by eliminating 36 more boards and commissions, and moving appointment authority to state agencies for another 16 boards and commissions. While these boards were created with the best intentions, we must be even more efficient in our work and in saving money.

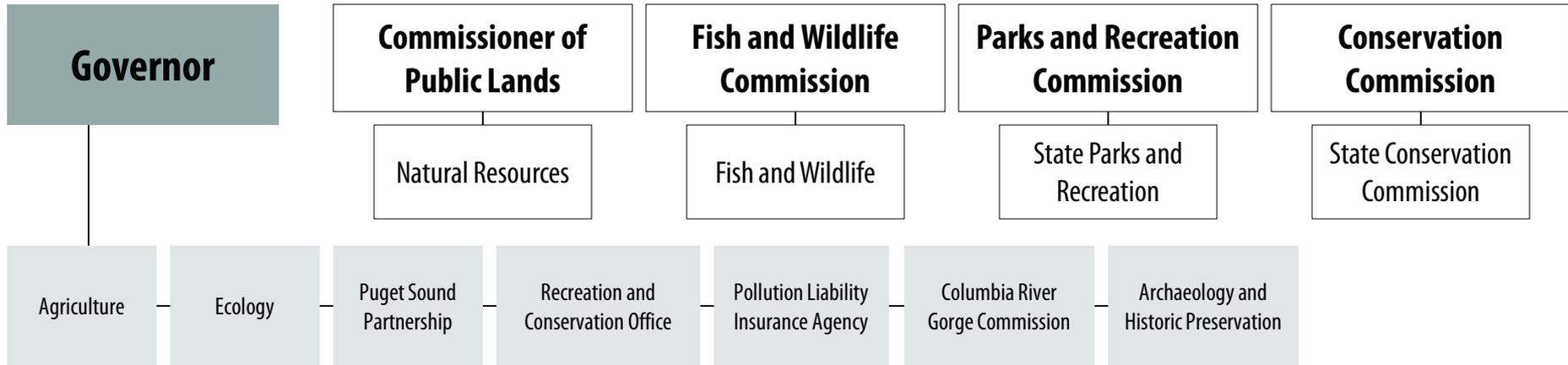
INTEGRATING CORRECTIONAL SERVICES

The Governor is pursuing strategies to leverage efficiencies among multiple agencies in the corrections field. Local jails are operated by cities and counties while prisons are operated by the state. Historically, these two correctional systems have been administered independently of one another. Representatives of the state Department of Corrections and the Washington Association of Sheriffs and Police Chiefs are discussing short- and long-term strategies to take advantage of the strengths of each system. For instance, the department and the association are exploring how to control health care costs, which place a tremendous burden on all levels of the corrections system. As the state cuts health care spending through bulk purchasing and other means, both parties are exploring how these tools could benefit local jails.

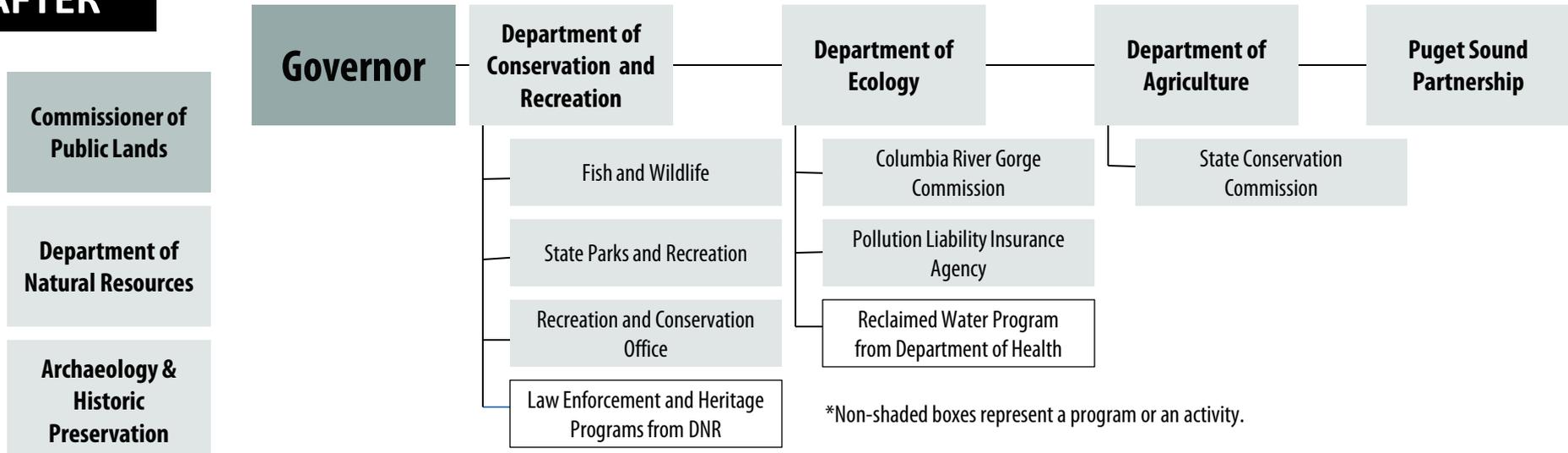
The department is exploring the use of excess jail capacity throughout the state instead of building its own facilities or sending inmates out of state. The Governor is looking to improve public safety and save taxpayer money.

Phase II of Natural Resources Consolidation - 2011 Session

BEFORE



AFTER



Current Central Service Agencies

BEFORE

Governor

Department of General Administration

Internal Operations

- Facilities
- Human Resources
- Finance
- Budget
- Accounting
- Agency Purchasing & Contracts
- Communications

Essential Services

- Facilities & Grounds
- Consolidated Mail
- Motor Pool
- Procurement
- Leased & Owned Property
- Engineering & Architectural Services
- Purchasing & Contracts
- Statewide Facilities Planning & Management
- State Building Code Council
- Surplus & Materials Management

Department of Personnel

Internal Operations

- Facilities
- Human Resources
- Finance
- Budget
- Accounting
- Agency Purchasing & Contracts
- Communications

Essential Services

- Recruitment
- Employee Assistance
- Human Resource Management System
- Human Resource Policy
- Small Agency Human Resource Services
- Classification & Compensation
- Workforce Training
- Personnel Services Board
- Workforce Diversity

Office of Financial Management

Internal Operations

- Facilities
- Human Resources
- Budget
- Accounting
- Agency Purchasing & Contracts
- Communications

Essential Services

- Budget
- Policy
- Forecasting
- Labor Relations
- Risk Management
- Contract Management
- Facilities Oversight
- Statewide Accounting
- Small Agency Financial Services
- Statewide Financial Systems

Department of Information Services

Internal Operations

- Facilities
- Human Resources
- Finance
- Budget
- Accounting
- Agency Purchasing & Contracts
- Communications

Essential Services

- Web Services
- State IT Policy & Project Management
- Procurement & Leasing
- Mainframe Computing
- Network Operations & Telecommunications
- Data Center
- Email & SharePoint
- IT Security

State Printer

Internal Operations

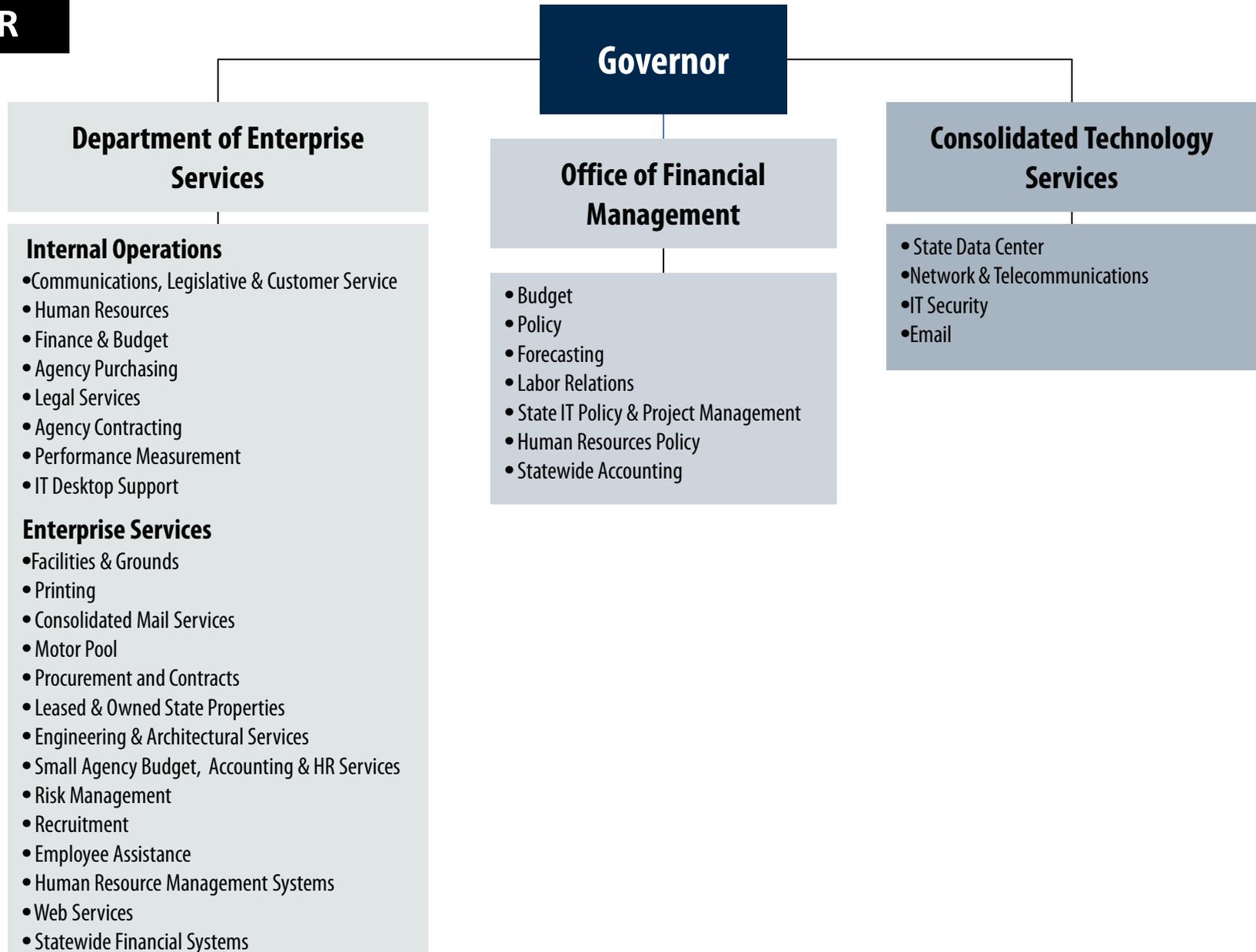
- Facilities
- Human Resources
- Finance
- Budget
- Accounting
- Agency Purchasing & Contracts
- Communications

Essential Services

- Printing
- Procurement & Leasing
- Purchasing

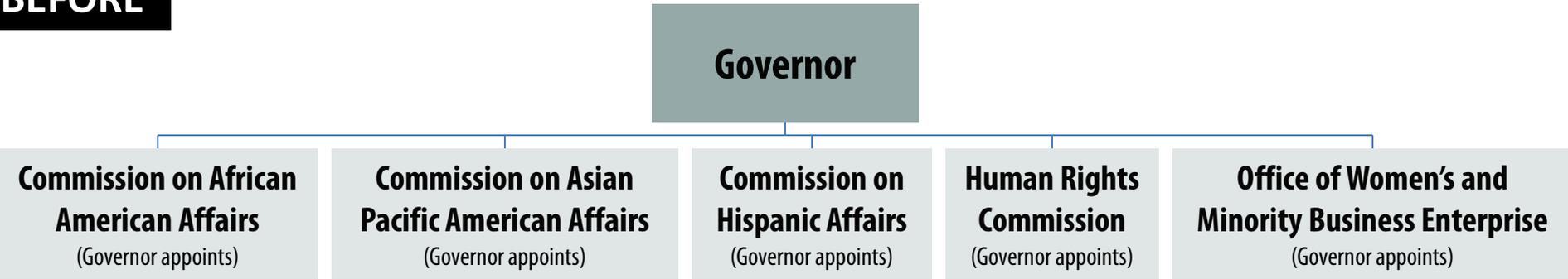
Proposed Department of Enterprise Services

AFTER

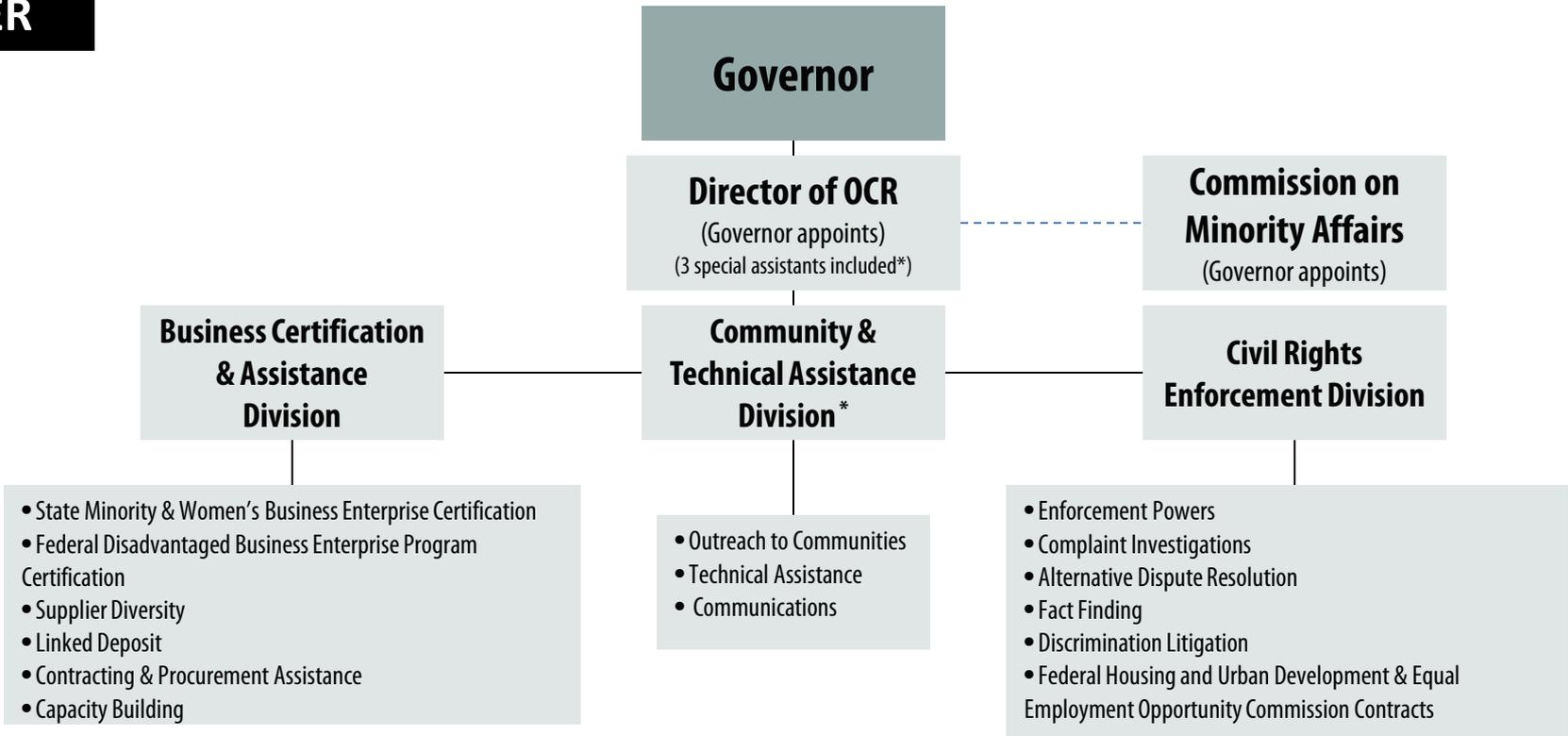


Washington State Office of Civil Rights

BEFORE



AFTER



* Three special assistants will provide outreach to the African American, Hispanic and Asian Pacific American communities.