

Getting By Isn't Good Enough



"We can leave our legacy to future generations only if we are willing to change . . . to go beyond partisan labels, and to solve the problems facing Washingtonians."

IN HER FIRST 100 DAYS AS GOVERNOR, Christine Gregoire established a forward-looking administration and dove into the toughest issues facing Washington State.

The new Governor vowed to change the culture of state government, telling her new cabinet to blow past the bureaucracy, shed reliance on the status quo and take the steps necessary to improve priority state services that people need and want.

By her actions in the first 100 days of her administration, Governor Gregoire sent a clear message to the men and women she put in charge of the new government:

"Getting by isn't good enough."

Changing the Culture of State Government

When Governor Gregoire took office on Jan. 12, she became chief executive officer of a \$26 billion services business with a payroll of more than 100,000 employees.

Her job portfolio includes ensuring public health and safety for a state population of more than 6 million, educating 1.2 million school children and college students, providing health care for 1 million people, protecting children from abuse and neglect, confining 17,000 prison inmates, protecting the environment and developing the state economy.

She correctly saw her task as formidable and far-reaching, and like any good CEO, she moved quickly to start managing state government for the benefit of its customers – the taxpayers.

Since taking office Jan. 12, Governor Gregoire:

- ✓ Appointed directors of 23 executive cabinet agencies under her direct control.
- ✓ Proposed a \$26 billion operating budget for the 2005-07 Biennium that included permanent funding to reduce class sizes under Initiative 728 and expanded enrollment at state colleges and universities.
- ✓ Expanded health care to children in low-income families.
- ✓ Avoided general tax increases that could slow the economy – as unemployment in Washington State dipped to the lowest level in four years.
- ✓ Ordered a reduction of 1,000 positions in state government's middle management.
- ✓ Began work on the GMAP system that will measure how effective the state is in delivering services.
- ✓ Proposed cost-of-living adjustments for state workers, who have gone without pay raises for four years.
- ✓ Declared a drought emergency, preparing the state to deal with the worst drought conditions in years.
- ✓ Ordered that Child Protective Services caseworkers be at the doorstep of abused children within 24 hours of a report of abuse.
- ✓ Established an action plan to contain the state's health care costs.
- ✓ Established an action to clean up polluted Hood Canal and Puget Sound.
- ✓ Proposed the Life Sciences Discovery Fund to support cutting-edge research in life sciences including human health and agriculture.

Hired proven managers

Successful CEOs say the single, most important task in their first 100 days is to fill key positions with the best talent. Governor Gregoire succeeded in attracting the best and the brightest to her Cabinet – from both inside and outside Washington.

She hired a 25-year social services executive from Utah to run the Department of Social and Health Services, and brought in Oregon Governor Ted Kulongoski's top administrator to run the Department of Labor and Industries.

To head the Department of Ecology, Governor Gregoire picked a man highly respected for his negotiating skills to bridge the gulf between business and environmental concerns. The difficult job of running the state's vast and growing prison system went to the seasoned former head of the Nebraska prison system. The head of the Department of Agriculture is an Eastern Washington woman who previously held the post and was reappointed by the Governor.

To date, the Governor's Cabinet appointments include 13 men and nine women, including 18 new appointments of department heads. One-third of the appointments reflect the ethnic diversity of the state's population.

Cut middle management

Governor Gregoire wasted no time finding and fixing a problem that developed long before she took office – bloated middle management in state government. During budget deliberations, the Governor discovered that in the six previous years, the number of middle management positions in the Washington Management Service grew by 42.1 percent, while the number of non-management jobs grew by just 3.6 percent. She proposed to cut 1,000 middle managers from state payrolls in the next budget cycle. In their budget proposals, both the state Senate and House agreed. The \$50 million saved would be redirected to deliver state services directly to citizens.

Tackled the rising cost of health care

The Governor appointed a veteran private sector health care expert to head the state Health Care Authority and charged him with taking several major steps to cut the growth of health care costs for nearly 1 million people – a cost paid by Washington taxpayers. Steps include harnessing technology to reduce paperwork, and eliminating unproven and unnecessary health care that drives up costs. By using the state's colossal health care purchasing clout, health care costs can be driven down, even for small businesses. In that vein, the Governor proposed and won legislation to create a consortium comprising the state, private companies, labor groups, local government, and uninsured and under-insured individuals to access lower cost prescription drugs.

Demanded better ways to judge management performance

The Governor launched a program to gather the right kind of information to determine if state agencies are delivering the right services at the right price. Called GMAP – short for Government Management Accountability and Performance – the program aims to harness state computers to combine existing and new data to provide real-time information regarding how well government is delivering services, and to identify programs that don't work. Part of the initial focus is on two large agencies – the departments of Social and Health Services and Corrections. The Governor expects to have a better picture of the performances of both by year's end.

Launched smarter buying of goods

The Governor gave the go-ahead to a wholesale change in the way state government buys and stores goods from paper to tires and computers. Across state government, purchases will be made in bulk – and in a way that reduces the need for costly warehouse space and inventory control – saving \$50 million in the next, two-year budget period.

Targeted programs that don't work

The Governor instructed her cabinet to eliminate programs – or parts of programs – that don't work. For example, she directed that \$20 million be cut in the WorkFirst program, which eliminates parts of the welfare-to-work program that are not effective – but keeps the parts that are working. In this way, the state will better target employment assistance to those in real need of it.

Respected state workers

State employees have gone without cost-of-living adjustments (COLAs) for four years, while having to absorb rising health insurance costs. The Governor's budget proposal honors contract agreements the previous administration bargained in good faith with state-worker unions and her budget provides other state employees the same package of COLAs and benefits.

Backed real election reforms

Even before taking office, Governor Gregoire persuaded Republican Secretary of State Sam Reed and former Democratic Senator Betti Sheldon to head an election reform task force and produce recommendations to improve Washington's election system. Many of the recommendations, including election procedure improvements, are contained in reforms being considered by the Legislature.

Ordered agencies to speak "Plain Talk"

Taking action to make sure there is a clear line of communications between state government and the people it serves, the Governor issued an Executive Order requiring all state agencies to set up "Plain Talk" initiatives. The order mandates agencies to reduce unnecessarily complex or unclear instructions, form letters and other written messages to residents and businesses.

Getting by isn't good enough

Governor Gregoire spent days, nights and weekends of her first 100 days studying, probing and agonizing over state spending – especially for public schools, colleges, and health care for low-income children. The Governor concluded that the state could get by without a new revenue package, but decided: "Getting by isn't good enough."

Governor Gregoire said the budget she proposed "gets us out of the rut that the national recession left us in. In government, there's a feeling that if we just hunker down and make do with the status quo, we can get by. Trouble is, the status quo kills you. You might think you are holding your own, but you're not. With this proposal, we move Washington forward. We do more than just get by – because getting by isn't good enough."

She found significant ways to save and redirect state spending. Her budget proposal combined these savings with modest taxes on cigarettes and inherited estates worth more than \$2 million to fund improvements in services that Washington residents care about the most. At the same time, she took care to avoid general tax increases that could hurt the state's economic recovery. The Governor:

Set priorities

Investing in education, expanding health care for children and strengthening the state economy were the top three priorities of the Governor's budget.

Honored the will of voters to improve public schools

Her budget proposal, now under consideration by the Legislature, directed partial restoration of estate taxes and new cigarette taxes to reinstate class-size reduction Initiative 728, which was overwhelmingly approved by voters but suspended by the Legislature over the last two years. The Governor also reinstated voter Initiative 732, granting the state's school teachers the cost-of-living raises they were promised and deserve. The Governor also:

- Proposed new funding to help struggling high school students meet tough graduation standards.
- Proposed increased funding for the Early Childhood Education and Assistance Program (ECEAP), so more students have access to early learning and providers of ECEAP services receive a cost-of-living pay increase.
- Won passage of her demand for comprehensive examination of the state education system – from preschool through the state higher education system. The Governor will lead a commission composed of business, community and education leaders, and legislators, in developing recommendations for education in areas like finance, governance and program delivery.

Met the demand for more seats in college

The additional cigarette and estate tax revenue the Governor proposed also would help provide an increase in enrollment at our colleges and universities by 6,600 students, meeting a growing demand from Washington people who need training to succeed in our changing economy. The Governor also:

- Proposed to improve access to four-year universities by designating the Washington State University branch campus at Vancouver and the University of Washington branch campus at Tacoma as four-year schools.
- Proposed core funding to improve quality at state colleges and universities. The Governor's funding ends a pattern of neglect in which access to college has come at the expense of quality in the higher education the state provides. Tuition increases are used to improve quality – and not to make up for the state's failure to provide enough basic support.

Expanded health care for children

One of the Governor's first official actions was to suspend a requirement that families of low-income children make co-pays when their children receive health care – a significant barrier to

access. She also signed into law a measure requiring insurance companies to give patients the same level of mental health coverage they receive for physical ailments. And she won legislative approval of her proposal to expand a prescription drug consortium to lower drug costs for people who are uninsured or underinsured. In her budget proposal, the Governor:

- Funds health care for an additional 46,700 children in low-income families and protects the Basic Health Plan for the working poor by avoiding cuts to enrollment in the state-sponsored insurance plan where enrollees pay premiums based on ability to pay.
- Restores \$80 million in lost federal funding to provide mental health care to thousands of low-income patients who show up at community mental health clinics.

Strengthened our social services safety net

Governor Gregoire ordered that Child Protective Services workers speed up their response to abuse and neglect cases, initiating investigations within 24 hours in more urgent cases, and no more than three days in other circumstances. Previously, it could take 10 days before an investigation was started. The Governor:

- Proposes pay raises for priority caregivers, funding cost-of-living increases for vendors who provide 24-hour care or crisis stabilization for the state's most vulnerable clients, including those in foster care and residential care for the developmentally disabled and elderly.
- Proposes doubling the amount of treatment services available for alcohol and drug abuse. Research indicates that for every public dollar invested in chemical dependency treatment, \$3.19 is saved in public expenditures in other social service programs.
- Proposes creation of a long-term care task force, which will focus on financing options and on ways to better deliver long-term care to an aging population.

Took action to protect the environment

The Governor proposed an aggressive action plan that will begin to clean up polluted Hood Canal by reversing low-dissolved oxygen levels and nutrient flows into the canal – both of which kill aquatic life. She also began efforts to address clean-up issues throughout Puget Sound. The Governor also:

- Endorsed and supported passage of clean-car legislation that improves state emission standards by adopting the same standards used in California, starting with the 2009 model year.
- Signed the high-performance green building bill into law, making Washington the first state to enact legislation requiring that new public buildings meet “green building” standards for energy efficiency, water conservation and other environmental standards.
- Proposed \$45 million in new Capital Budget spending to protect fish and wildlife habitat and support local parks through the Washington Wildlife and Recreation Program. She also proposes spending \$30 million to upgrade and add new state parks – to get ready for the celebration of the state parks system's 100-year anniversary in 2013.

- Supported the Columbia River Initiative as a first step towards adopting a new water storage management program to promote economic growth and community development goals, while improving the river ecosystem.
- Approved the submission to the federal government of a landmark “Habitat Conservation Plan” for management of 9.1 million acres of forest land, 60,000 miles of streams and the fish that depend on them. The plan is the outcome of a partnership among the state, tribes, federal government and private timber owners that developed new rules and regulations for private timberlands that help ensure restoration of endangered salmon runs while providing regulatory certainty for the timber industry.

Moved rapidly to make citizens safer

The Governor won legislative approval of a measure to speed up deployment of National Guard troops to fight expected wildfires this summer, and to respond to other emergencies. The Governor also:

- Reappointed a nationally recognized leader in the National Guard to be director of the state Military Department.
- Appointed as the head of the State Patrol a former Washington State Trooper with 26 years experience who is widely respected in law enforcement.
- Proposed pay raises for state troopers, which are necessary to keep the State Patrol from losing to other law enforcement agencies talented members who have been trained through significant investments by the state.
- Created a new division within the Washington State Patrol – the Vessel and Terminal Security Division – to improve a federal-state partnership to better ensure the State Ferry System is protected from terrorist attack and other disasters.
- Proposed a budget that staffs new crime laboratories and improves how police, courts and corrections officials obtain and share information about offenders all across Washington State.
- Proposed a budget that holds people accountable for committing crimes. The spending plan prepares for an expanding prison population and keeps dangerous sex offenders in secure treatment facilities.

Thinking big for Economic Success

Governor Gregoire took several important steps to strengthen Washington’s economy – in the immediate future and for the next generation.

A worldwide scientific revolution is under way in the area of biotechnology, and it promises to advance human health and ease world hunger in ways not seen before. The Governor wants Washington to be part of this revolution, and proposed creation of the Life Sciences Discovery Fund. Using \$350 million in bonus tobacco settlement money that resulted from the state’s

leadership role in the tobacco case, the fund would provide seed money to attract public and private contributions, raising \$1 billion over 10 years to support health and crop-yield research in Washington. The Governor also:

- Declared a statewide drought emergency, triggering actions by the state to prepare for the impacts of severe drought conditions that are forecast for Washington. These actions, along with \$12 million in proposed funding, are designed to minimize the impacts of a water shortage on people, fish, agriculture and businesses. The Governor's new director of General Administration set out to make state government a model for the rest of the state by cutting water use at state facilities by 25 percent.
- Creates jobs with a proposed a Capital Budget of \$2.8 billion, which supports an average of 19,700 jobs directly and indirectly related to state construction projects over the next two years. Projects include much-needed new facilities for higher education, public schools, and projects to revitalize local communities.
- Set in motion aggressive efforts, including a proposal for \$10 million to fund possible infrastructure improvements, to make sure federal military base closures do not include the nine major bases and 100 smaller facilities in Washington. The Governor visited major bases in the state and traveled to Washington, D.C., to argue the state's case for keeping them open. Each year, these facilities account for 188,000 direct jobs \$7.2 billion in economic activity.
- Signed into law an apprenticeship bill that requires at least 15 percent of construction workers on a state project be apprentices from state-approved apprenticeship programs. Apprenticeship is known as "the other four-year degree" because it sends highly trained, well-paid workers into the state employment market in an increasingly broad range of occupations.
- Supported Grant, Snohomish and Spokane counties' efforts to win an aircraft assembly plant that European Aeronautic Defence and Space Co. may locate in the United States.
- Worked with the House and Senate to develop new tools for local economic development to create infrastructure needed to keep existing businesses and attract new ones.
- Required that all permitting and licensing programs be required to establish timelines for responding to permit applications so that businesses and citizens have clear understanding of what is required, and how long it will take to issue a permit or license. Permit programs will consult with the regulated community and citizens to develop timelines that reflect business and citizen needs without compromising agencies' legal obligations.
- Proposed legislation making it easier for minority- and women-owned businesses to receive low-interest loans from banks through the Linked Deposit Program.
- Proposed construction funding for a Bioproducts Facility in the Tri-Cities – in partnership with Battelle Pacific Northwest National Laboratory – that would convert agriculture waste to a new cash crop of commercial products such as plastics, solvents and pharmaceuticals.

- Launched a partnership with Oregon Governor Ted Kulongoski to plan and work together to develop and improve the economies of Southwest Washington and Northwest Oregon.
- Scheduled two foreign trade missions to promote Washington products, and encourage investment and tourism in Washington State. The first mission in June includes Paris, Frankfurt and London. The second, scheduled for September, includes Japan and China.

Doing what must be done for transportation

Washington's system of roads, highways, ferries and mass transportation is the backbone of the state's economy. If you can't get to work, and businesses can't get goods to market, all other economic development activities are compromised. Governor Gregoire is fully aware of this and is working with chairs of state House and Senate transportation committees, and other legislative leaders, to establish long-term funding plans that:

- Put the highest priority on solving safety problems.
- Help local governments address local transportation issues and provide local-option revenue sources to help fund major regional projects.
- Move forward on mega-projects like the Alaskan Way Viaduct, SR 520 bridge over Lake Washington and the Columbia River crossing between Portland and Vancouver.
- Consider tolling and alternative financing for major regional projects.
- Improve freight mobility.
- Secure bipartisan support in the Legislature.

Respecting veterans

Governor Gregoire respects the sacrifices made by Washington men and women who serve in the armed forces. Between the two of them, the Governor and her husband Mike, a Vietnam War veteran, have visited every major military base in the state. The Governor helped welcome home from Iraq the aircraft carrier USS Abraham Lincoln and the National Guard's 81st Brigade. The Governor also:

- Proposed legislation to establish means-tested property tax exemptions for widows and widowers.
- Helped celebrate the opening of the new Washington Veterans Home at Retsil.

Setting the right course

In her first 100 days in office, Governor Christine Gregoire set a course for her administration that will require more hard work in the days and months ahead. Improving the education system – from kindergarten through college – reducing the growth of state health care costs, and establishing a budget that's sustainable in the face of fluctuations in the economy likely will be the most difficult challenges. Nonetheless, the new Governor approached her first 100 days as a problem solver with the determination and commitment to tackle the toughest issues and make Washington State a government in which its people take pride.