



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

*Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555*

November 29, 2022

Honorable Jay Inslee  
Governor

Honorable Christine Rolfes  
Honorable Lynda Wilson  
Senate Ways & Means Committee

Honorable Timm Ormsby  
Honorable Drew Stokesbary  
House Appropriations Committee

Dear Governor Inslee, Senators Rolfes and Wilson, and Representatives Ormsby and Stokesbary:

Section 15, Chapter 297, Laws of 2022 directed the Office of Financial Management to review and report on vendor rates for services provided to low-income individuals at the Department of Corrections, Department of Social & Health Services, and Department of Children, Youth, and Families. I am writing to transmit the attached status report from Community Attributes, Inc. (CAI), the consultant we hired to perform this work.

There were challenges in finding a consultant for the study, which required us to extend the timeline. We plan to amend Section 130(15) in the governor's proposed 2023 supplemental budget to reflect that a status report will be submitted by December 1, 2022, and a final report will follow on April 3, 2023.

If you have any questions, please contact Carly Kujath, Budget Assistant to the Governor, at [carly.kujath@ofm.wa.gov](mailto:carly.kujath@ofm.wa.gov) or (360) 790-7909.

Sincerely,

David Schumacher  
Director

cc: Ross Hunter, Director, Department of Children, Youth, and Families  
Jilma Meneses, Secretary, Department of Social & Health Services  
Cheryl Strange, Secretary, Department of Corrections  
Susan Howson, Staff Coordinator, Senate Ways & Means Committee  
Charlie Gavigan, Staff Coordinator, House Appropriations Committee  
Nona Snell, Assistant Director for Budget, OFM  
Carly Kujath, Budget Assistant to the Governor, OFM



500 Union Street, Suite 200  
Seattle, Washington 98101  
tel: 206.523.6683 fax: 866.726.5717

## Memorandum

To: David Schumacher, Director, Office of Financial Management  
From: Madalina Calen, Project Manager, Community Attributes  
Date: November 22, 2022  
**Re: Vendor Rates Study**

---

OFM commissioned Community Attributes Inc to conduct a study of vendor rates for services to low-income individuals at the Department of Corrections (DOC), Department of Children, Youth and Families (DCYF), and Department of Social and Health Services (DSHS) as directed by Section 130(15) of ESSB 5693. This memorandum provides a summary of the scope of work, work completed to date, and next steps for the Vendor Rates Study.

### Scope of Work

CAI will conduct preliminary interviews with fiscal leadership and subject matter experts at DOC, DCYF, and DSHS in consultation with OFM. The purpose is to review study goals, objectives, and timeline. In addition, we will identify applicable programs, vendors, and data sources and learn about strengths and limitations to gathering and operationalizing the data in the study. Following these preliminary interviews, CAI will work with the agencies to gather vendor and rate data, including the identification and summarizing of billing methodology for each vendor rate. CAI will analyze and report the data, including reference-point inflation factors and billing methodology, in a final report to OFM. The final report will be due April 3, 2023.

### Work completed to date (October-November)

- **Kick off meeting.** CAI met with the Office of Financial Management to initiate project, confirm scope of work and communication procedures, and discuss working definitions and guiding principles for the project. A project schedule was established, including interim deliverables and major milestones.
- **Preliminary agency interviews.** CAI worked with OFM to develop interview questions and to contact representatives at DOC, DCYF, and DSHS to schedule preliminary interviews. All three interviews have been scheduled and CAI and OFM conducted the first interview with DCYF on November 15, 2022.

### Next Steps (December):

- **Complete preliminary agency interviews.** CAI and OFM will meet with DSHS on November 30, 2022, and with DOC on December 5, 2022. CAI will summarize the notes from the interviews.
- **Data requests.** In collaboration with OFM, CAI will develop a data request and follow-up with participating agencies to collect the data required for analysis for this study.