



Child and Family Well-Being Task Force

**Healthy Children's Fund
Report Card 2026**

Land Acknowledgement

We would like to begin this report by acknowledging that we work on the ancestral homelands of Indigenous Peoples who have lived in the Salish Sea basin and the North Cascades watershed from time immemorial, in particular, the Lhaq'temish people who we recognize today to be the Lummi Nation, the Nooksack Tribe, and the Semiahmoo.

May we be mindful of the inherent owners of this land, our children, who are our future-future stewards of the land and advocates for the generation to come. May that truth guide our work and efforts to improve the well-being of all families and children, native and non-native, living in this beautiful county.

This land acknowledgment is not meant to be a substitute for authentic relationship-building and understanding. It is meant to introduce us to one way we can show respect and honor for the sacrifices and leadership of the first people of this land.

Task Force Membership

Tilda Doughty, Task Force Co-Chair

Sallye Quinn, Task Force Co-Chair

Karla Anderson, Task Force Co-Chair

Allison Bishop, Task Force Co-Chair

Christina Jackson, Generations Forward

Jason Oldham, Generations Forward

Beverly Porter, Whatcom Taking Action

Kristi Dominguez, Ferndale School District
Superintendent

Amber Wilder, Department of Children,
Youth and Families

Allison Williams, Whatcom County Health
Department

Sativa Robertson, Nooksack Tribe

Vesla Tonnessen, Community Member

Makela Alem, Community Member

Sterling Chick, Public Health Advisory
Board

Elizabeth Boyle, Whatcom County
Council

Jason Korneliussen, City of Bellingham

Gregory Hansen, Small Cities Partnership

Jamie Desmul, Community Member

Jennifer Wright, Community Member

Anne Granberg, Community Member

Monika Mahal, Community Member

Katherine Orłowski, Community Member

Megan Juenemann, Community Member

Susan Marks, Community Member

Lynn Schreiber, Community Member

Heather Carson, Community Member

Colton Kaltenfeldt, Community Member

Introduction

Section 5.2 of Proposition 5 of the Healthy Children's Fund ("HCF") calls upon the Child & Family Well-Being Task Force ("task force") with the support of the fund administrator to: "write and deliver an annual report to the public and the County Council. This shall include progress made towards agreed upon goals, outcomes, and metrics." The task force refers to the annual report as a "Report Card" to distinguish it from other reporting requirements of the task force. This Report Card constitutes the task force's Report Card for 2026 with the previous Report Card having been provided in March of 2025.

As an initial matter, the task force wishes to express gratitude for and acknowledge the commitment, compassion and focus of the Whatcom County Health and Community Services (WCHCS) staff members that oversee and/or work directly in support of the HCF, specifically Sarah Simpson, Carrie-Ann Deguzman, Allison Williams, Allyson Halverson, and Beth Decker, and to recognize the significant efforts of the members of the team that worked on the Implementation Plan for 2025-2026.

Significant Developments and Report Card Focus

Since the March 2025 Report Card, two significant developments have occurred in connection with the HCF. First, in accordance with the HCF, a 2025-2026 Implementation Plan was developed and presented to and approved by County Council. Second, the first independent performance audit of the HCF was completed (the "**Independent Audit**").¹ The Independent Audit was completed by Seva Workshop and covered the period of January 1, 2023 to July 31, 2025. The final Independent Audit was issued on December 31, 2025.

The Updated Implementation Plan process and the Independent Audit process created significant opportunities for Whatcom County Council ("**Council**"), task force, stakeholder and public input regarding the HCF. Further, numerous presentations to Council occurred in connection with the Updated Implementation Plan and at least one presentation to Council occurred regarding the Independent Audit. Given these processes and with a desire to avoid duplicative information, the task force has focused this Report Card on the following:

1. Throughlines in concerns raised by both the task force in various settings and the Independent Audit; and
2. Update on the Specific Recommendations made in the March 2025 Report Card and renewed and new recommendation(s).

As a general matter, the task force desires to recognize the continued improvement achieved by WCHCS in administering the HCF, especially in the areas of communication,

¹ The HCF requires that "[e]very other year, a qualified independent auditor shall conduct a performance audit of the Healthy Children's Fund."

transparency and contract administration. The task force specifically commends WCHCS for its responsiveness in implementing a plan to administer the \$750,000 in HCF funds Council authorized to support families impacted by the December 2025 Winter Storms.

Throughlines

Fund Deployment/Contracting Delays

In the May 2024 Report Card and the March 2025 Report Card, the task force raised concerns regarding delays in contracting for HCF funds and in deploying the funds into the community. A similar issue is raised in the Independent Audit. Specifically, the Independent Audit notes that there is a significant amount of unspent and unencumbered HCF Funds as well as longer than expected start-up and contracting timelines. The Independent Audit also highlights that only 2.4% of the HCF funds have been spent for administrative costs;² however, 9% is allocated for administrative costs. This lack of spending indicates that from a financial perspective, money should not be a barrier to improved efficiency and effectiveness in deployment of the HCF.

The task force continues to have concerns that the HCF is not being deployed as quickly and effectively as is needed to address the substantial needs of the community in the areas that the HCF is intended to serve and that one of the causes for the delay is because the WCHCS has not effectively tapped into its administration budget.

However, HCF also recognizes that the Updated Implementation Plan demonstrates how all the money that is anticipated to be collected in the HCF for 2023 through 2026 will be spent. The task force is optimistic that despite the fact that – per the Independent Audit as well as the task force's own review of the existing HCF Contracts reported on the HCF website – the HCF has a significant unspent balance, WCHCS has a plan to rapidly deploy the unspent balance into the community. Notably, the childcare subsidy and rate augmentation programs will allow for a significant catch up on the unspent balance. That said, the task force continues to have concerns that despite WCHCS's best efforts, unless the administrative departments within the County that are needed to fully administer the HCF such as finance and legal are enhanced, fund administration will remain challenging. To that end, the task force **recommends expanded capacity in the departments within the County that are required to support WCHCS in its administration**. This recommendation has previously been made by the task force in both the May 2024 Report Card and the March 2025 Report Card.

Community Awareness

The March 2025 Report Card recommended greater communication and transparency with the public regarding the HCF. The Independent Audit raised similar concerns noting that during stakeholder feedback, families shared that there is lack of awareness about HCF

² This percentage is from 1-1-23 to 7-31-25.

funds and how to access services, and providers noted concerns regarding a lack of outreach.

The task force believes that room for improvement regarding a communication plan to both families and providers continues to exist. *However*, the task force notes that significant improvements have been made and are underway in this area. Specifically, the task force understands that a specific HCF website is in process and is soon to be released (release has been delayed due to flood response efforts). In addition, a videographer was hired to help share the story of the HCF and those videos are available on the HCF YouTube page. The task force anticipates that the public comment process that was part of both the Updated Implementation Plan and the Independent Audit also created opportunities for greater communication with the public.

Update; Renewed and New Recommendation(s)

The March 2025 Report Card noted remaining roadblocks to the HCF and made certain specific recommendations. This portion of the Report Card provides a status update regarding those roadblocks and recommendations, renews certain recommendations and highlights a new recommendation.

Gift of Public Funds. The March 2025 Report Card noted that several of the Implementation Plan's cornerstone strategies continued to face internal resistance stemming from a conservative interpretation regarding the gift of public funds doctrine. As was noted by Noah Purcell, Solicitor General from the Washington State Attorney General's Office during the informational session held on March 5, 2025 and hosted by the Whatcom Community Foundation and the Chuckanut Health Foundation, implementation of strategies can at times be stymied by an underlying, systemic assumption regarding the gift of public funds doctrine. The task force has made requests to the County Executive's former representative on the task force and more recently to the newly appointed head of WCHCS to confirm that the gift of public funds doctrine is not impeding the progress of the HCF. However, no definitive response has been given. As such, **the task force recommends** that the County take a clear position that the allowed uses of the HCF constitute a fundamental public purpose so that historical reticence regarding the use of these funds in furtherance of the HCF purposes based on the gift of public funds doctrine does not delay deployment.

Communication. The March 2025 Report Card recommended improved communication with the public regarding the HCF. This issue is addressed above under Throughlines.

External Evaluation. The March 2025 Report Card noted a potential discrepancy regarding whether an biennial external evaluation was required. This concern is fully resolved as a result of the Independent Audit.

Childcare Capacity Expansion/Remaining Strong in Support of Subsidies. The March 2025 Report Card noted the task force's hope that childcare capacity expansion would be

elevated. The task force notes that significant progress has been made on this front. As of November of 2025, a capital Request for Proposal (RFP) closed with 11 applications, 4 award letters issued supporting the expansion of 221 slots and at that time 4 more award letters were in the works totaling 43 slots expanded and 12 slots stabilized. The task force is aware that WCHCS continues to move forward with the Whatcom Kids First subsidy and the task force urges continued, steadfast support of this program especially in light of anticipated state cuts that could limit enrollment in the Working Connections Child Care Program.

Expand capacity in the Finance Department. The March 2025 Report Card recommended expanded capacity in the finance department. This issue is addressed above under Throughlines.

Publish a draft contract with RFPs. The March 2025 Report Card recommended publication of a draft contract with RFPs. This concern has been partially resolved with the publication of a standardized contract on the Healthy Children's Fund page on the WCHCS website.

Issue Council approval for draft contracts within fixed limits. The March 2025 Report Card recommended that Council pre-approve draft contract language. The task force understands this recommendation has not been implemented, but continues to believe that doing so would improve efficiency and timeliness in contract approval.

Raise the threshold for contracts requiring council approval. The March 2025 Report Card recommended that the threshold for council approval be raised. The task force understands this recommendation has been implemented in part, i.e. that threshold has been raised to \$75,000. The task force believes that raising the threshold even higher would improve the implementation of the HCF.

Workforce Expansion. On December 8, 2025, the task force issued a Memorandum to the County Executive and Council raising concerns and recommending specific action regarding implementation of Strategy 2 of the Healthy Children's Fund Implementation Plan. Strategy 2 addresses the need to develop additional pathways to ensure a stable early learning & care workforce to deliver high-quality programs for children. The task force remains concerned regarding the status of developing a network for professional and career development within the childcare workforce in order to achieve Strategy 2.