

HOUSE PROPOSED 2011 SUPPLEMENTAL AND 2011-13 OPERATING BUDGETS

Responsible Decisions for Tough Times



FY 2011 - \$1.2 billion shortfall

Actions already taken:

- December 2010: Legislature approved HB 3225 which made \$490 million in cuts and \$98 million fund transfers and other (Total: \$588 million)
- February 2011: Legislature approved ESHB 1086 which made \$242 million in cuts and some fund transfers (Total: \$367 million)

Proposed 2011 Supplemental (Total: \$368 million)

- Incorporate \$128 million federal Medicaid match (ARRA)
- Save \$240 million with one-day delayed apportionment to school districts

2011-13 - \$5.1 billion shortfall

- \$4.4 billion reductions
- \$214 million fund transfers
- \$300 million wholesale liquor operations privatization
- \$124 million permanent consolidation of certain revenues into general fund

We prioritized education, life-saving services, and care for our most vulnerable. Examples of programs we preserved funding for:

- Basic education
- Levy equalization for property-poor school districts
- National Board Certification for teachers
- Passport to College for foster children (almost 400 kids)
- Early Childhood Education and Assistance Program (more than 8,000 children)
- Apple Health (over 600,000 children)
- Disability Lifeline housing assistance (20,000 people)
- Basic Health Plan for 41,200 working poor
- Family planning for thousands of low-income women

Examples of cuts

- \$1.2 billion for I-728 and I-732, the classroom-size and teacher raise initiatives
- \$482 million reduction to higher education institutions (partly offset by increased tuition)
- \$362 million by ending Plans 1 automatic increases
- \$216 million from K-4 class-size enhancement
- \$177 million from an additional cut in state employee salaries
- \$141 million in hospital rates and related changes
- \$108 million from changes to the Basic Health Plan
- \$100 million in reduced Disability Lifeline payments
- \$97 million for reduced personal care hours for long term care and developmentally disabled clients

Examples of new investments

- \$103 million additional State Need Grant funding for low-income college students
- \$72 million to implement new K-12 funding formulas as proposed in the education reform bill (HB 2261)

Examples of cost-saving reforms

- Governor Gregoire's proposal to consolidate printing, IT and General Administration services into a new Department of Enterprise Services
- Ending recent Retire-Rehire practices
- Saving future pension costs
- Incentivizing better high school graduation rates
- Making investments in new K-12 funding formulas
- Moving our health care system forward – more managed care, bridging to federal health care reform
- Disability Lifeline housing program
- Merging four arts and heritage programs into a new Department of Heritage, Arts and Culture

Budget facts

This budget spends less than the expected revenues for the biennium.

Last year was the first time since 1951 when a state biennial budget was smaller than the previous budget. Even with modest budget growth in 2011-13, we'll still spend less than in 2007.

- 2005-07: \$30.2 billion (NGF-S)
- 2007-09: \$32.6 billion
- 2009-11: \$30.2 billion
- 2011-13: \$32.4 billion

(Source: fiscal.wa.gov)

This year, state spending per capita is at its lowest level since 1986. (Adjusted for inflation)