Letter from the Governor
December 18, 2012

Dear Friends

Subject: Building a Better Future

Through the past eight years, we’ve been through a lot together. But nothing has tested our resolve like the Great Recession of the past four years. Together we’ve seen the shape of state government change in drastic ways. We’ve reduced existing and projected spending by more than $11 billion, and have led the largest reform our government has seen in decades. From landmark pension and debt service reforms; to the elimination of boards and commissions; to closures of state institutions and agency consolidation; and to hiring, travel and equipment purchase freezes, we’ve reduced spending and saved money in every way possible.

Now, as I present my 2013–15 budget, another $900 million shortfall is forecast. This, combined with the state Supreme Court-mandated McCleary decision for education, presents a significant challenge. As required by law, my budget staff prepared a biennial budget that relies solely on existing revenues. But that reliance means $900 million more in program reductions. On top of the reductions we’ve already made, cuts of that magnitude would have unacceptable consequences like:

- Reducing levy equalization funding to local school districts by $100 million.
- Imposing $52 million in across-the-board cuts to public universities and colleges.
- Eliminating the State Food Assistance Program and other services for our most vulnerable citizens.

As a state, trying to rebuild in the wake of the past four years, those are not cuts that protect our people and build our future.

Instead, I have proposed a balanced and responsible budget—one that includes program reductions as well as reasonable solutions to maintain essential services. And I am putting forward a bold plan to begin addressing the state’s paramount duty of funding our basic education needs as required by our state constitution and interpreted by the state Supreme Court in its McCleary decision.

To make a $1 billion down payment on K-12 education I’ve proposed a wholesale excise tax on gasoline and diesel fuel, dedicated to pay the full costs of pupil transportation services over the next six years. By using transportation revenue to pay for pupil transportation, state resources are freed-up for full-day kindergarten, class size reduction, professional development, and the maintenance, supplies and operating enhancements critical for our schools.
During the transition to relying entirely on transportation excise taxes to fund pupil transportation, I’ve also proposed the extension of two temporary tax surcharges. A 0.3 percent increase to the business and occupation tax and a 50-cent-per-gallon beer tax, over the course of three and a half years, will yield $636 million for school enhancements in 2013–15 and $565 million in 2015–17.

Together these three elements will allow us to put a $1 billion down payment on the $3.4 billion in new K-12 spending that state has committed to over the next six years.

In addition, my budget focuses on enhancements in areas critical to the future success of our state, including prison safety, Puget Sound, early childhood education, and targeted investments in higher education. I’ve also proposed ways to cover critical funding shortfalls in our College Bound Scholarship program and state parks system. And my budget invests in ways to address mental health challenges, Chehalis River flooding, and water shortages in Eastern Washington.

My goal with this budget was simple—to give our incoming Governor and Legislature a balanced and sustainable plan that addresses our fiscal problem and preserves services that are pivotal to our future.

Complete information on the budget can be found here

I wish you and your family a very happy holiday season.

Thank you,

Chris