

Washington State Faces Enormous Budget Cuts

Legislature, governor must find \$5 billion in spending cuts without raising taxes

The state of Washington can cut \$5 billion from its 2009-2011 biennial budget if it has to — and it must.

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Gov. Christine Gregoire and the Legislature must come up with hefty cuts to balance the state budget.

Five billion dollars. The state has to cut that amount of projected spending to balance its budget from mid-2009 to mid-2011. It can be done — with enormous difficulty.

The \$5.1 billion gap is a projection only, and could change. Between now and March, when the state budget is finalized, it probably will widen. It is not likely to shrink.

The gap might be filled with new taxes, but it would be foolhardy to lay on big new taxes during an economic crisis. Every business is trying to manage its way out, conserving its cash. Gov. Christine Gregoire pledged she would manage the state's finances without any tax increase, and she should stick to that.

After discussions with budget people in both political parties, we have some ideas for reaching \$5 billion. The ideas are rough ones — with neither the Republican or Democratic name on them — and we are not sure we like our name on all of them, either. But this list is a place to begin.

- \$926 million — Cancel the Initiative 728 money, or most of it. Officially this is for class-size reduction in the public schools, but

the schools have folded it into everyday operations. Cutting I-728 money was done in 2003, when the budget was in a crisis, and has to be done again. That is the danger of budgeting by initiative.

- **\$887 million** — Don't fund increases in pay and benefits for government employees, including at state-funded schools and colleges. Simply put, it's a crisis. Nobody on the state tab can expect a raise. This is unavoidable.
- **\$700 million** — Tap the state's rainy-day fund. "I don't know that it rains any harder than this," says the governor's budget director, Victor Moore.
- **\$600 million** — Cut seats in state universities and community colleges. Cut some tuition waivers. Offset some cuts with increased tuition.
- **\$440 million** — Skip the payment to state employee pension funds, which was done in 2003. This will have to be made up later. A cut does not affect anyone's benefits.
- **\$150 million** — Freeze enrollment in the Basic Health Plan, the state's health-insurance plan for the not-quite-poor.
- **\$100 million** — Cut General Assistance-Unemployable, a welfare program most states don't have, by time-limiting the program and forcing clients onto Supplemental Security Income, which is federal.
- **\$100 million** — Extend the partial state hiring freeze past June 30, 2009.
- **\$82 million** — End sales-tax-mitigation payments to cities.
- **\$70 million** — Skip a contribution to the Life Sciences Discovery Fund.
- **\$52 million** — Take away the three math and science learning-improvement days — nonteaching days — for high-school teachers, and two similar days for elementary teachers.
- **\$45 million** — Require that children with household incomes under 200

percent of the poverty level now in the Basic Health Plan enroll in Medicaid instead, because half of Medicaid is paid with federal dollars.

- \$28 million — Repeal Initiative 1029, which requires extra training for in-home-care workers.
- \$20 million — Don't raise the cutoff on the state Children's Health Insurance Program from 250 percent of poverty to 300 percent as previously planned.
- \$12 million — Cut Community, Trade and Economic Development money to "coordinate government efforts to improve the effectiveness of economic investments."

That list totals more than \$4 billion. There are many other ideas, some of which could offset proposals that are unacceptable.

The state could raise the minimum loss for felony theft, so that more thieves would go to county jail than to state prison. It could repeal the "three strikes" law and parole some prisoners convicted under that law. It could divert tax sources, like lottery money, that now go into the capital budget back into the general fund. It could do some contracting out. Etc. Etc.

The Legislature will have a painful time to get to \$5 billion. But with a close look at many small things, which we have not done here, it can be done.

Taxpaying families and employers are having to live within their means and their government must do the same.

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