WASHINGTON STATE BUDGET CUTS $5.2 BILLION – AND COUNTING

Over 3 budget years from 2009 to 2011, Washington State has grappled with a $12 billion shortfall between the projected need for public services and state revenues - which have plunged because of the recession. Federal stimulus money and the rainy day fund made up some of the difference, and the state raised $918 million with tighter standards and new taxes. Still, Washington’s legislature has cut $5.2 billion, impacting schools, childcare centers, health clinics, assisted living facilities, families, and individuals across the state.

Despite continued population growth, inflation, and increased needs caused by the recession, Washington’s 2-year General Fund budget for 2009-11 is barely above the 2005-07 level and $2.7 billion below the amount originally budgeted for 2007-09 - an 8% drop.

WASHINGTON’S GENERAL FUND BIENNIAL BUDGET, 2005-11

More budget cuts are being made. Recovery from the national recession slowed over the summer. As a result, state tax receipts have continued to fall below expectations. Revenues for the 2009-11 budget, which runs through June 2011, now are projected to be $770 million less than expected last spring. The state will have to cut - or raise - an additional $516 million in the current budget to prevent a deficit. Governor Gregoire has asked all state agencies to prepare to implement further across-the-board cuts of 6.3% October 1, 2010.

The 2011-13 budget which the legislature will adopt when it returns to Olympia in January 2011 is expected to have a hole of $4.5 billion in addition to all of the reductions already made.
**WASHINGTON'S GENERAL FUND SPENDING BY CATEGORY, 2009-11**

### General government cuts include:
- $428 million in staff reductions, travel and hiring freezes, mandatory unpaid furloughs, and efficiencies
- $430 million in deferred public employee pension contributions
- $123 million in criminal justice consolidations and alternative sentencing
- $56 million from recreation and natural resource management

### Education cuts include:
- $632 million in higher education
- $479 million in I-728 student achievement funding
- $369 million in I-732-approved teacher cost of living adjustments
- $127 million in learning improvement days and professional development

### Health cuts include:
- $236 million from the Basic Health Plan for low income working adults – reducing enrollment by 40,000
- $33 million in nursing home and personal care services
- $75 million in hospital reimbursement rate decreases
- $44.5 million in mental health reductions
- $54 million in children’s vaccines.