

# THE 2013- 15 OPERATING BUDGET

## An honest, long-term budget focused on education



### This is a responsible budget that funds our state's priorities

- Fully-funds K-12 education.
- Expands healthcare to over 280,000 more people, saving \$265 million.
- Protects care for vulnerable seniors, the disabled, and at-risk kids.
- Promotes jobs and economic opportunity.

### It's an honest, long-term approach

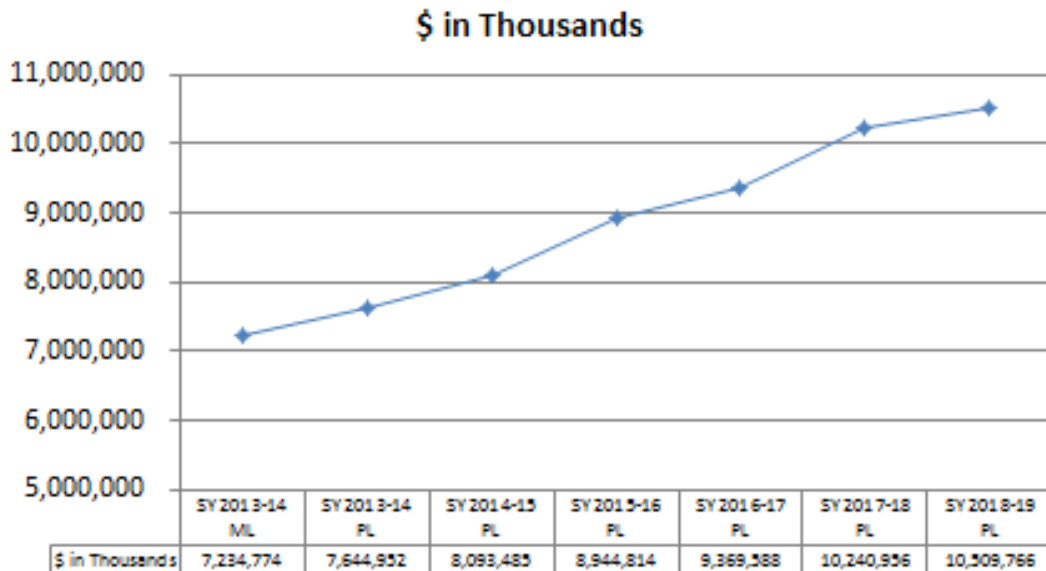
- Doesn't rely on gimmickry.
- Doesn't push costs into the next biennium.
- Doesn't assume savings that can't be realized.
- Doesn't make illegal transfers.

### Education: Our focus from the start

- We set a course to change the way we fund basic education even before the Supreme Court ruled in the McCleary case.
- This budget follows the recommendations of the Education Funding Task Force.
- It invests \$1.9 billion more in schools next biennium, including \$1.31 billion for McCleary-related items:

○ Reduce K-3 class size	\$225.4 million
○ Materials, Supplies, Operating Costs	\$461.3 million
○ Pupil transportation	\$144.1 million
○ Full-day kindergarten	\$91.5 million
○ Career and college ready	\$75.0 million
○ Increased instructional hours	\$63.5 million
○ Classified/admin staff salary support	\$247.9 billion

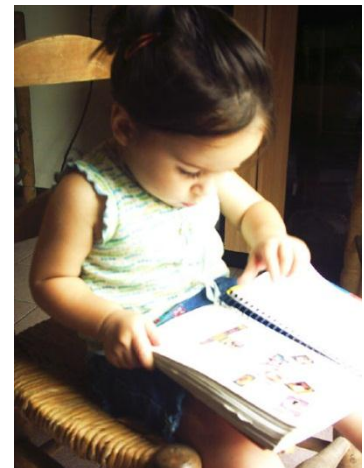
# McCleary Funding Grows



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## Early learning: provide opportunities for all 3- and 4-year-olds

- We're charting a course to success for all ages:
  - Increased ECEAP (preschool) seats      \$38.5 million
  - Working Connections Child Care      \$30.8 million
  - Home visiting expansion      \$1.0 million



## Higher education: jobs for the new economy

- Higher education is the engine of our state's new economy.
- Our budget provides more graduates in the areas our state's businesses need.
- We give opportunities for disadvantaged kids to attend college.
- This budget includes \$292.6 million more for higher education than the current budget does, including:
  - College Bound scholarships      \$50.7 million
  - State Need Grant      \$36.4 million
  - Tuition support      \$115.9 million

## Health Care expansion: we're all in

- This budget helps make sure Washington is ready for the next steps:
  - Medicaid Expansion: over 280,000 people covered, saving \$265.1 million
  - Hospital Safety Net program (\$259.9 million)
  - Fully-fund the Health Benefit Exchange \$23.8 million
  - Restore adult dental \$23.9 million
  - Tobacco Quitline \$3.9 million

## Human Services: protecting care for the most vulnerable

- Our budget offers support to those in need:
  - Responding to problems in the mental health system \$31.3 million
  - Foster care prevention \$8.3 million
  - Extended foster care \$3.6 million
  - Developmentally disabled placements \$10.7 million
  - Assistance for homeless families \$8.0 million



## How is this budget different than the Senate Republican budget?

- Meets our McCleary funding obligation
- It's gimmick-free
  - No imaginary revenue
  - No unspecified cuts
  - No unconstitutional funds that are spent twice
- Doesn't shred the safety net
- Recognizes our state's needs
  - Health care reform
  - Clean air, clean water, state parks
- Balanced over four years

## Proposed 2011-13 and 2013-15 Balance Sheet

Including 2013 Supplemental Budget

### General Fund-State, Education Legacy Trust and Opportunity Pathways Accounts (and Budget Stabilization Account)

Dollars in Millions

	2011-13	2013-15
<b>RESOURCES</b>		
<b>Beginning Fund Balance</b>	(60.4)	219.8
March 2013 Forecast Update	31,009.3	33,025.0
Bracken Decision	(3.2)	(160.3)
Transfer to Budget Stabilization Account	(268.0)	(307.0)
Other Enacted Fund Transfers	378.6	-
Alignment to the Comprehensive Financial Statements	(5.0)	-
Adjustment to Working Capital (HB 2822)	238.0	-
<b>Proposed Changes</b>		
Transfer From Budget Stabilization Account to GFS		575.0
Other Fund Transfers	1.8	182.6
General Fund: Legislation & Budget Driven	-	82.0
HB 1920 - Estate taxes (Bracken Decision, ELTA)	-	160.3
Omnibus Revenue Legis: Extend 0.3% B&O Tax (ELTA)	-	534.0
Omnibus Revenue Legis: Extend/Revise Beer Tax (ELTA)	-	58.7
Omnibus Revenue Legis: Modify Tax Preferences (ELTA)	-	475.6
<b>Total Resources (including beginning fund balance)</b>	<b>31,291.0</b>	<b>34,845.7</b>
<b>EXPENDITURES</b>		
<b>2011-13 Enacted Budget (Incl. 2012 Supp.)</b>		
Enacted Budget	31,249.2	
Actual/Anticipated Reversions	(165.9)	
<b>Proposed Changes</b>		
Maintenance Level Changes	18.2	
Policy Changes	(30.4)	
<b>Total Expenditures</b>	<b>31,071.2</b>	
<b>Proposed 2013-15</b>		
Maintenance Level		33,758.7
Policy Changes		749.8
<b>Total Expenditures</b>		<b>34,508.4</b>
<b>RESERVES</b>		
<b>Projected Ending Balance</b>	<b>219.8</b>	<b>337.3</b>
Budget Stabilization Account Beginning Balance	-	268.0
Transfer from General Fund and Interest Earnings	268.0	307.0
Transfer from Budget Stabilization To GFS		(575.0)
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>268.0</b>	<b>-</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>487.8</b>	<b>337.3</b>