

## House Democrats Revised Budget Proposal - June 1, 2015

This budget proposal moves significantly toward the Senate Republican level.

- Reduces spending from original proposal by **\$450 million** for 2015-17
- Reduces new revenue by more than **\$900 million** for 2015-17

The May Revenue forecast and additional federal resources were good news. The economy is moving in the right direction. But modest revenue is still needed to make essential investments that are necessary after six years of cuts.

**It's time for the Senate Republicans to compromise and meet us in the middle.**

**Key differences between House & Senate budget proposals:**

**K-12:** The House invests **\$100 million more for McCleary, \$150 million for teacher COLAs.**

**Early Learning:** The House invests **\$115 million more for our young learners.**

**Higher Education:** The House has a **responsible plan** to invest in higher education and increase accessibility.

**Mental Health:** The House complies with the court-ordered **Trueblood decision** and funds competency restoration services, investing **\$50 million more in mental health care** than the Senate.

**Human Services:** The Senate Republican budget includes dozens of cuts and fails to improve services suffering from drastic cuts during the Great Recession, resulting in **\$167 million difference** between the budgets.

House Democrats will continue to work in good faith and make moves toward the middle. But Senate Republicans must equally demonstrate a willingness to meet in the middle on revenue.



## Senate Republican Budget Continues to Rely on Gimmicks & Unacceptable Risks

**Capital Budget Raid** - Senate Republicans sweep **\$100 million** a biennium from the Public Works Assistance Account. This raid not only reduces the state's ability to support local government infrastructure, it is backfilled with capital budget bonds – using long-term borrowing to pay for operating expenses. This is no different than putting your monthly mortgage payment on your credit card.

**LEAN Cuts** – Senate Republicans assume **\$65 million** in “LEAN” efficiencies. These are nothing more than unspecified cuts to state agencies. This is an irresponsible budget maneuver that, ultimately results in cuts to critical services Washingtonians rely on.

**Health Benefit Exchange Sweep** – Senate Republicans sweep **\$29 million** in premium taxes from the Health Benefit Exchange. This sweep will result in a **hidden tax** for low-income individuals and families because they will pay more out-of-pocket for health insurance.

**State Employee COLAs tied to Unpassable Bills** – Senate Republicans support state employee contracts, but only if several **anti-worker policies** are adopted. These policies are not supported by the House and the Governor.

**Liquor Excise Tax Sweep** - Senate Republicans sweep **\$24 million** in liquor excise taxes – money that's intended to go to cities and counties for public safety. This means higher local taxes or fewer police officers serving communities.

**High Marijuana Optimism** – The Senate Republican budget requires the **most optimistic marijuana revenue projection** available in order to balance. Colorado's more pessimistic projections are hundreds of millions less than Washington's. If the actual revenue comes in less than projected, which we believe is likely, the operating budget will have serious shortfalls. House Democrats prefer a more cautious, fiscally responsible approach.

**Shift to Transportation Unaccounted for** - Senate Republicans spend the same money twice. Senate passage of SB 5990 transfers **\$81 million** in sales tax (on transportation projects) from the general fund to the transportation budget over four years. But the Republicans still did not account for the loss of \$81 million in the general fund.

