

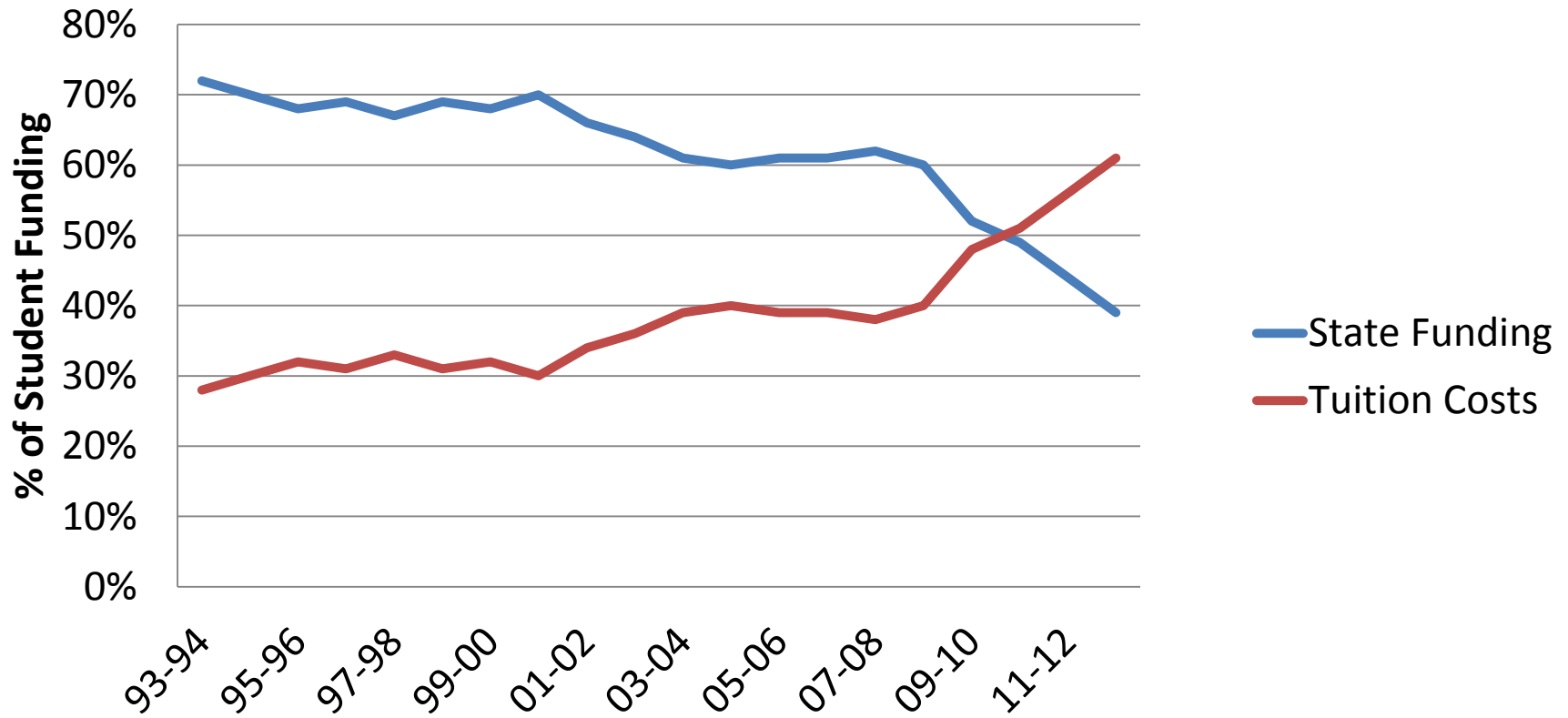
The 2012 Session: A freshman's perspective

Senator Andy Hill

January 23, 2012

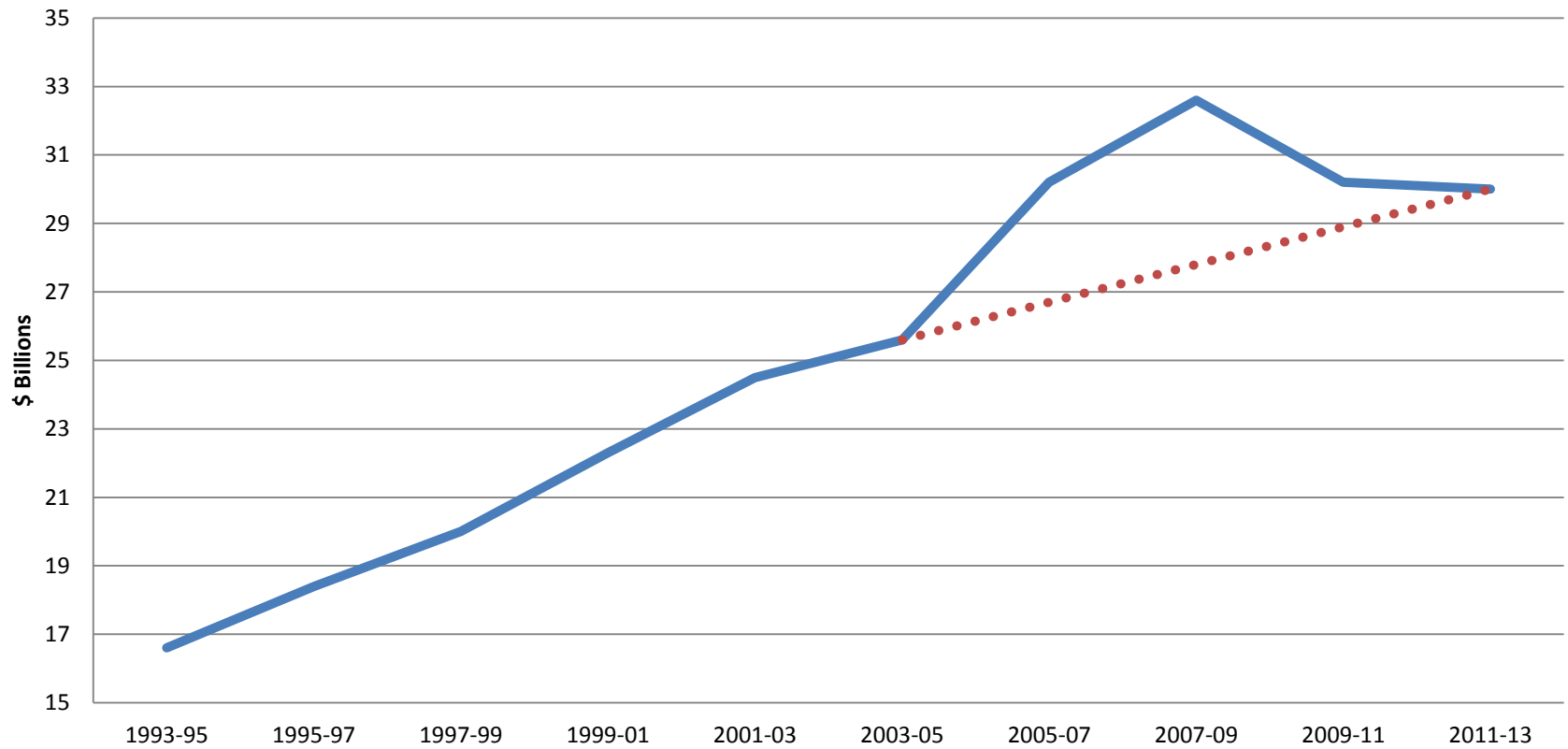
A Familiar Chart

State Funding vs. Tuition Cost Shift to Families



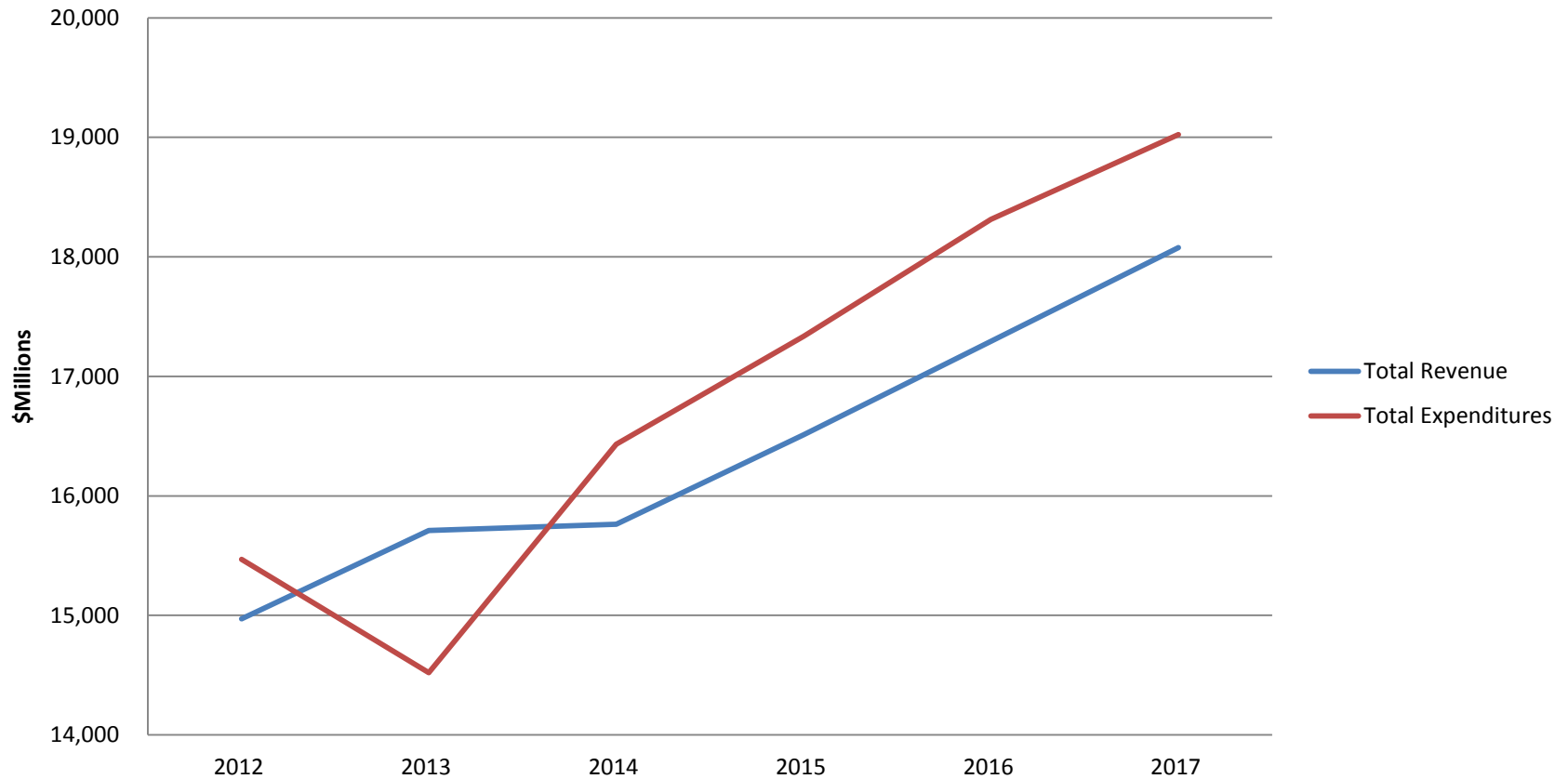
The Sins of the Past

State Budget
near general fund-state



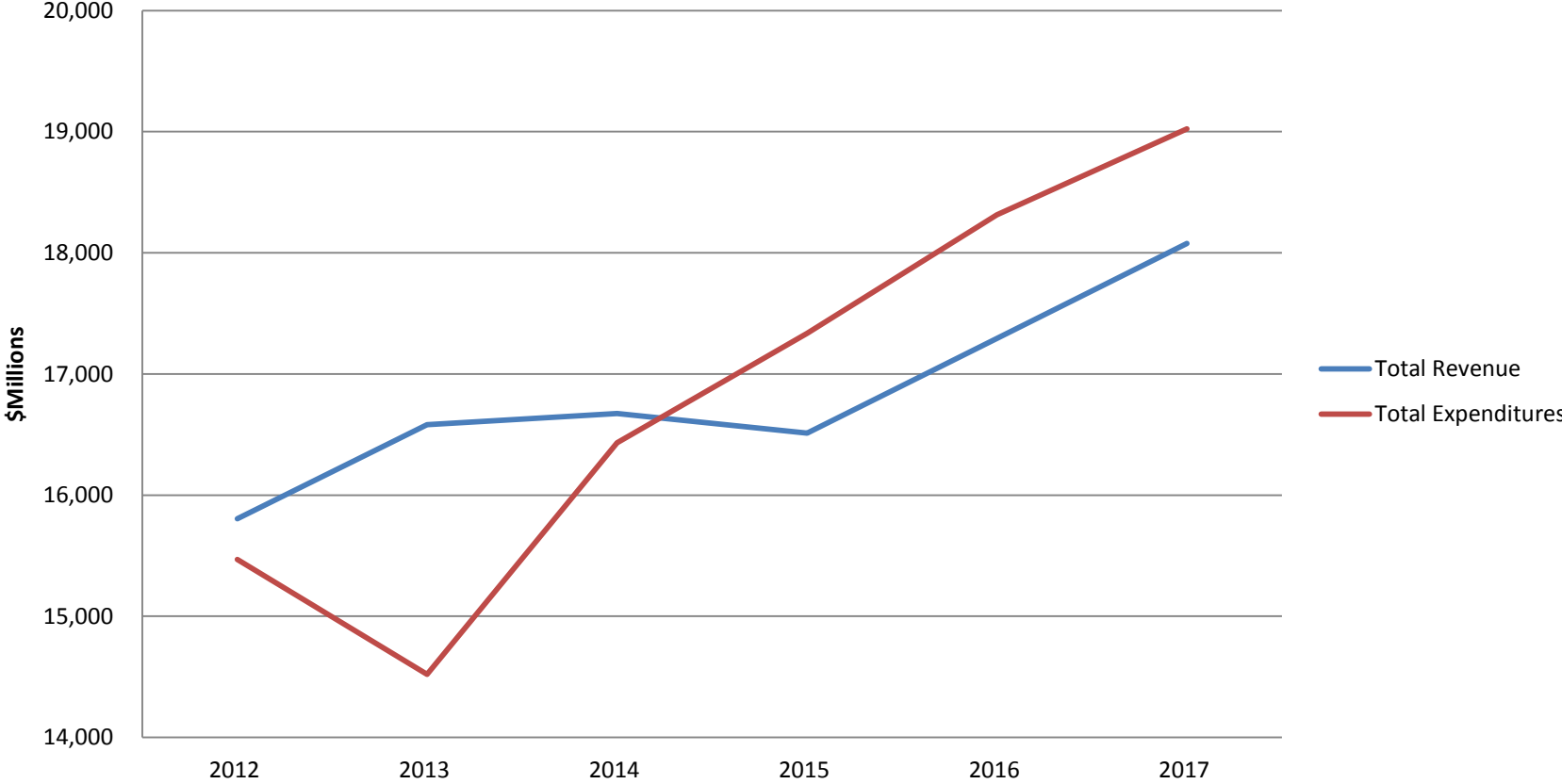
The Future is not so bright...

Washington State Budget Six Year Outlook



Even if you add half-a-penny...

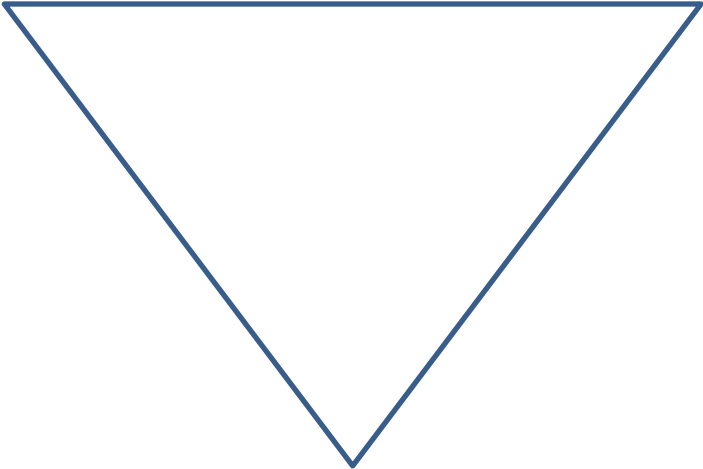
Washington State Budget Six Year Outlook



How to Fix the Budget Problem

Cuts \$

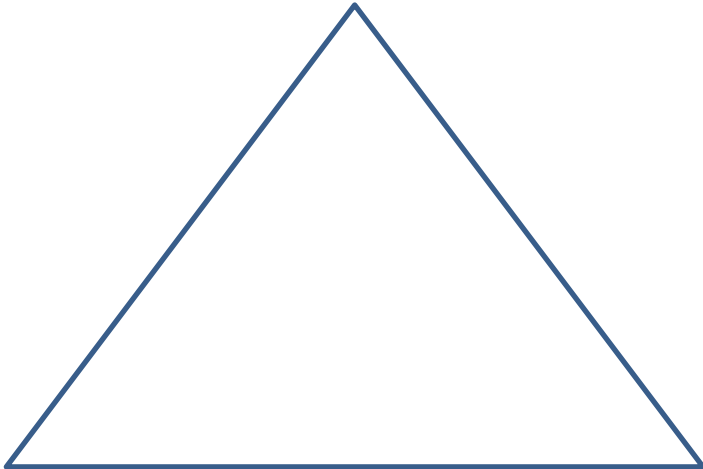
Revenue 💰



Reforms 🔧

Our Approach

Reforms 



Cuts \$

Revenue 

Reforms

Long term sustainability

- Six-year balanced budget
- Debt Limit
- Pension Reform
- Base Realignment & Closure Model for restructuring state government
- Extraordinary Growth (✓ Done!)

Reforms

K-12 Education

- Innovation zones for failing schools (limited charter schools)
- Enact performance evaluation standards for educators
- Reform property tax to stabilize and increase support for poorer schools districts

Reforms

Healthcare

- Medicaid reform: federal waiver
- Stipend for family caregivers
- Move teachers into statewide system
- Move benefits towards private-sector parity

Cuts \$

Need \$1.5B from \$6.5B available

Targets:

- Health & Human Services
- Higher Ed
- K-12
- Corrections
- General Government

Revenue Options

- Half-a-penny sales tax
- Eliminate tax preferences
- Capital gains tax
- Property tax reform for K-12 Funding
- ~~State Income Tax~~

How it all comes together

- Education vs. Social & Health Services
- Reforms vs. Revenue
- Legislative procrastination vs. ballot initiative & election timing