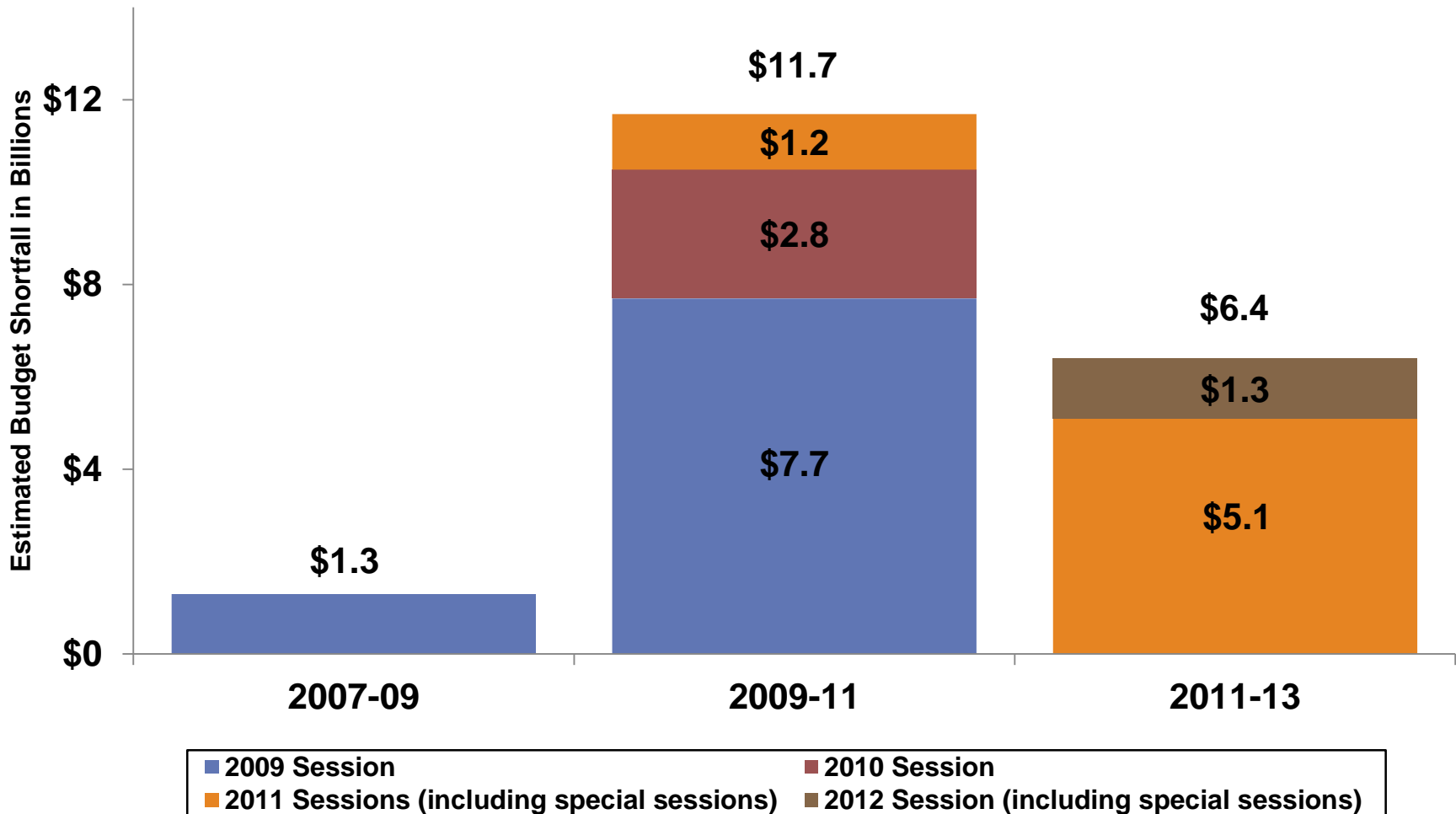


OVERVIEW OF RECENT LEGISLATIVE BUDGET CHANGES

November 2012

In the last four years, the Legislature has addressed nearly \$20 billion in combined budget challenges

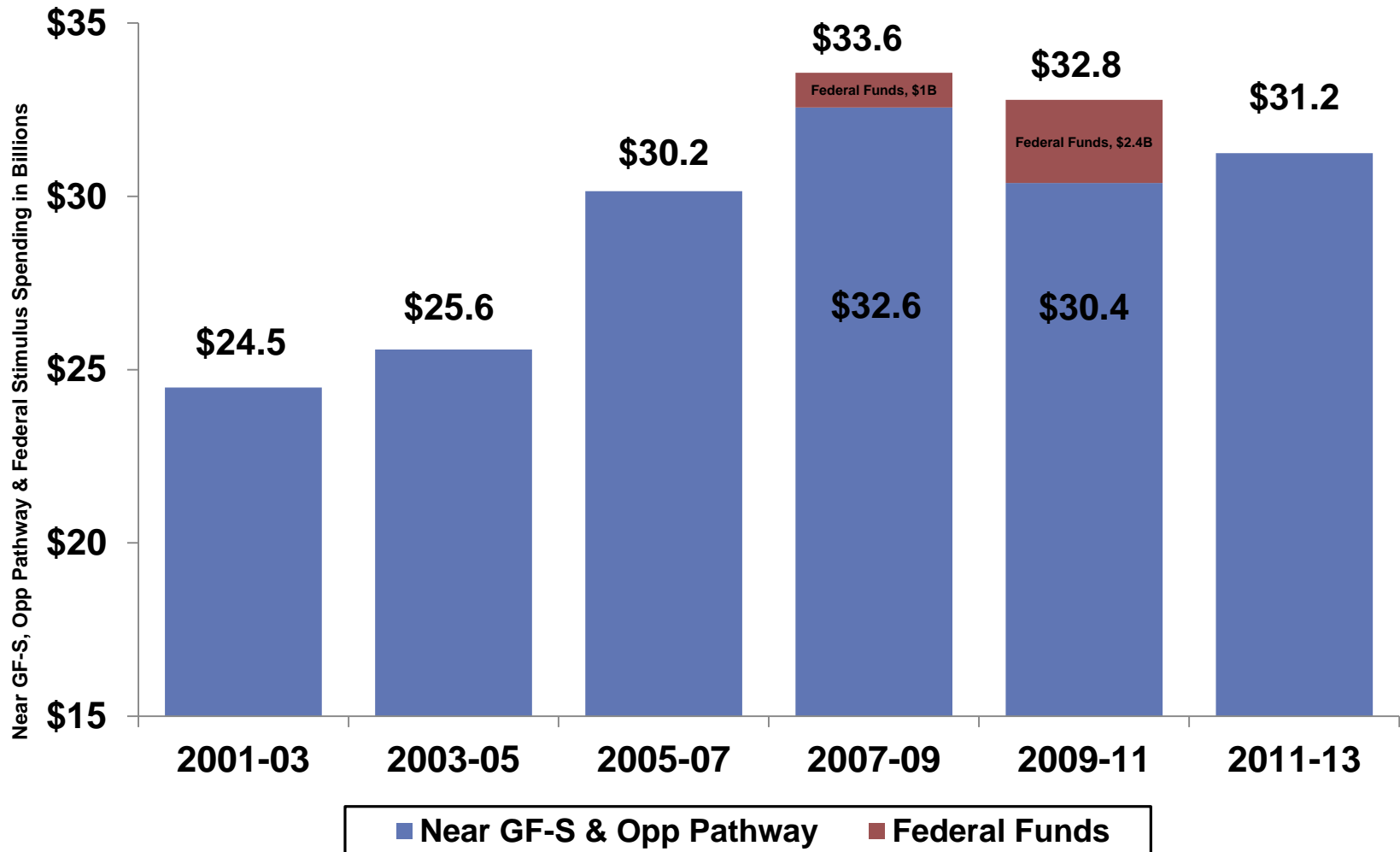
2



* This reflects the reduction amounts originally assumed in the legislative session. Actual amounts may be slightly different than these amounts.

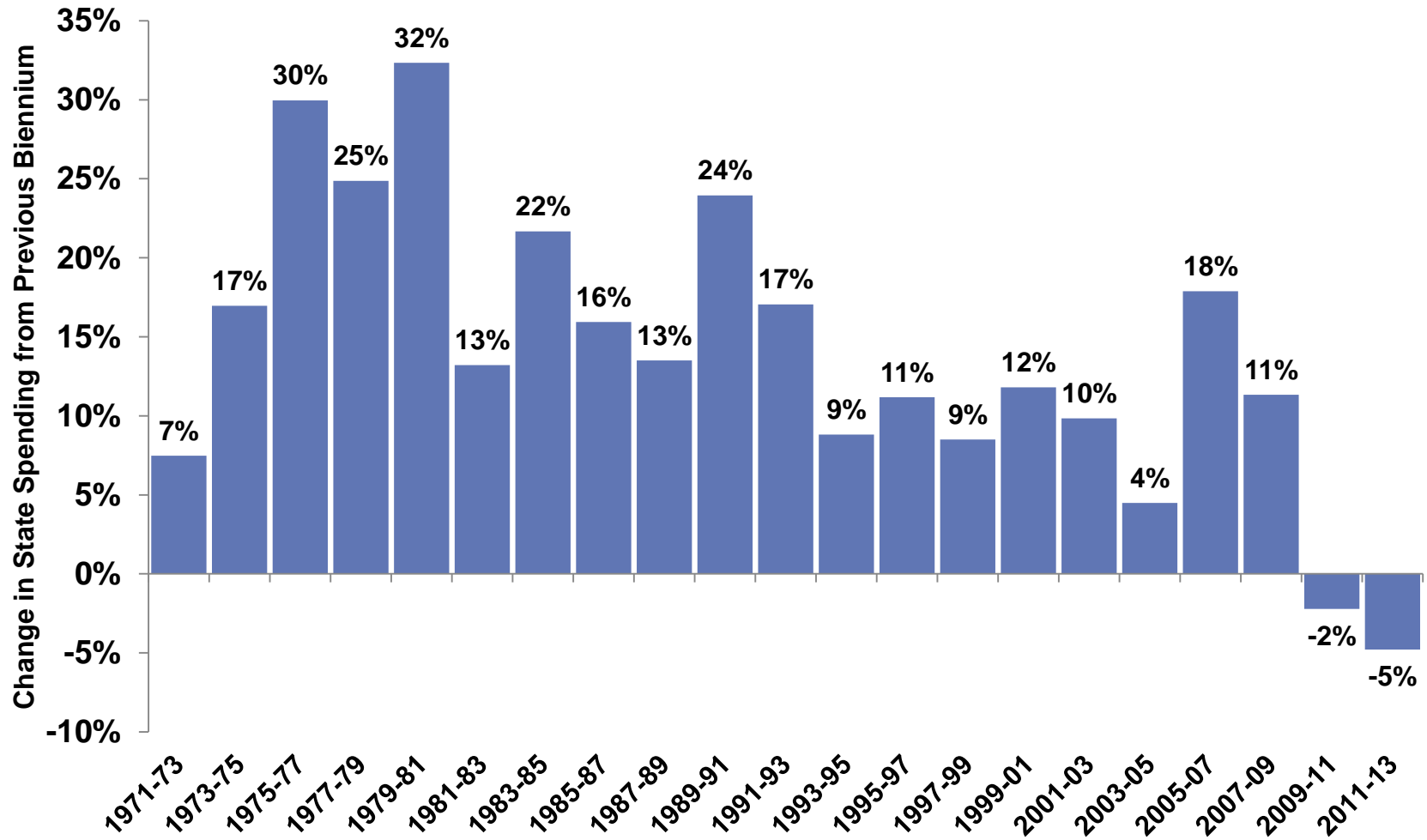
As a result of reductions, the spending level will decline for the second consecutive biennium

3



Two consecutive biennia of reduced state spending has not occurred in the last 40 years

4



* Near GF-S, Opp Pathway and federal stimulus.

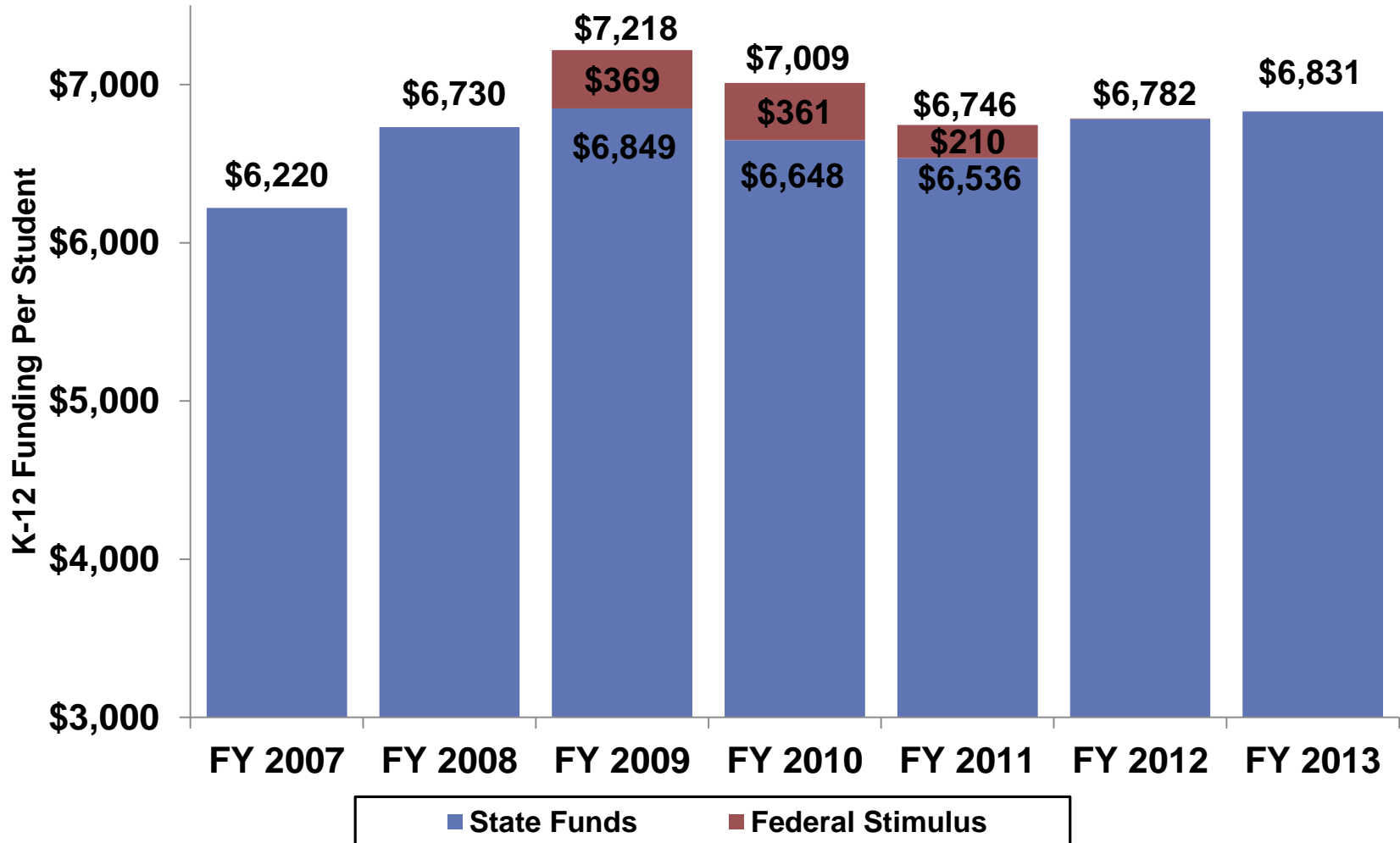
5

Impacts of Recent Budget Reductions

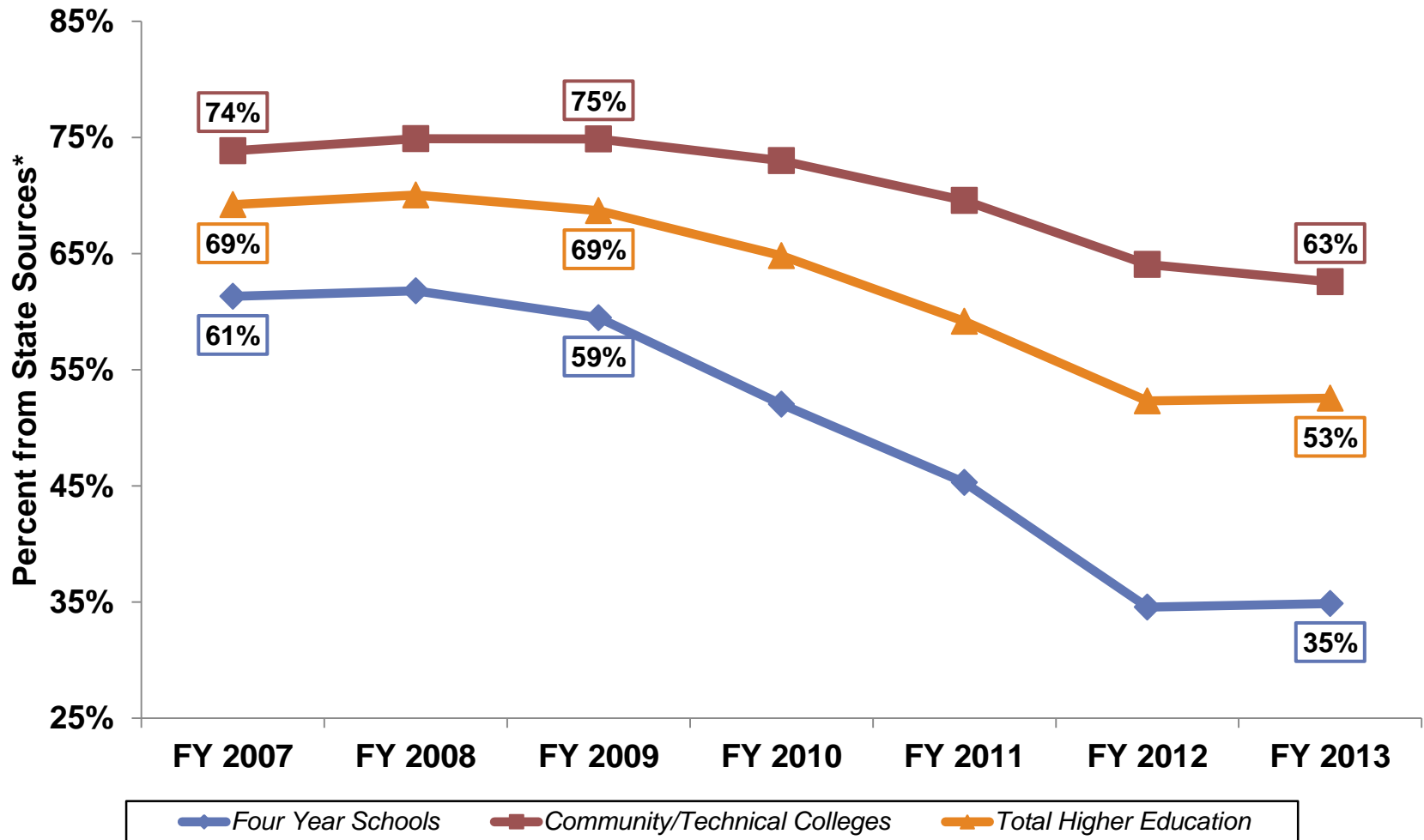
Selected Examples

Following several years of upward trend, K-12 per-student funding declined during the 2009-2011 biennium and has modestly grown since then

6



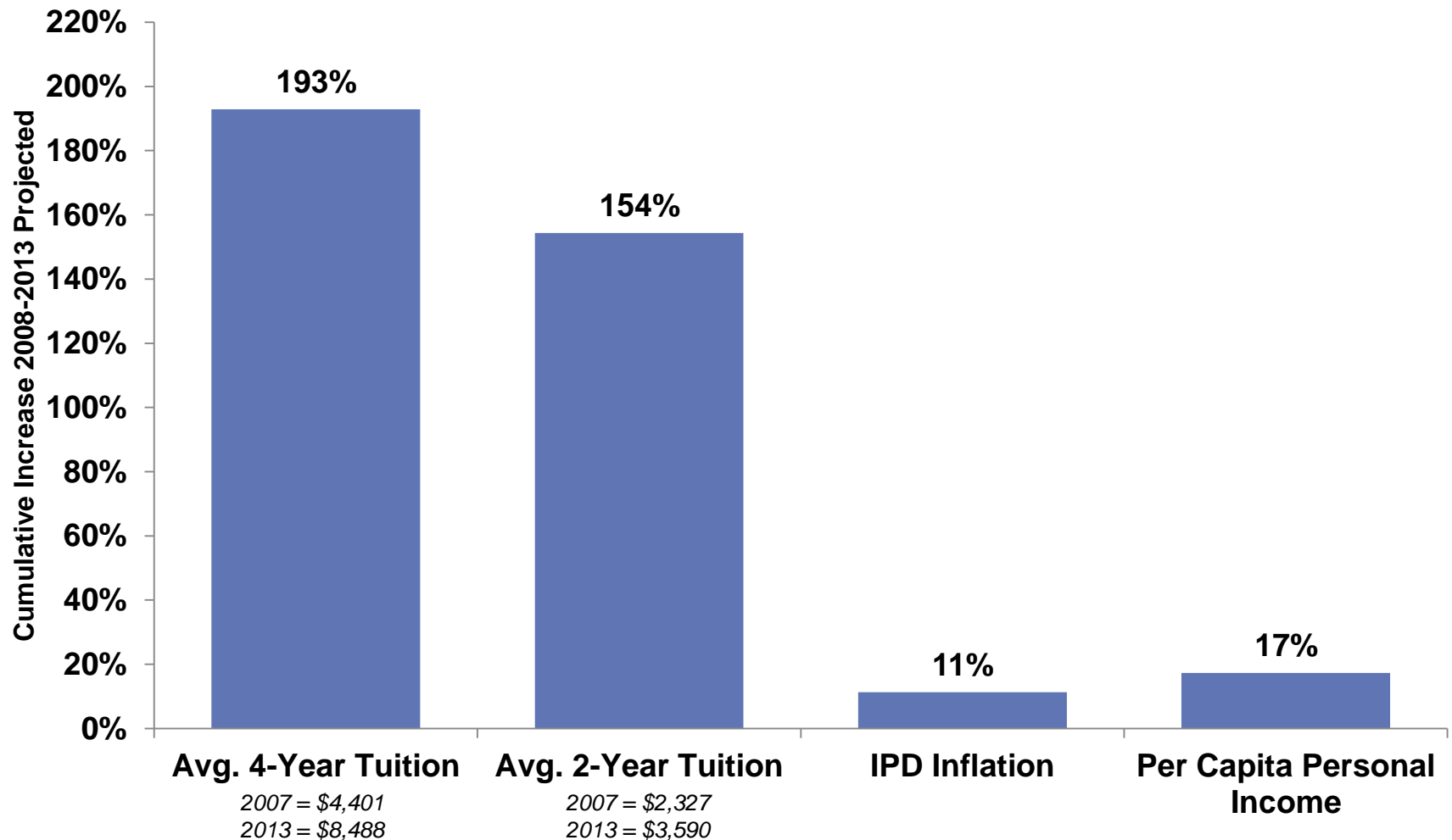
Due to budget reductions, the state support of the higher education system has declined, particularly for the 4-year universities



* Reflects state share of state funds + tuition base. State funds includes Near G F-State, federal stimulus, Opportunity Pathways Account, and Opportunity Express Account

And tuition is growing significantly faster than both inflation or per capita personal income

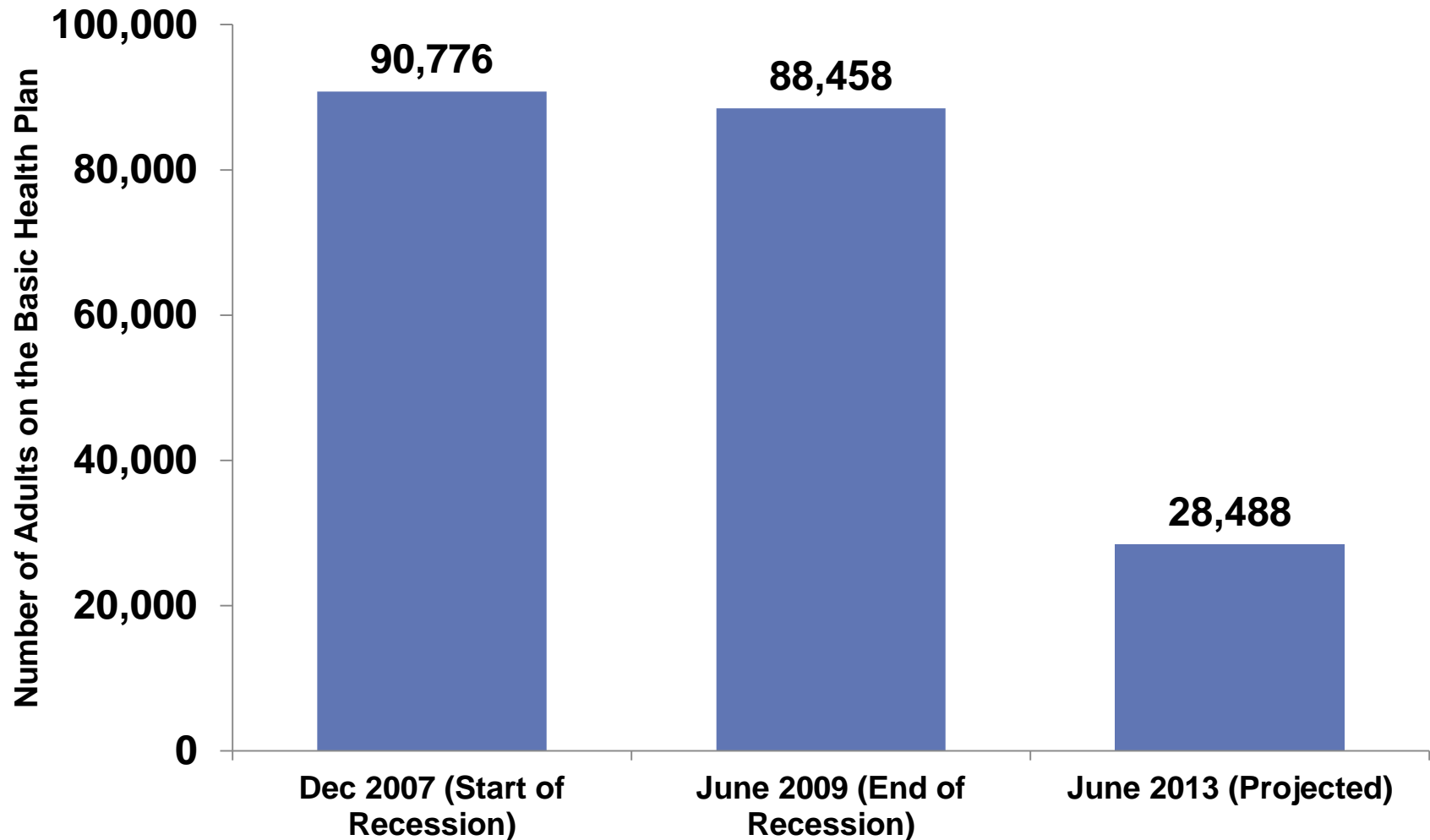
8



* FY 2007 – FY 2013 based on actual tuition increases.

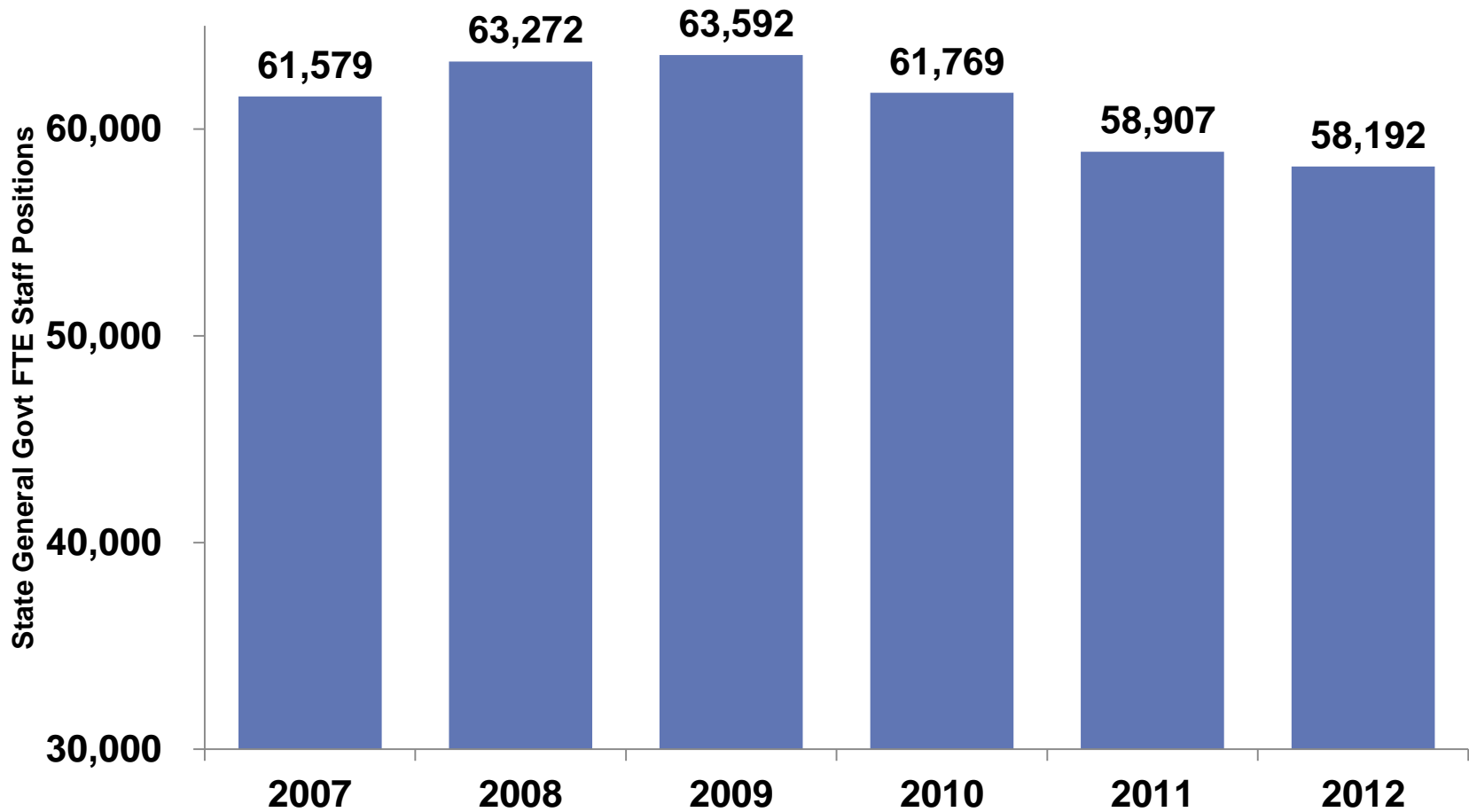
Over 62,000 adults will have been removed from the Basic Health Plan by the end of the biennium

9



The state workforce in 2012 is now 5,400 staff positions below fiscal year 2009 levels (and in fact is lower than it was back in 2007)

10



* Reflects general government full time equivalent staff. Excludes higher education and K-12 staff.

Selected Other Reductions

- Terminated the Disability Lifeline cash program and replaced it with a housing and essential needs program (making a 2/3 reduction to the program funding level).
- Eliminated preventative dental coverage for 275,000 adults and ended optical, hearing aid, and podiatry coverage for 375,000 adults.
- Reduced the TANF cash grant from \$450 to \$375 per month, made eligibility changes to Working Connections childcare, WorkFirst activities were reduced, and other changes were made to solve a structural problem in the “TANF box.”
- Closed one major (McNeil Island) and two minor correctional facilities (Ahtanum View-Yakima, Pine Lodge-Medical Lake).
- Closed a major state juvenile facility (Maple Lane) and made other capacity reductions.
- Close one facility for serving individuals with disabilities (Francis Haddon Morgan) and made other residential changes.
- Eliminated all state fund support for the State Park system and replaced some of those funds with fee revenue.