



# GOVERNOR INSLEE'S 2016 SUPPLEMENTAL BUDGET

January 11, 2016

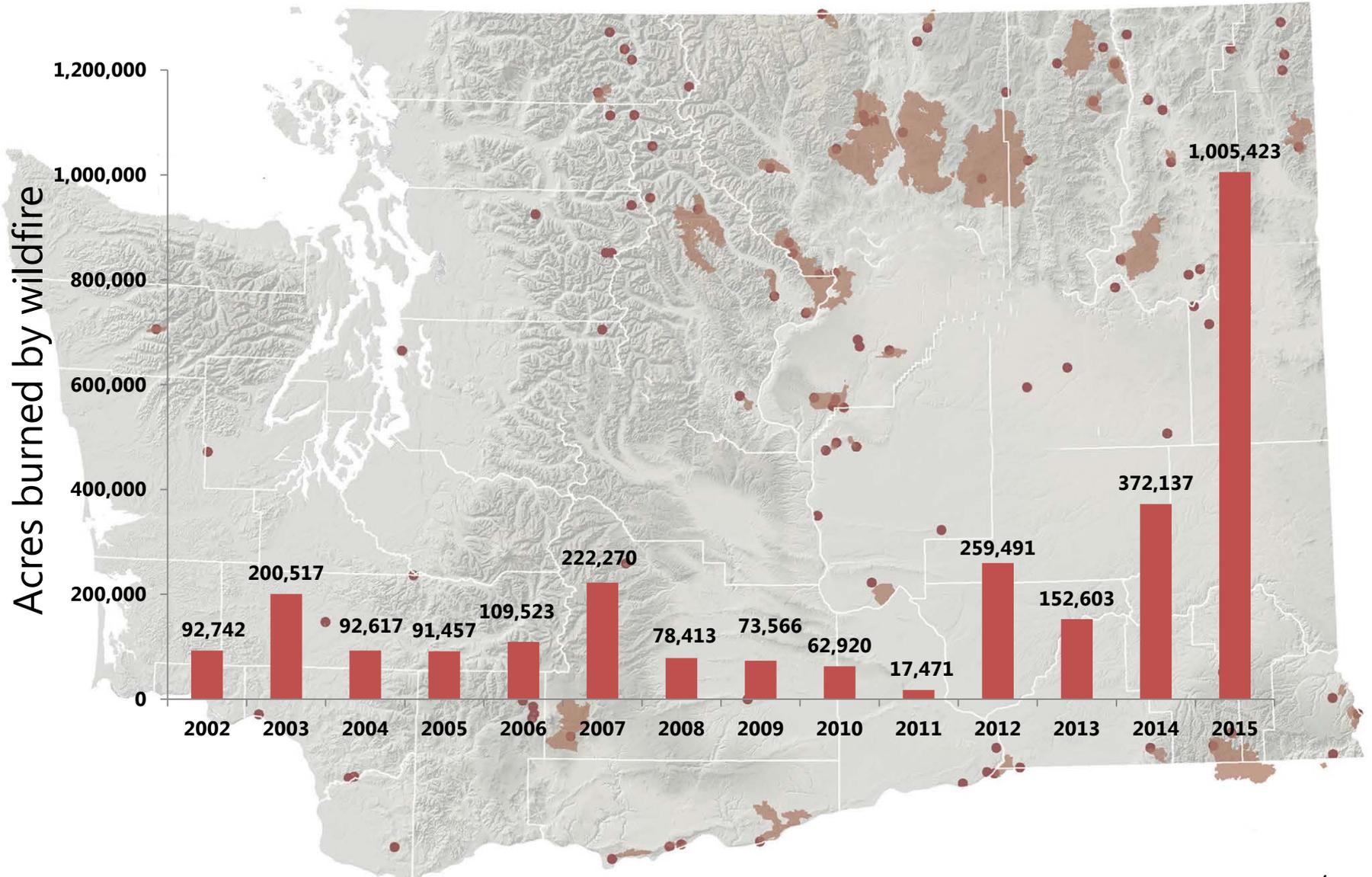
## *Costs growing faster than revenue*

- ✓ **State's economy continues slow, steady recovery.**
- ✓ **Projected NGF-S revenues for current biennium grew by \$245 million since June.**
- ✓ **But the costs of mandatory services, emergencies and urgent needs grew by more than \$700 million.**

## *Governor's supplemental budget priorities*

- ✓ **Sustain and build on a strong biennial budget.**
- ✓ **Adjust for caseload and enrollment increases.**
- ✓ **Pay for emergencies, other unanticipated costs.**
- ✓ **Address small number of high-priority needs, especially in mental health services.**
- ✓ **Leave adequate reserve.**

# *2015 was record year for wildfires in Washington*



## *Wildfires: Paying 2015 bills, helping communities recover, enhancing response and prevention*

- ✓ **Governor's budget includes more than \$200 million in wildfire-related costs**
  - **\$180 million to cover suppression and response costs for last year's fires**
  - **\$14 million to help communities recover**
  - **\$15 million to enhance state and local response capacity and boost wildfire prevention**

## *Addressing urgent needs – mental health*

- ✓ **Governor's budget includes \$137 million (\$44 million GF-S) in additional mental health spending**
  - **Increase staffing and safety at state hospitals through addition of 62 positions**
  - **Improve staff recruitment and retention**
  - **Boost community-based programs that treat individuals in acute crisis, reduce need for hospitalization and help patients successfully transition back to community**

## *Addressing critical needs – child protection*

- ✓ **Governor's budget adds funding for more staff and strengthen child protection services**
  - **About 26 Child and Family Welfare Services staff to improve conditions and treatment of kids in foster care (Braam)**
  - **About 21 additional Child Protective Services staff to ensure timely response to reports of abuse or neglect**

*Other human services: costs higher than expected, savings lower than expected*

- ✓ **Per-capita health care costs increasing, largely due to rising pharmaceutical prices**
- ✓ **39,000 more Medicaid-eligible, low-income kids**
- ✓ **Caseloads/mandatory costs increase for long-term care, developmental disabilities and child care**
- ✓ **Healthier Washington savings falling short**

## *How the budget is balanced*

- ✓ **\$178 million from Budget Stabilization Account to cover extraordinary wildfire costs**
- ✓ **\$44.5 million from Disaster Response Account/other funds for fire response, recovery, prevention and FY 2017 suppression**
- ✓ **\$62 million savings**
- ✓ **\$42 million in fund transfers**
- ✓ **Remainder from unrestricted reserves**

**Budget leaves \$961 million in total reserves**

## *Taking first step in tackling teacher shortage*

- ✓ **As economy recovers, more teachers are retiring**
- ✓ **Low starting wages discourage college students from pursuing teaching career**
- ✓ **Half of teachers leave the job in first 5 years**
- ✓ **In recent statewide survey of schools:**
  - **44% were not able to fill all classroom positions with fully certified teachers**
  - **80% had to employ individuals with emergency teaching or substitute certification**

## *Taking first step to address teacher shortage*

- ✓ **Governor proposes raising minimum teacher salary to \$40,000, increasing teacher mentoring**
  - **About 8,000 beginning teachers would get raises ranging from \$1,000 to \$4,300**
  - **All other teachers get at least 1% raise**
  - **\$5 million more for Beginning Educator Support Team program**
- ✓ **How to pay for it: Close or limit 4 outdated tax breaks**



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