

Legislature goes to work on budget

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Gov. Jay Inslee
— *image credit: Reporter photo*

Let the Olympia money chase begin.

Gov. Jay Inslee recently met with Sound Publishing reporters and editors at the Bellevue Reporter office to discuss the executive branch's 2015-17 budget proposal.

Inslee's office released the budget documents last month, which will be taken up by the Legislature when the regular session convenes Monday. The coming session is scheduled to end April 27.

The governor's budget document states, "Our private sector is growing and unemployment is at its lowest levels since 2008. State revenue collections are rebounding, too — after several years of steady declines, revenue projections have increased in each of the past four quarters."

Inslee tempered that good news by noting the economy is rebounding at a "much slower pace than after previous recessions. The latest projections for the 2015–17 biennium indicate revenue growth will remain modest for the foreseeable future."

Looming over the budget and both the executive and legislative governing branches is the September contempt ruling by the state Supreme Court. The nine judges unanimously ruled the state has failed to fulfill its Constitutional duty to fund education.

The constitutional clause cited by the court in the 2012 *McCleary v. Washington* is: "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex."

The Supreme Court Chief Justice Barbara A. Madsen wrote, "Sanctions and other remedial measures are held in abeyance," to allow the Legislature to comply by the end of the 2015 session.

The governor's document states: "The state is under court order to live up to its Constitutional obligation to adequately fund basic education."

Inslee's budget allots \$2.3 billion to its education plan. The budget cites funding for reduced class sizes and makes the statement his plan "fully funds basic education a full year ahead of schedule."

There is also a freeze on resident undergraduate higher education tuition.

A statement released by state Superintendent Randy Dorn on Dec. 17 said, "Gov. Jay Inslee's education budget proposal falls far short of what is needed to comply with the orders issued by the Supreme Court in *McCleary v. Washington*. If adopted, it would move this state one step closer to a constitutional crisis."

When asked about the court's ruling and Dorn's statement Thursday, Inslee said his budget was not written to satisfy "nine people in black robes" but for the children of the state. Inslee also said Dorn has come up with no revenue plans to "fund education for children."

The governor said he did not expect the court's ruling to be appealed to the federal Ninth Circuit Court of Appeals because there is not a federal issue. Inslee said he has practiced law for 20 years and thought if it was appealed it would be "highly unlikely" the Ninth Circuit would rule on the issue.

Raising revenues is one of the critical underpinnings to the governor's plan and he spent much of the time Thursday advocating for his budget revenue goals.

Inslee said the state cannot, "cut our way out to fund education.... Eventually we will follow the arithmetic. We can't go backwards."

The budget calls for a new capital gains tax on the sale of stocks, bonds and other assets "to increase the share of state taxes paid by our state's wealthiest taxpayers. The state would apply a 7 percent tax to capital gains earnings above \$25,000 for individuals and \$50,000 for joint filers, starting in the second year of the biennium."

Other revenue items are a tax of 50 cents per pack of cigarettes and taxing e-cigarettes and vapor products, raising an estimated \$56 million.

A market-based carbon pollution reduction plan is estimated to raise \$380 million in new revenue.

Inslee said the carbon plan is needed to "clean the air. ... We have to do something to have cleaner air."

Spending on transportation is critical, according to Inslee, to create jobs and sustain economic growth.

"We are getting more legislators who understand the need for transportation," Inslee said. "We can't run and hide from congestion and the ravages of carbon pollution." The transportation budget directs \$3.6 billion to construction projects, including \$856.5 million to complete the state Route 167 corridor in Pierce County.