

GREGOIRE ON THE BUDGET

In quest of a new approach



Photos by STEVE DIPAOLA for The Columbian

Gov. Chris Gregoire, at top, warned a crowd of 400 at Clark College on Tuesday that state government must be permanently transformed to meet the reality of lagging revenue and increased demand for services. She was in Vancouver to hear creative ideas about how the state can do more with less.

Governor asks public to help completely reshape state services, spending

By KATHIE DURBIN
Columbian staff writer

Gov. Chris Gregoire came to Clark County on Tuesday to ask for help making permanent changes in the services that Washington's financially strapped state government will provide in the future.

But at a public meeting at Clark College, attended by about 400 people, most speakers advocated for preserving state funding, whether for higher education, welfare-to-work programs, school levy equalization or environmental protection.

Gregoire said state government will face

an additional \$3 billion deficit in the 2011-13 budget cycle and a projected \$9 billion deficit in 2013-15, driven in part by increased demand for state-subsidized health care, unemployment insurance payments and other social services.

The coming budget crisis is "a new challenge for us, it's a different challenge," Gregoire said. "This is not just about getting through a crisis. This is about transforming state government to meet the needs of a new economy."

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Gov. Chris Gregoire



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To that end, she has appointed a bipartisan panel of prominent Washington citizens to advise her and is holding hearings around the state.

She has also directed all state agencies to ask themselves a series of probing questions: Is the activity an essential service? Does state government have to provide it? Does it have to be paid for with the state general fund, or can user fees be charged? Is there a more efficient way to provide it?

Some who spoke at Gaiser Hall told stories of their own struggles to survive the economic downturn that has forced the state to find \$12 billion to

balance its budget in the past two years.

"The champion cause I am championing tonight is my wallet," said John Ley of Vancouver. "I am sorry, but I cannot afford any more government help."

Ley said he took a 40 percent cut in pay and lost his defined-benefit pension in the recession.

"The new economy does not provide defined pension benefits," he said. "It provides for defined contribution plans."

Members of several nonprofit groups urged the state to consider more public-private partnerships to maintain services for the most vulnerable, including children, the frail elderly, the homeless and families in distress.

"I am very concerned about any cuts" to human services, said Debra Adams, who directs the YWCA's Safe Choice domestic violence program. But she

said she's willing to work with the state to make its money go farther.

"I work for a nonprofit," she said. "You give us two pennies and we're going to rub them together and make a nickel."

Ron Wilson, a former teacher who now works as an investor, questioned the generous salaries and benefits many state workers receive. "A prudent thing for the state to do is to cut wages and not raise taxes," he said to loud applause.

Several speakers urged Gregoire to end the annual \$5 million tax break enjoyed by the Canadian-owned TransAlta coal plant in Centralia.

Evergreen Public Schools Superintendent John Deeder, the first to speak, urged the governor, "Don't reduce levy equalization" to school districts that lack valuable industrial property to

boost their tax bases.

"We understand we're going to take some cuts," Deeder said. But he said he'd rather reduce the school year than give up levy equalization, which provides \$483 for every student who attends school in his suburban district.

Rick Marshall said it's time to "rethink our prison system." The state incarcerates too many nonviolent prisoners for too long, instead of using extended work release and community supervision, he added.

But Judy Bradley, a Department of Corrections employee, said the state made a costly mistake when it cut community supervision for thousands of released offenders last year. As a result, she said, the community has seen a dramatic increase in domestic violence cases.

Some speakers said they've

seen examples of what they consider excessive spending. For example, Judith Metcalf said she visited a middle school that had elaborate indoor exercise equipment.

"When I went to school, we went outside and we ran and played ball," she said.

Immediate task

Earlier Tuesday, state Sen. Joe Zarelli, R-Ridgefield, a member of the governor's budget panel, issued a statement saying Gregoire should call a special session to balance the current two-year budget rather than make across-the-board cuts on her own.

With the prospect of extra help from Congress to cover Medicaid costs "all but dead," Zarelli said, the governor's best option is to bring legislators back to Olympia to address a

\$230 million general deficit in the current budget, which lasts until mid-2011.

In an interview, Gregoire said several legislators have told her they don't want to be called back into special session, and she's skeptical that both parties could reach agreement on budget cuts to avert a deficit in the current budget cycle in a session of only two or three days.

"The special session I called this year was very difficult," she said. "I want (the cuts) implemented by Sept. 1. The longer we wait, the deeper we cut."

Gregoire said she has scheduled a conference call with House and Senate budget leaders from both parties Thursday to help her decide whether to call a special session.

"I've yet to see anyone propose a budget," she said. "We probably can't agree."