



PROVIDING THE TOOLS WE HAVE TO HELP SCHOOLS, LOCAL GOVERNMENTS AND HOSPITALS

The worst economic crisis since the Great Depression is not just a huge challenge for Governor Gregoire and the Legislature as they work to provide vital services to Washingtonians. City and county governments, local school districts and hospitals also are struggling with fewer dollars and rising citizen demands.

Over the years, the Governor and Legislature have provided tools to help local entities pay for certain services to help meet burgeoning needs.



Now, Governor Gregoire is proposing to sharpen those tools to give schools, local governments and hospitals greater flexibility to manage their resources so they can continue to deliver important services to their customers. In short, the Governor says it's time to let these groups help themselves.

Governor Gregoire proposes to:

Temporarily lift the lid on school district levies

The state limits the amount that school districts can raise in local levies to maintain and operate schools. In some cases, local voters have approved levy amounts that cannot be collected because those amounts are in excess of the district's levy lid. In times like these — when state funding for lower class sizes, teacher training and other education programs is suspended — Governor Gregoire believes the state should ease levy restrictions and let communities have greater capacity to determine at what level they want to support local schools.

The Governor proposes to increase the levy lid from 24 percent of a district's levy base to 36 percent for three years, and to raise the state dollar match for levy equalization from 12 percent to 18 percent for school districts that need it the most.

Give cities and counties flexibility to redeploy existing tax authority

Like the state, our counties and cities are struggling with declining revenue. Most have seen their revenues decline as much as 25 percent this year. Counties and cities have tapped their reserves and cut programs. However, they are critical partners with the state in protecting and serving our citizens. In the past, the state has given counties and cities the authority to raise revenue, but only to be used for new or expanded programs.

Governor Gregoire proposes to allow existing local sales taxes to be used to meet basic service demands with fewer restrictions. She believes the time has come to let local governments and citizens pay for their priorities in these tough times.

Help hospitals gain access to more federal dollars

We count on our hospitals to help us care for our most vulnerable people. But recent cuts to state programs have dramatically hurt their bottom lines. So much is at risk — from access to care through Medicaid and Apple Health for Kids to hospital programs for low-income people. With her own budget challenges, Governor Gregoire is in no position to seek more state funding.

Instead, the Governor proposes to take steps that, in turn, will give hospitals greater access to federal resources. At the request of our hospitals, she proposes to temporarily impose additional state fees on hospitals. The higher fees, in turn, will trigger more federal financial help to pay for hospital services.

Governor Gregoire knows the worldwide recession requires all of us to rethink and retool our old ways of doing business. With a little bit of help from the state, our schools, our local governments and our hospitals will be able to do that. And they, in turn, will better serve the people of the great state of Washington.