

Budget Myths Budget Realities

Myth #1: Just freeze state spending and the problem is almost gone!

Myth #2: State spending in 2005 is the right level for state spending today.

Myth #3: We can simply cut waste and inefficiency in government and do more with less.

Myth #4: Cutting human services creates costs savings. Reality: That's assuming that the state doesn't allow any children to enter school, doesn't send any more offenders to prison and passes a law that requires every business that the state does business with to not raise their prices. It's not realistic -- or responsible. Just continuing existing programs for Washington's growing population costs \$3 billion.

Reality: Just think about your grocery bill, your health costs and insurance: how much less were you paying in 2005? With an increase in population, inflation, service costs – and despite disappearing federal dollars during the Bush administration – Washington has made record investments in education, health care, public safety and the environment over the past four years. No one believes our kids are too educated, our families are too healthy, our communities are too safe, or our air and water are too clean.

Reality: Washington ranks as the best-managed state in the nation, according to the Pew Center on the States in 2008. In 2003-05, the last time we used a largely cuts-only approach to address a serious shortfall, the state cut health care for 20,000 people, eliminated dental care for low-income adults, and froze funding for better teachers and smaller classrooms. We face similar harmful choices now.

Reality: Cutting critical human services – such as health care and mental health treatment – doesn't eliminate the need. In most cases, it makes it worse, and increases the costs – both financial and human. Weigh the cost of an emergency room visit that could have been prevented by a simple checkup at a doctor's office or the costs of keeping someone in prison for years that could have been avoided with occasional mental health treatment.



Myth

Just freeze state spending. That would take care of most of the problem.

Reality

To 'freeze state spending,' the state couldn't allow any more children to enter public school, sentence offenders to prison, or provide any more medical assistance. Just to <u>keep</u> <u>up with demand</u> for critical state programs – K-12 education, higher education, pensions, health care and our prison system costs the state \$3 billion between 2009-2011, with no expansions or pay raises.



What they're proposing:

- **Stopping** expansion of full-day kindergarten, proven critical to help kids be better students throughout their lives
- **Canceling** expansion of children's health care to cover kids between 250-300 percent of the federal poverty level
- Ending pay-as-you-go health insurance for low-income people (Basic Health Plan)
- **Cutting** General Assistance-Unemployable, a last-ditch safety-net program for those who are physically or mentally incapacitated

All of these moves combined would save <u>\$1 billion</u>. The budget gap is at least <u>\$8.3 billion</u>.

Education and human services are the largest pieces of the state budget