

Special Edition: 2013–15 Operating Budget Proposal Released

TWIO is a publication of the Washington Association of School Administrators. TWIO keeps you informed about budget issues and legislation impacting K–12 education. Weekly TWIO releases will begin after the Legislature convenes on January 14, 2013.

This morning, outgoing Governor Christine Gregoire held a press conference to issue her final budget proposal to the Legislature. Even though state revenues are expected to climb over \$2.0 billion higher than received in the current 2011–13 budget (ending June 30, 2013), the Economic & Revenue Forecast Council has projected a shortfall of approximately \$970 in the next biennium (that is, expected revenues are projected to fall \$970 million short of anticipated expenditures). The projected shortfall, which is relatively minor compared to the multi-billion dollar shortfalls in recent years, does not include the additional basic education expenditures necessary to comply with the Supreme Court's *McCleary* decision. Including those enhancements swells the shortfall to almost \$3.0 billion.

As required by law, Gregoire introduced a budget proposal with no new revenues. Gregoire, however, stated that a budget with no new revenue would preclude the state from meeting its constitutional mandate to more adequately fund basic education and meet the Court's mandate. She bluntly stated that this is "unacceptable."

Gregoire also introduced a budget proposal with a revenue package. Referred to as a "Book Two" budget, Gregoire's revenue proposal would close the \$970 million budget shortfall and provide a \$1 billion down-payment for K–12 education.

WASA will provide more details on this budget proposal in a pre-session edition of *TWIO* on January 11, 2013 (the Legislature convenes on January 14). If you would like immediate details on Gregoire's budget, please visit: <http://www.ofm.wa.gov/budget13/highlights/default.asp>. At this site, you will find budget summaries, the detailed recommendation summaries and the complete agency detail.

Pensions and Health Benefits

By John Kvamme

The rate health benefit per employee increases from \$768 per month to \$777 in 2013–14. The rate will then increase to \$788 in 2014–15.

The remittance/carve-out is \$66.22 starting September 1, 2013, and will increase to \$71.76 starting September 1, 2014.

The retiree allocation for their health benefits stays at \$150 per month.

The pension rate for 2013–14 and 2014–15 is not available at this time.