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## **2009 Policy Agenda: Prioritize now to restore stability and prosperity.**

Washington state's economic health and fiscal stability have deteriorated markedly in the last year. The nation is in the throes of economic turmoil, state unemployment is on the rise, and the loss of major corporate headquarters to acquisitions and financial crises are having severe impacts on the state economy. As a consequence of this downward slide, the state has repeatedly reduced revenue projections. Even if the turbulent economy calms, excessive state spending increases in recent biennia, coupled with declining revenue growth, has produced a \$5 billion deficit for 2009-11. This pattern of overspending cannot continue. It is time to take the long-view, to deliver a state budget that is sustainable and prioritizes those services that will drive future growth and prosperity for all of Washington's citizens.

### **Enact a sustainable biennial budget that lives within the confines of projected revenues.**

The most important thing lawmakers can do in 2009 is deliver a biennial budget that funds essential services with current revenues. The Roundtable urges lawmakers to leverage the Priorities of Government framework in this effort and avoid revenue increases. Raising taxes during such tumultuous times would have significant repercussions on an already stressed citizenry and marketplace.

### **Prioritize services – namely education and infrastructure – that will drive economic growth and encourage job creation.**

In addition to balancing the budget in a fiscally responsible manner, lawmakers must prioritize those programs – namely education and infrastructure – that will serve as the foundation for prosperity over the long-term. The Roundtable urges state policymakers to:

- **Prioritize high impact highway projects** such as the SR 520 Bridge Replacement & HOV project, Alaskan Way Viaduct, SR 167 and the North-South Freeway.
- **Reform transportation governance** in the Central Puget Sound Region, consolidating responsibility under one newly created board (as recommended by the Regional Transportation Commission in 2006) so the region can more effectively plan, prioritize and fund projects.
- **Prioritize K-12 funding** and take necessary steps to ensure every student is ready for postsecondary education or training. State lawmakers must maintain standards, assessments and accountability. Action also is needed to phase in more rigorous high school course requirements – beginning with math and science – and reform teacher recruitment and development.
- **Protect funding for higher education** and focus resources on high demand enrollments and workforce training.

### **Reduce the cost burden for employers so they can maintain and create jobs in Washington state.**

Employers in Washington state shoulder more than half of the state and local tax burden. In addition, unemployment insurance taxes for employers are the second highest in the nation and workers' compensation benefits are the third highest. This is an expensive state for business and it is harming the ability of employers to create and sustain jobs. The Roundtable urges lawmakers to reduce the cost burden for employers, specifically with regard to unemployment insurance, workers compensation and fees that make it difficult for businesses to maintain and expand employment.