

THRIVING COMMUNITIES



Public investments that maintain our state infrastructure and protect our natural resources create thriving communities.

Vibrant communities foster civic engagement, the arts, and economic innovation. They depend on reliable systems for transportation, communications, and justice as well as thoughtful, long-term planning and the sustainable use of resources.

The public investments that create thriving communities must be maintained and updated. We need adequate transportation and communication systems that keep up with population growth and changing demographics in the state. As we pursue new avenues for economic development, we must protect the long-term health of our communities and natural resources.

The state can promote economic growth and wise use of resources at the same time as it can ensure that business, education, and the arts serve the interests of all Washingtonians. To effectively manage our shared assets and resources, state policies and programs should be efficient and transparent.

This chapter describes our shared efforts to build thriving communities in the state. It includes goals, measurable outcomes, and spotlights on key issues.

GOALS

Promote Economic Growth and Sustainable Development

- Economic development will improve opportunities for employment and entrepreneurship in local communities.
- Growth and development will minimize urban sprawl, create cohesive communities, and protect natural resources.
- Communities will have vibrant cultural institutions and recreational opportunities.

Strengthen Public Transportation and Infrastructure

- Coordinated regional transportation and infrastructure systems will promote job creation, business vitality, and international trade.
- Public transportation systems will improve the livability of communities and minimize environmental impact.
- Infrastructure development will improve the movement of people, products, and information.
- Capital assets will be maintained and managed efficiently.

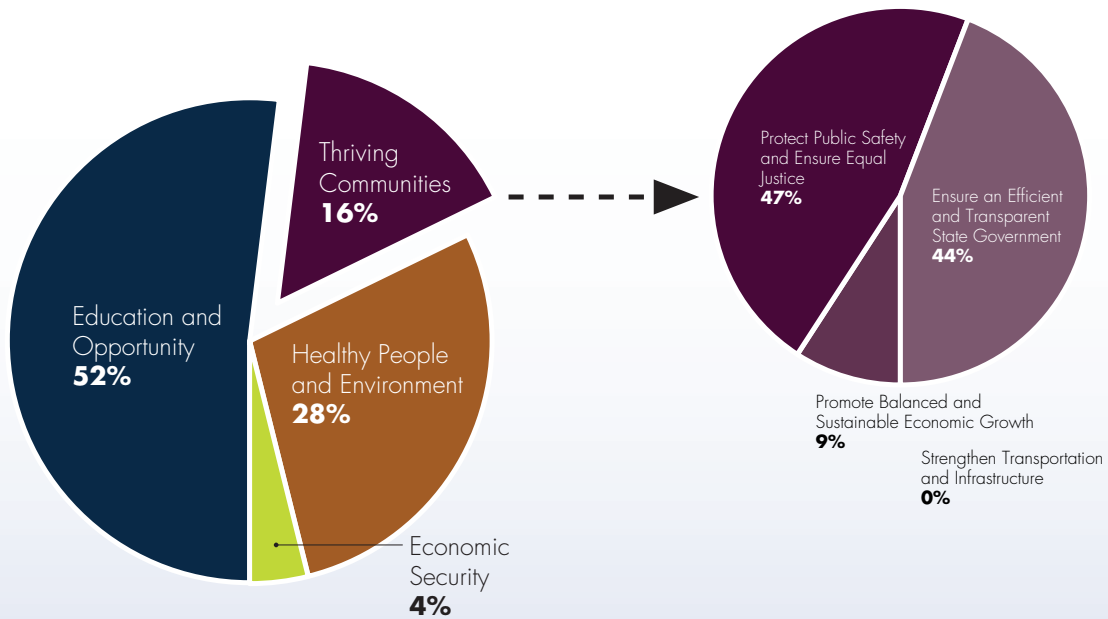
Protect Public Safety and Implement an Equal Justice System

- Civil liberties and human rights will be protected and promoted.
- People will have access to a just legal system and a full range of legal services.
- People, property, and neighborhoods will be safe and protected and emergencies will receive quick and effective responses.
- Crime will be prevented by identifying and solving potential problems early.

Ensure Efficiency and Transparency in State Government

- An open and democratic budget and policy process will ensure that state government decisions are based on public priorities.
- Public resources will be managed wisely and used efficiently.
- State government will work closely with local governments and support their efforts to improve their communities.

Thriving Communities in the State Budget



State general fund plus only. Source: BPC analysis of LEAP data.

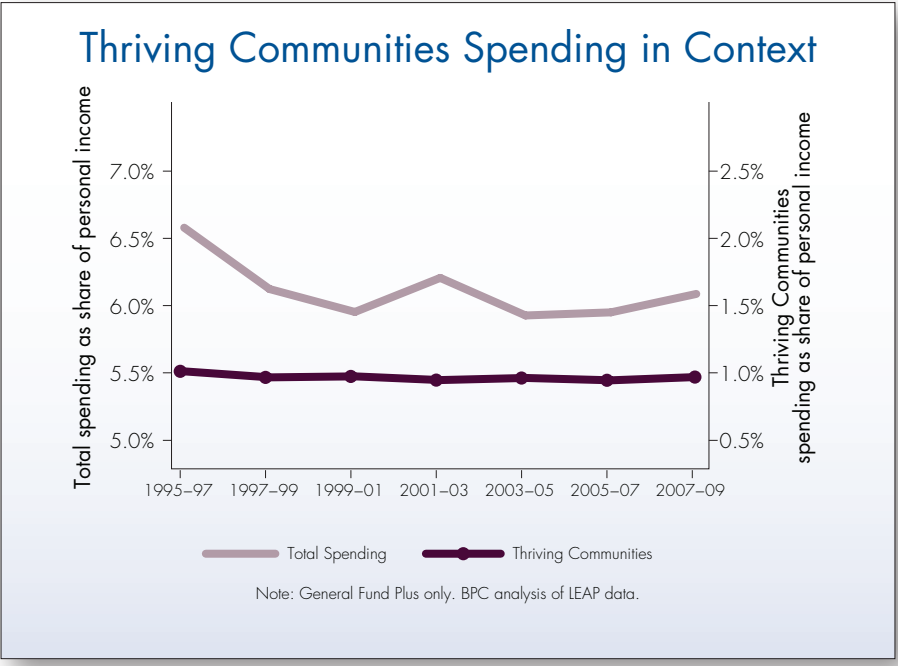
Thriving Communities

2007 – 2009 Operating Budget (in millions)

	GENERAL FUND PLUS	OTHER STATE SOURCES	FEDERAL	OTHER
Promote Balanced and Sustainable Economic Growth	489	443	225	153
Strengthen Transportation and Infrastructure	4	1,666	57	125
Protect Public Safety and Ensure Equal Justice	2,529	996	252	46
Ensure an Efficient and Transparent State Government	2,388	1,174	70	1,445
Thriving Communities	\$5,410	\$4,279	\$604	\$1,769

Important Changes in State Spending for Thriving Communities

<p>Promote Balanced and Sustainable Economic Growth</p>	<ul style="list-style-type: none"> In 2000, voters repealed the Motor Vehicle Excise tax. In 1999-01 and 2001-03, the state provided money to local governments to make up for revenue lost due to the repeal.
<p>Strengthen Transportation and Infrastructure</p>	<ul style="list-style-type: none"> Much of the funding for transportation is in the capital budget, which is not considered in this report. Non-capital operations are primarily paid for by dedicated transportation-related taxes.
<p>Protect Public Safety and Ensure Equal Justice</p>	<ul style="list-style-type: none"> An offender reentry program raised state safety and justice spending in 2007-09.
<p>Ensure an Efficient and Transparent State Government</p>	<ul style="list-style-type: none"> Spending on government operations has fallen as a share of the economy over the last decade.



SPOTLIGHT ON:

Washington Wildlife and Recreation Program

The forests, farms, and recreation areas of Washington State are vital for community vitality, human health, and wildlife habitat. As the population of the state grows and the economy changes, these important resources are declining. In Washington State, the total acres of land dedicated to forests, farms, pastures, or livestock range declined by 24 million acres from 1992 to 2003 (Figure 2.A). Over the same period, there was a comparable increase in developed land.

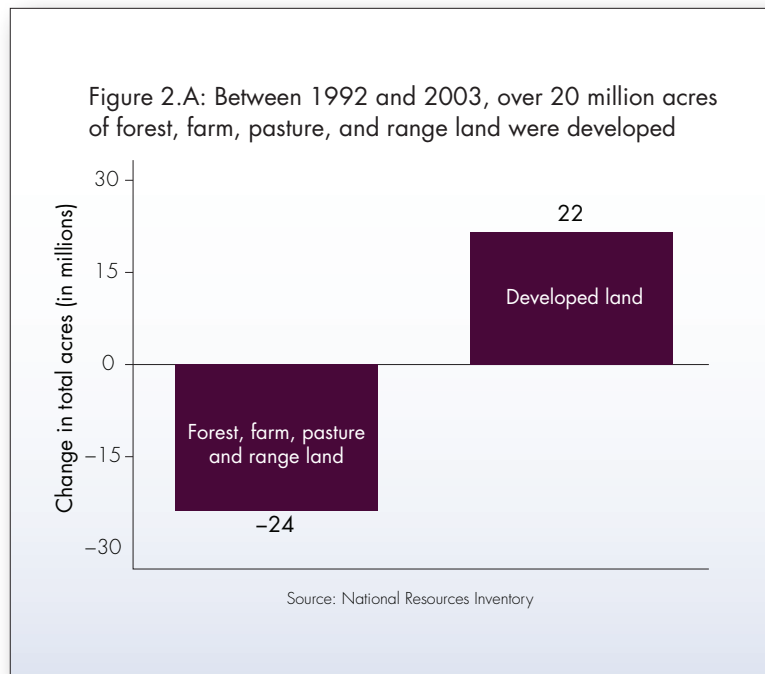
The Washington Wildlife and Recreation Program plays an important role in the effort to preserve natural resources in the state. Since 1990, it has been responsible for over 920 projects to protect habitat, preserve working farms, and create parks.

The program assists local governments in their efforts to implement shoreline and comprehensive land use plans. Cities, counties, and other local governments

apply for grants through the program; to date counties have received \$84 million for 189 projects and cities have received \$123 million for 378 projects.¹⁶ The program also allows local governments to receive funds to help pay for needed parks, ball fields, or bike trails.

Grants can be used for easements to help farmers sell the development rights on their land, which lifts much of the financial pressure to develop and allows them to continue farming. Farmers can also be compensated through grants if they choose to put some portion of their farm into wildlife habitat. And if a local government buys a farm through a grant from the program, they must attempt to resell it to a private landowner to keep it in agricultural production.

In addition to protecting and preserving land use for wildlife and recreation, the program funds development projects that create local jobs.



SPOTLIGHT ON:

Smart Approaches to Economic Development

Smart economic development requires flexibility and forward-thinking. As state and global economies change, new approaches are needed to keep pace. Washington is taking steps to broaden economic development plans across the state to include education, innovation, research, and community revitalization.

Public money that is spent on job creation needs to be focused on creating living wage jobs for people in the community. Investments in education can be a key component to making this happen. Currently our community and technical colleges have linked up with industry to develop programs that meet specific workforce needs in the state.

In addition, innovative approaches to traditional local industries can expand their economic reach. For example, wine grapes have been grown in Walla Walla for over a century, but recent entrepreneurial efforts have turned the region's wine industry into a centerpiece of a local tourism economy.

In 2008, the Legislature funded economic development strategies that encourage job growth in the state's renewable energy economy. Successful models already exist. Gray's Harbor was once a nationwide symbol for the trade-offs between jobs and the environment. Now it is becoming known as a place where environmentally friendly industries can thrive.

Research and development plays an increasingly important role in economic development. Universities and state agencies such as SIRTI in Spokane provide entrepreneurs with the support they need in crucial early stages. Washington Manufacturing Services is a state-supported nonprofit that provides small manufacturers with low-cost consulting services to help them increase productivity and improve competitiveness.

Finally, smart economic development recognizes the value of history and culture. Public supported renovations of local landmarks, such as the Fox Theater in Spokane, are important to creating a community where businesses thrive. Communities from Ellensburg to Puyallup to Port Townsend have revitalized their

traditional commercial districts in ways that build on unique local assets. When combined with public infrastructure improvements and educational investments, these strategies can be essential to local development.

SPOTLIGHT ON:

Produce Railcar Pool Program

Washington State is a national leader in agriculture production. The state produces 91 percent of all red raspberries in the nation and over half of the nation's wrinkled seed peas, hops, spearmint oil, apples, sweet cherries, and pears. Whitman County alone produces more wheat, barley, dry peas, and lentils than any other state in the nation.¹⁷

The agriculture industry in Washington State enjoys many advantages, including a diverse climate, a reliable water supply, low-cost energy, and world-class port facilities. There are also considerable challenges, including transportation. Produce growers in Eastern Washington face a long haul to reach consumers in the Midwest and East Coast and a shortage of refrigerated trucks. Shipments to the Puget Sound ports from Eastern Washington must often endure unsafe and unpredictable trips over Snoqualmie Pass.

Through programs that encourage rail transport, the state can support the agricultural industry by ensuring that transportation choices have a limited impact on the environment, preserve union jobs, and increase the safety over the Pass.

Efforts to do this are underway. In 2003, the Legislature passed the Produce Railcar Pool Program. This program makes refurbished refrigerated rail cars available to produce growers in the state to carry produce to the East Coast. The program has grown modestly, but when it is at full capacity it could eliminate hundreds of heavy truckloads from the state highways and decrease fossil fuel use.

The estimated cost to the state is only \$200,000 over the first ten years, but the program was able to draw two million dollars in federal funding.

SPOTLIGHT ON:

Family Integrated Transitions

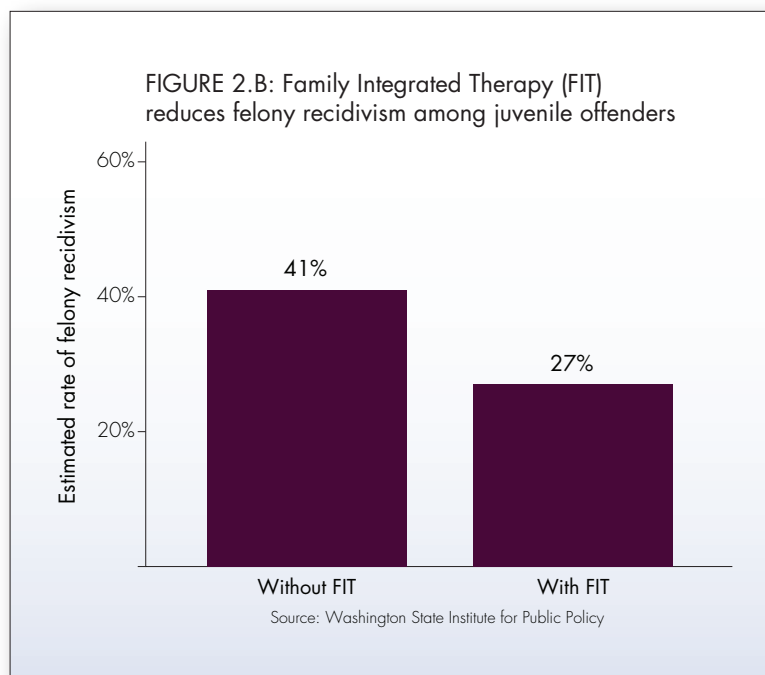
Youth offenders typically receive intensive treatments while incarcerated, but then are released back into difficult environments without access to continued treatment and support. About 1,000 youth are committed in Washington State each year.¹⁸

Failing to meet the needs of youth offenders is detrimental to the safety of our communities and the well-being of their own families. Without support, they are likely to continue committing crimes.

Improving outcomes for youth offenders is challenging. Many juvenile offenders suffer from a combination of emotional disorders and substance abuse. Up to 70 percent of incarcerated youth have some combination of these problems, 20 percent of whom have serious conditions.¹⁹ Youth with these challenges are more likely to commit further crimes and more likely to need continued intensive support.²⁰

The state has made efforts to reduce recidivism among youth offenders by investing in the Family Integrated Transitions (FIT) program. FIT is currently available in nine counties for youth who have both substance abuse and mental illness problems. Intensive treatment begins while they are still incarcerated and continues during the period of transition back to their community. Youth are served by a coordinated team of mental health specialists and chemical dependency professionals. Services are available at all times. Critically, FIT engages the family throughout the treatment process.

The program seems to be working. A Washington State Institute of Public Policy study followed a group of youth for 18 months after release and found that the average likelihood of committing another felony fell from 41 percent to 27 percent if the youth were in the FIT program (Figure 2.B). It also found that while expensive, the costs of the program were easily outweighed by the savings to taxpayers by avoiding future incarcerations.



SPOTLIGHT ON:

An Open Budget Process

Meaningful participation by citizens in the decisions of government is at the heart of a true democracy. This cannot happen unless information on government programs and policies is made broadly accessible. Washington State's budget process has consistently earned high marks nationwide. According to the Pew Center on the States, "No state in the nation is better at developing and sharing information than Washington."²¹

Still, Washington can take steps to make the state budget process more transparent, particularly in the area of exemptions made within the tax code. These exemptions are in many ways equivalent to other expenditures because they reduce the funds available for other priorities. However, they are treated quite differently in the budget process. That is, every year the Governor and Legislature must prepare a budget that determines the level at which to fund education, health care, and transportation, but they are not required to propose a level of expenditure on tax breaks.

In total, these tax expenditures represent \$13 billion in the coming two year budget cycle that could potentially be used elsewhere in the budget.²² Some of these tax expenditures make clear improvements to the tax

system, such as exempting very small businesses from the Business and Occupation tax or exempting food and medicine from the sales tax. Other tax expenditures need to be reviewed to determine whether they are meeting their stated purpose and whether they are a priority when considered alongside other proposals. Just since 1995 when significant changes were made to the state budget structure, tax expenditures have passed that will cost the state \$1.6 billion (Figure 2.C).

In 2006, the Legislature took an important step by creating the Citizen Commission for Performance Measurement of Tax Preferences. This Commission has established a schedule for an intensive review of most existing tax expenditures over the next decade. In addition, the Department of Revenue (DOR) produces a report every four years with detailed data on each expenditure.

The Commission and DOR reports place Washington State ahead of many states and again demonstrate our commitment to accountability in government. But a truly transparent budget process would not exclude \$13 billion of expenditures from the annual budget process.

