



# THE PROGRESS INDEX

MEASURING SHARED PROSPERITY  
IN WASHINGTON STATE

WASHINGTON STATE  
**BUDGET  
& POLICY  
CENTER**

SOUND RESEARCH.  
BOLD SOLUTIONS.

### **ABOUT US:**

The Washington State Budget & Policy Center is an organization that conducts research to advance the well-being of all Washingtonians. Our mission is to use research and analysis to advance the well-being of Washington state's communities, improve the economic security and social opportunity of everyone in the state, and support the essential role of government in promoting a just and prosperous society.

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*MEASURING SHARED PROSPERITY  
IN WASHINGTON STATE*

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*March 2015*

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*This version of the Progress Index updates a previous version of the report  
with some minor edits and clarifications.*

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# THE PROGRESS INDEX

March 2015

## MEASURING SHARED PROSPERITY IN WASHINGTON STATE

### A TRADITION OF INVESTING IN PROGRESS

When Washington state formed in 1889, our founders worked to ensure that the state's constitution included provisions to invest in programs, institutions, and services that support economic development.

Those provisions focused on the proper management of public lands, the protection and development of natural resources, the requirement for safe workplaces, and the "paramount duty" to amply provide education for all children. The constitution also made it a priority to support institutions that provide criminal justice services and that care for Washingtonians with mental and developmental disabilities.

“

*By measuring progress, we can hold our investments accountable to Washingtonians, whose collective well-being is the key to our future.*

”

In Washington state, our identity is closely tied to the notion of progress. We live in a place where innovative companies continue to change the landscape in technology, research, global health, and more. A state where farmers and ranchers bring an abundance of agricultural products – many of which, like apples and salmon, are state cultural icons – to people around the region and beyond. It's a place where organizations, communities, and individuals are committed to preserving our state's environment, natural beauty, and cultural landmarks for future generations.

Those future generations have long been one of the key motivators for our progress. They inspire us to create a society in which each generation builds on gains from the previous one. Yet we let them – and ourselves – down when progress stalls. And on the other side of our country's Great Recession, we are experiencing significant setbacks. We are still feeling the repercussions of a dwindling investment in our state's most treasured resource: our people.

### **Our state budget is one of the most powerful tools we have to invest in progress.**

We must identify the tools required to move forward in a way that allows all our residents to thrive. Individuals, families, businesses, and communities all benefit from the investments our state makes in high-quality education, a clean environment, economic development, a healthy workforce, and a good quality of life. Without these investments, social and economic progress is impossible.

### **WHAT IS THE PROGRESS INDEX?**

The Progress Index is a bold endeavor to track the impact of public investment in Washington state. Is our state making progress toward an inclusive, 21st century economy where children, families, workers, and businesses have the opportunities they need to thrive? Are we investing enough, and in the right ways, to give Washingtonians the opportunities they need to prosper? What's working? What's not working? By measuring progress, we can hold our investments accountable to Washingtonians, whose collective well-being is the key to our future.

## DEFINING PROGRESS

The way progress is defined today must be different than in the past. A child born in Washington state today inhabits a markedly different world than previous generations. Our economy has changed, requiring new skills to keep workers competitive in a global job market. We face unprecedented challenges, such as climate change, which require new knowledge, collaborations, and problem solving. And our population is becoming more diverse. As such, we have an obligation to better understand and invest in the needs of an increasingly more multiracial and multiethnic populace.

If we are to progress as a society and a state, we must embrace these changes, accept the challenges, and provide equal access to the opportunities that all Washingtonians need to succeed. To advance prosperity for all of us, we should strive to meet the goals laid out in the accompanying box (Box 1).

In order to accomplish these ambitious goals, we need to know where we are, where we want to be, and how we can get there. The Progress Index will catalyze that process by measuring whether Washingtonians are advancing in critical areas that are essential to an equitable, productive, and sustainable economy.

### BOX 1:

#### PROGRESS GOALS BY CATEGORY

##### ECONOMIC SECURITY

- *An economy in which all Washingtonians can meet their basic needs and have opportunities to remain stable during a personal crisis or economic downturn.*

##### EDUCATION

- *A world-class system for all students, with high-quality teachers, curriculum, and enrichment activities throughout early learning, K-12, and higher education.*

##### HEALTHY PEOPLE & ENVIRONMENT

- *A society in which everyone has the opportunity to live a healthy and productive life, with an affordable option for health care, and the opportunity to live in an environment with safe and clean air, water, and land.*

##### COMMUNITY DEVELOPMENT & TRUST

- *A quality of life in which residents have the freedom to live, work, and play; and a state government that fosters trust by making decisions out in the open.*

##### GOOD JOBS

- *An abundance of high-quality, living-wage jobs that support a strong middle class and that attract the best talent and businesses to Washington state.*

##### REVENUE

- *A stable, dependable, and equitable tax system that ensures we have adequate resources to invest in equal opportunities for our children, families, businesses, and communities.*

### HOW WASHINGTON STATE INVESTS

The state budget is far more than just numbers – it is a statement of our values. What we choose to invest in is a reflection of what we prioritize and deem important. The state budget is one of the most important tools we have to ensure social and economic progress.

The operating budget for the state is supported by revenues collected through our state tax system, as well as through federal funding. Every two years, the Legislature must approve an operating budget and determine how state resources will be spent. In Washington state, we invest state resources in the following ways (*Figure 1*) (*See Appendix A for how state agencies are categorized*):

- Over half (55 percent) of state revenues are invested in the education system, including early learning, K-12, and higher education;
- Just over a quarter (27 percent) of revenues are invested in programs that support healthy people and the environment;
- Fifteen percent of revenues are invested in enhancing community development and quality of life, as well as in ensuring that government is responsible and open to public scrutiny; and
- Three percent of state revenues are invested in programs that help Washingtonians achieve economic security.

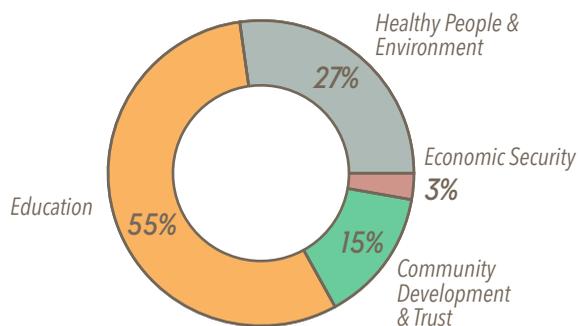
These investments are the foundation for the opportunities that children, families, businesses, and communities throughout the state need to thrive. The state budget, therefore, plays an essential role in determining our collective well-being.

### TRENDS IN STATE BUDGET INVESTMENTS

Like most states, Washington state experienced a significant decline in spending following the Great Recession, which lasted from December 2007 to June 2009.<sup>[1]</sup> As unemployment rose and the value of homes declined, people and businesses reined in spending. As a result, revenues collected through the sales tax – our state’s primary source of revenue – declined sharply, and the ability of the state to maintain its investments in education and other basics was jeopardized.

The passage of the federal American Recovery and Reinvestment Act (ARRA) of 2009 helped the state maintain investments initially, and, without ARRA, state and local economies would have suffered much more.<sup>[2]</sup> As ARRA funding phased out, however, Washington state’s revenue system was unable to keep up with its needs (*Figure 2*). As of 2014, inflation-adjusted spending remained below what it was in 2008, and only slightly above what it was in 2002 (solid line). Had spending kept pace with growth in state needs prior to the economic downturn, it would be 23 percent (\$3.8 billion) higher than it is today (dotted line)

**FIGURE 1:**  
**HOW WASHINGTON STATE INVESTS ITS RESOURCES**  
State funding + federal stimulus funding, WA, FY 2015

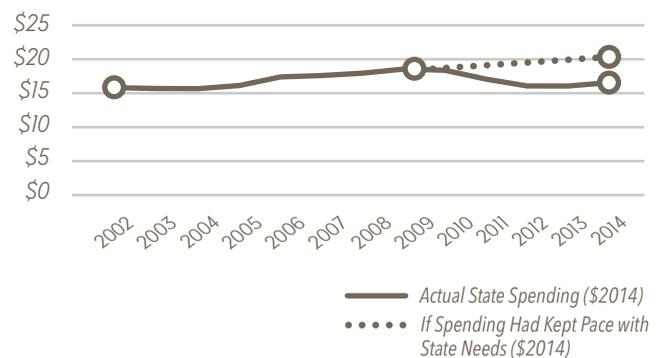


Source: Budget & Policy Center analysis of LEAP data

Note: This funding measures the Washington state Near General Fund (the principal state fund supporting state operations) and Opportunity Pathways (the lottery revenues used to fund education programs) as well as federal stimulus funding from the American Recovery and Reinvestment Act (ARRA).

**FIGURE 2:**  
**BUDGET INVESTMENTS HAVE NOT KEPT PACE WITH STATE NEEDS**

State funding + federal stimulus funding, WA, 2002-2014



Source: Budget & Policy Center analysis of LEAP data

Notes: Spending adjusted for inflation in \$2014. Estimated spending calculated using a 3.6% growth rate. See full methodology for more information on estimated spending.

## MEASURING PROGRESS

To measure whether state investments are helping us make progress, we ask questions that reflect values shared by Washingtonians (Box 2). We then use our research results to gauge whether we are making progress (see Appendix A for full methodology). In our charts and graphs, we illustrate progress in the following way:



With some pieces of data, you'll notice that we use more than one color. For example, the data related to the reduction of carbon emissions in Washington state is marked both green and yellow. That is to recognize that progress is being made, but that it's not happening fast enough given the severity of the problem (in this case, climate change).

Our analysis of whether progress is being made is based on several factors. First, we use a range of data that measures key trends. Second, we consider the benefits and risks of a particular trend with regard to Washington state's children, families, businesses, and communities. Third, we break down selected data by race and ethnicity to gauge whether all Washingtonians are making progress equitably, acknowledging that opportunity has not always been inclusive when it comes to measuring the state budget. Finally, we review the entire data set to tell a story of how we are performing overall in a particular area (Box 3).

**BOX 2:**

### THE QUESTIONS WE ASK TO MEASURE PROGRESS

#### ECONOMIC SECURITY

- Do Washingtonians have equal opportunity to prosper?
- Are social programs working to reduce the impact of poverty?

#### EDUCATION

- Are children entering kindergarten with the skills they need to succeed throughout school?
- Are K-12 students meeting key milestones for achievement and graduating on time?
- Can aspiring students access and afford higher education?
- Is our higher education system meeting employer demand?

#### HEALTHY PEOPLE & ENVIRONMENT

- Do Washingtonians have access to affordable, comprehensive health care?
- Does Washington state protect its most vulnerable residents?
- Is our water, air, and land safe and clean for use?
- Are we reducing Washington state's contribution to climate change?

#### COMMUNITY DEVELOPMENT & TRUST

- Do Washingtonians feel protected from crime and have confidence in the criminal justice system?
- Do communities have access to amenities that enhance quality of life?
- Is state government representative?
- Is spending on state investments farsighted and transparent?

#### GOOD JOBS

- Are there enough good jobs to sustain a middle class?
- Is economic growth strong and shared with workers?
- Does our state support the needs of a 21st century workforce?

#### REVENUE

- Is Washington state's tax system equitable?
- Is the state tax system dependable and stable?
- Is the state tax system simple and transparent?
- Is the tax system evenhanded for business?

**BOX 3:**

**THROUGHOUT THE PROGRESS INDEX, WE FOLLOW THIS FRAMEWORK**

**IDENTIFY OUR SHARED VALUES FOR WASHINGTON STATE.**

*Economic Security, for example, is a shared value. Our values statement for economic security is: "Washington state should have an economy in which all Washingtonians can meet their basic needs and have opportunities to remain stable during a personal crisis or economic downturn."*



**ASK WHETHER WE ARE ACHIEVING SPECIFIC GOALS TO LIVE UP TO THAT VALUE.**

*One goal in Economic Security is: "Does Washington state have shared prosperity?"*



**MEASURE PROGRESS TOWARD EACH GOAL BY LOOKING AT KEY RESEARCH INDICATORS.**

*For the goal of shared prosperity, the research indicators include topics such as "Share of income held by top one percent" and "Median household incomes."*



**ANALYZE AND SUMMARIZE THE STATUS OF EACH GOAL IN THE LARGER CONTEXT OF OUR SHARED VALUES.**

*We do this through presenting detailed, thorough research and analysis.*



**RECOMMEND THE STRATEGIES OUR STATE MUST IMPLEMENT IN ORDER TO PROGRESS IN EACH SHARED VALUE.**

*For Economic Security, the strategies are to create a more equitable tax system, rebuild social programs, and strengthen social programs. (The full list of strategies for each shared value can be found under the "Looking Ahead" header at the end of each section.)*

**MAKING USE OF THIS DATA**

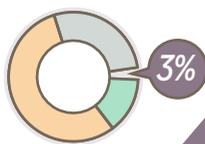
The information in this report covers a wide range of topics, but is by no means exhaustive. By covering such a breadth of issues, we necessarily sacrifice some of the complexity needed to fully understand those issues. We encourage users of this data to ask more questions and develop a deeper understanding of the role state budget investments play in the lives of Washingtonians.

Engaging in conversations with communities of color is especially important, as the data presented by race and ethnicity – while useful in highlighting the importance of racial equity in policymaking – provides a limited understanding of the people it represents. Working with communities of color to understand what the data means for the diverse populations of Washington state should be a priority in public policy decision-making. We cannot say we're truly making progress as a society until we have achieved equity.

As such, Washington state remains a work in progress.

The information presented in this report can be used to inform decisions, shape policies, create conversations, mobilize communities, and inspire change. Armed with a better understanding of the work that needs to be done, we can all take steps to become a place where every single person can share in prosperity. And we can create a state where progress across the board is, quite simply, a given.





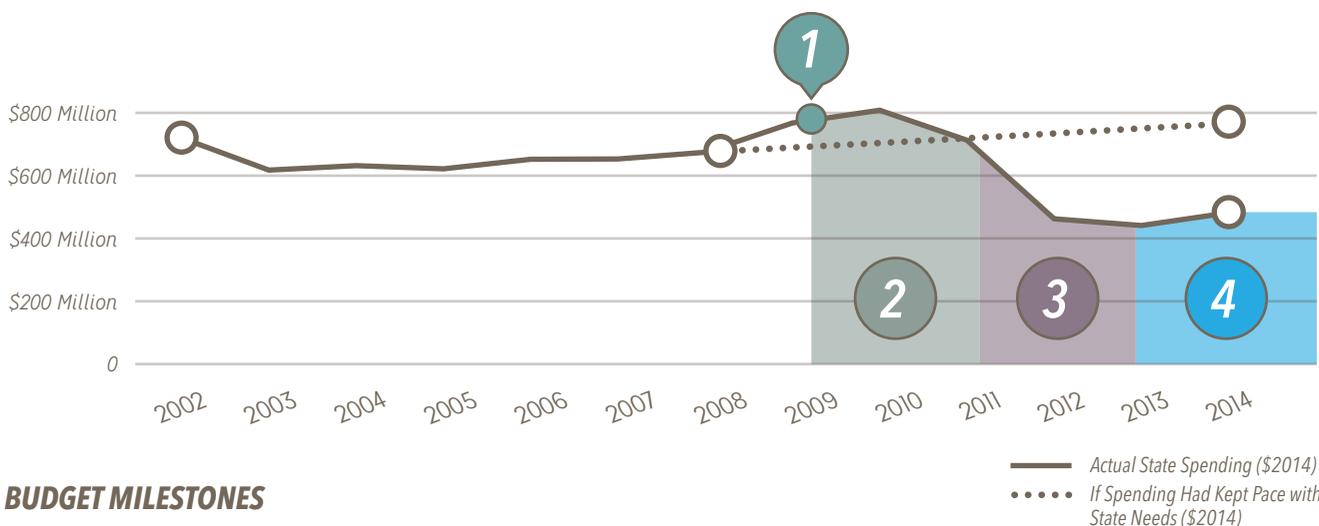
Washington state should have an economy in which all Washingtonians can meet their basic needs and have opportunities to remain stable during a personal crisis or economic downturn.

## BUDGET SNAPSHOT

### INVESTMENTS IN ECONOMIC SECURITY

Washington state invests 3 percent of its total operating revenue on services to help Washingtonians make ends meet, including food and housing assistance, child care, and help finding a job. Spending on economic security is far below 2002 levels (Figure 3), and it declined significantly during the recent recession (solid line). Had spending on economic security kept pace with pre-recession growth, it would be 58 percent (\$281 million) higher than it is currently (dotted line).

**FIGURE 3:**  
**STATE INVESTMENTS IN ECONOMIC SECURITY HAVE FALLEN BEHIND BY \$281 MILLION**  
State funding + federal stimulus funding, 2002-2014



### BUDGET MILESTONES

- 1** 2009: The 2009 American Recovery and Reinvestment Act (ARRA) injects over \$200 million into economic security investments. If not for ARRA funding, cuts to economic security programs would be significantly worse during the recession, a time when Washingtonians need these investments the most.
- 2** 2009-2011: As federal funding phases out, the first set of significant cuts to social programs – such as TANF, child care, and food assistance – begin.
- 3** 2011-2013: Policy changes in the wake of budget cuts continue, reducing eligibility levels and making it harder for Washingtonians to access social programs. As a result of a declining caseload, resources are removed from social programs and swept into other areas of the general fund to balance the state budget.
- 4** 2013-2015: Caseloads continue to decline and resources continue to be swept out of social programs. By 2014, resources for social programs stabilize, but remain weak compared to pre-recession levels.

Source: Budget & Policy Center analysis of LEAP data

Notes: Spending adjusted for inflation in \$2014. Estimated spending calculated using a 3.6% growth rate. See full methodology for more information on estimated spending.

## DO WASHINGTONIANS HAVE EQUAL OPPORTUNITY TO PROSPER?

All indicators of economic security suggest a substantial share of Washingtonians – particularly people of color – do not share equally in our state’s prosperity (Table 1). Income inequality remains historically high in Washington state, with nearly one quarter (23 percent) of all income being held by the richest 1 percent. For perspective, the richest 1 percent held no more than 11 percent of all income during the height of middle class prosperity from 1947 to 1979.<sup>[3]</sup> And it is getting worse. Between 2009 and 2012, during the economic recovery from the Great Recession, all income gains went to the richest Washingtonians. The remaining 99 percent saw income decline.<sup>[4]</sup>

An economy cannot sustain itself when such a small share of the population benefits from the economic activity that all Washingtonians work so hard to create. On most indicators of economic security, Washingtonians are going backwards:

- Median household income declined by \$4,000 between 2008 and 2013, from \$62,486 to \$58,405. Median income varies considerably by race and ethnicity (Figure 4), with most people of color having incomes lower than the state median.
- The share of low-income people who do not have enough income to meet basic needs has increased, now encompassing nearly one-third of all Washingtonians (31 percent). Many children of color experience rates of economic hardship much higher than the state average (Figure 5). (Low income is defined as having an income below 200 percent of the federal poverty line. The 2015 poverty line is \$20,090 for a family of three.<sup>[5]</sup>)
- The number of school children who were homeless increased from 20,780 to 32,494 between 2008 and 2013.
- A bigger share of Washingtonians (25 percent) lack enough resources to withstand a personal or economic crisis today than they have in the past.

**TABLE 1:**

**SHARED PROSPERITY: KEY INDICATORS OF PROGRESS<sup>[6]</sup>**

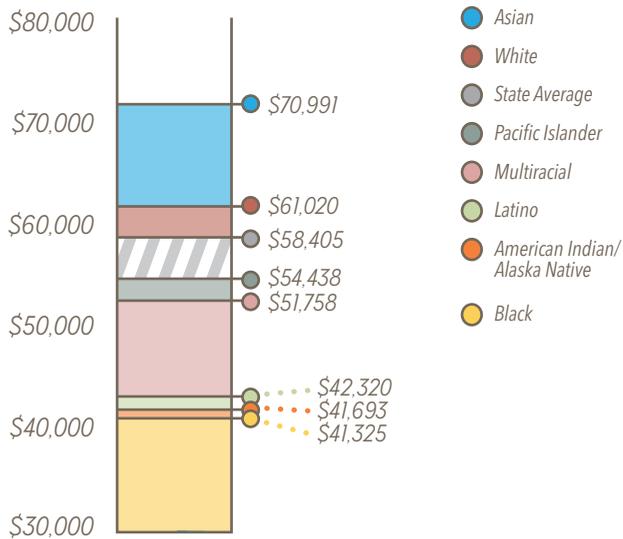
**ARE WE MAKING PROGRESS?**

	2000	2008	2013	Progress
Share of income held by top 1 percent	22% (2000)	21% (2008)	23% (2013)	✗
Median household income (2013)	\$61,205 (2000)	\$62,486 (2008)	\$58,405 (2013)	✗
Share of people with low incomes (below 200% of the federal poverty line)	26% (2000)	27% (2008)	31% (2013)	✗
Number of homeless children in public schools	*	20,780 (2008-09)	32,494 (2013-14)	✗
Share of households that do not possess enough assets to withstand a financial crisis	20% (2000)	23% (2008)	25% (2013)	✗

\*Data not available or not comparable to subsequent years

**FIGURE 4:**  
**PEOPLE OF COLOR FACE GREATER BARRIERS TO ECONOMIC SECURITY**

Median household income in the past 12 months by race/ethnicity, WA, 2013

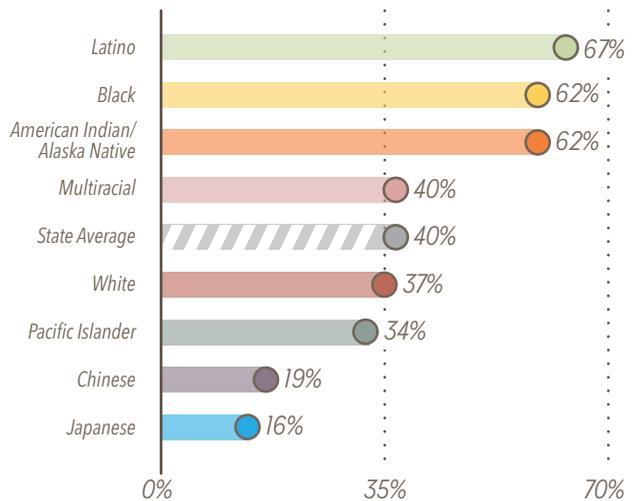


Source: B&PC analysis of 2009-2013 ACS 5-year estimates, table B19013

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the populations it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

**FIGURE 5:**  
**MORE KIDS OF COLOR LIVE IN HOUSEHOLDS WITH LOW INCOMES**

Percent of children living below 200% of the federal poverty line by race/ethnicity, WA, 2012



Source: B&PC analysis of 2008-2012 ACS Integrated Public-Use Microdata 5-year estimates

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the populations it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

## ARE SOCIAL PROGRAMS WORKING TO REDUCE THE IMPACT OF POVERTY?

Social programs and health and human services intended to keep children and families out of poverty are working. After factoring in benefits such as cash assistance and child care subsidies (WorkFirst and Working Connections Child Care), food assistance (Supplemental Nutrition Assistance Program), and unemployment insurance, 241,000 children were kept out of poverty. In Washington state (**Table 2**):

- The drop in poverty can largely be attributed to the expansion of the Supplemental Nutrition Assistance Program (SNAP) in 2008. SNAP responded well to rising rates of economic hardship among Washingtonians during the Great Recession and the slow recovery. The number of people served increased from 46 of every 100 Washingtonians in need of assistance in 2008 to 67 of every 100 in 2013. While a positive trend overall, changes to food assistance during the recession hurt people of color by reducing eligibility for the state Food Assistance Program.
- Unemployment insurance (UI) through the U.S. Department of Labor also modestly expanded during the recession in response to the increase in unemployment, which even in 2013 remained historically high in Washington state at 6.7 percent. UI helped 49 percent of unemployed Washingtonians make ends meet in 2013, compared to 40 percent in 2008.
- Programs that experienced significant budget cuts couldn't respond to the needs of Washingtonians as well as SNAP or UI. WorkFirst – Washington state's version of Temporary Assistance for Needy Families (TANF) – and Working Connections Child Care (WCCC) serve significantly fewer children today than they did in 2008, even though poverty remains high.

- Housing assistance is helping to move many Washingtonians into stable housing, although results differ depending on the program accessed and circumstances of the people served. Sixty-three percent of people receiving rapid re-housing exit into stable housing, as do 59 percent of people receiving transitional housing. People in emergency shelters are the least likely to exit into stable housing.

**TABLE 2:**  
SOCIAL PROGRAMS: KEY INDICATORS OF PROGRESS<sup>[7]</sup>

**ARE WE MAKING PROGRESS?**

<b>Number of children kept out of poverty as a result of social programs</b>	*	*	<b>241,000</b> (2013)	Trend data not available
<b>Share of unemployed people receiving unemployment insurance (UI)</b>	<b>49%</b> (2000)	<b>40%</b> (2008)	<b>49%</b> (2013)	—
<b>Number of children receiving Temporary Assistance for Needy Families (TANF)</b> <i>(per 100 children living below 200% of the federal poverty line)</i>	<b>47</b> (2000)	<b>40</b> (2008)	<b>28</b> (2013)	✗
<b>Number of families receiving Working Connections Child Care (WCCC)</b> <i>(per 100 children living below 200% of the federal poverty line)</i>	<b>20</b> (2000)	<b>21</b> (2008)	<b>13</b> (2013)	✗
<b>Number of people receiving Supplemental Nutrition Assistance Program (SNAP) benefits</b> <i>(per 100 people living below 200% of the federal poverty line)</i>	<b>32</b> (2000)	<b>46</b> (2008)	<b>67</b> (2013)	✓
<b>Percent of people in stable housing following homelessness assistance</b> <i>By type of assistance</i>	<b>Rapid re-housing</b>	*	<b>63%</b> (2013)	Trend data not available
	<b>Transitional housing</b>	*	<b>59%</b> (2013)	Trend data not available
	<b>Emergency shelters</b>	*	<b>16%</b> (2013)	Trend data not available

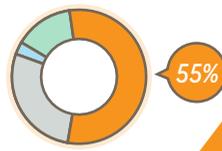
\*Data not available or not comparable to subsequent years

# LOOKING AHEAD

## HOW WASHINGTON CAN MAKE PROGRESS ON ECONOMIC SECURITY

- Ensure more Washingtonians benefit from our growing economy by creating a more equitable tax system. People with the lowest incomes pay seven times more in taxes (17 percent of their income) than the richest 1 percent (3 percent of their income). *(See the Revenue section for more information on tax policy).*
- Rebuild social programs so they better meet the basic needs of entire families – parents and children – during periods of personal difficulty or economic downturns.
- Strengthen social programs by increasing opportunities for people with low incomes to get higher-education credentials and degrees as well as to participate in career training that leads to high-skill, high-wage work.

# EDUCATION

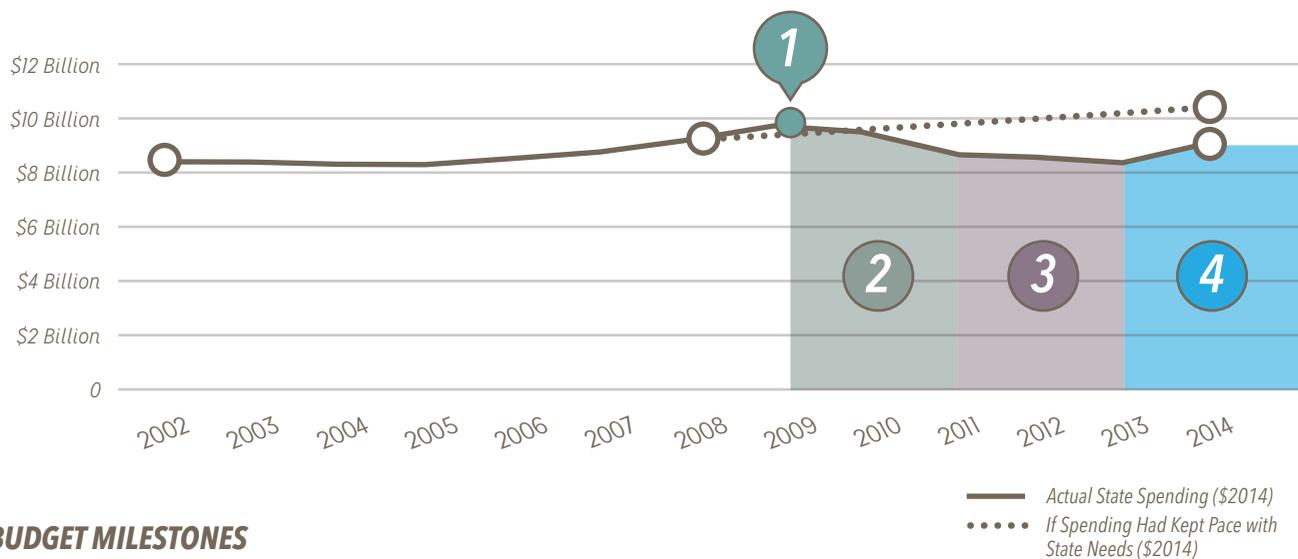


Washington state should have a world-class system for all students, with high-quality teachers, curriculum, and enrichment activities throughout early learning, K-12, and higher education.

## BUDGET SNAPSHOT INVESTMENTS IN EDUCATION

Washington state invests 55 percent of its total operating revenue on early learning, K-12, and higher education. Spending on education is slightly higher than 2002 levels (Figure 6), but lower than in 2008 before the economic downturn (solid line). Had spending on education kept pace with pre-recession growth, it would be 14 percent (\$1.3 billion) higher than it is currently (dotted line).

**FIGURE 6:**  
**STATE INVESTMENTS IN EDUCATION HAVE FALLEN BEHIND BY \$1.3 BILLION**  
State funding + federal stimulus funding, WA, 2002-2014



### BUDGET MILESTONES

- 1** 2009: The 2009 American Recovery and Reinvestment Act (ARRA) injects over \$1.4 billion into education investments. If not for ARRA funding, cuts to early learning, K-12, and higher education would be significantly worse.
- 2** 2009-2011: Funding for higher education is dramatically reduced, resulting in the second-largest tuition increase in the nation at four-year colleges since the start of the recession.
- 3** 2011-2013: Washington State Supreme Court rules in *McCleary v. State* that Washington state is not fulfilling its paramount duty to provide a basic education for children. Lawmakers must invest at least \$4.5 billion by 2018 to comply with the ruling. A \$1 billion down payment is made toward fulfilling requirements under *McCleary v. State*.
- 4** 2013-2015: 2014 marks the sixth year in a row that teachers go without a cost-of-living increase.

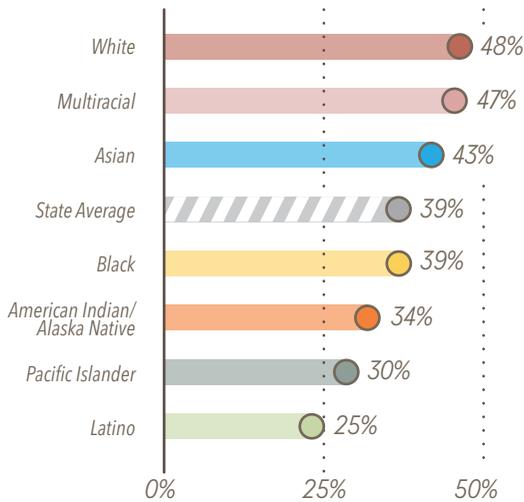
Source: Budget & Policy Center analysis of LEAP data

Notes: Spending adjusted for inflation in \$2014. Estimated spending calculated using a 3.6% growth rate. See full methodology for more information on estimated spending.

## ARE CHILDREN ENTERING KINDERGARTEN WITH THE SKILLS THEY NEED TO SUCCEED THROUGHOUT SCHOOL?

**FIGURE 7:  
EVIDENCE OF THE OPPORTUNITY GAP SEEN EARLY  
FOR MANY CHILDREN OF COLOR**

Percent of children prepared for kindergarten in all six areas of readiness by race and ethnicity, WA, 2014-2015



Source: Office of Superintendent of Public Instruction, 2014-2015 WA KIDS data. Six areas of readiness are social-emotional, language, cognitive, literacy, math, and physical.

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the populations it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

Growing evidence suggests that high-quality early learning is essential for child development and to prepare children for future success in school.<sup>[8]</sup> In Washington state (Table 3):

- Forty-one percent of 3- and 4-year-olds (four of every 10) are enrolled in preschool.
- While long-term data on kindergarten readiness is emerging, the most recent data suggest that there is room for improvement in preparing children for kindergarten. This is especially true for young children of color, who face early obstacles in life and are less likely to be prepared for kindergarten than their peers (Figure 7).

**TABLE 3:**

**EARLY LEARNING: KEY INDICATORS OF PROGRESS<sup>[9]</sup>**

Percent of 3- and 4-year-olds enrolled in preschool

\*

41%  
(2008)

41%  
(2012)

Percent of children prepared to enter kindergarten in all six areas of readiness

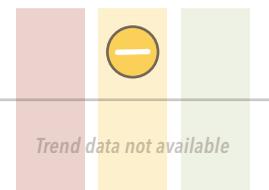
\*

\*

39%  
(2014-15)

(social-emotional, language, cognitive, literacy, math, and physical)

**ARE WE MAKING PROGRESS?**

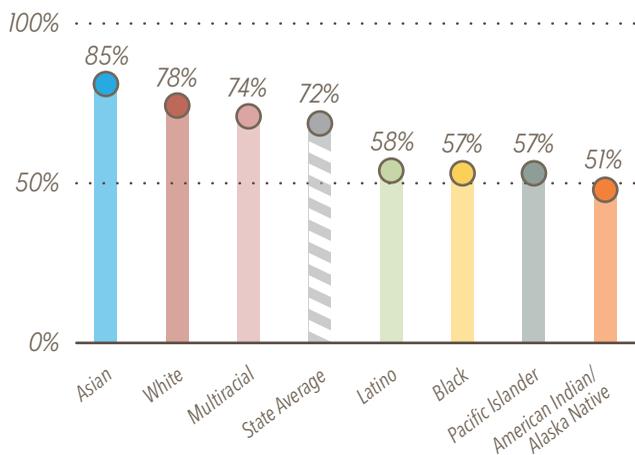


\*Data not available or not comparable to subsequent years

## ARE K-12 STUDENTS MEETING KEY MILESTONES FOR ACHIEVEMENT AND GRADUATING ON TIME?

Meeting milestones for achievement in reading and math are important for future success in school and life. Graduating on time from high school increases a student’s chances of success in adulthood, including attending college and joining the workforce. In Washington state (Table 4):

**FIGURE 8:**  
**ACHIEVEMENT GAP EVIDENT BY 3RD GRADE**  
Percent of students in 3rd grade meeting reading standards by race/ethnicity, WA, 2013-2014



Source: Office of Superintendent of Public Instruction, 2013-2014 Measurements of Student Progress (MSP) 3rd grade reading data.

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

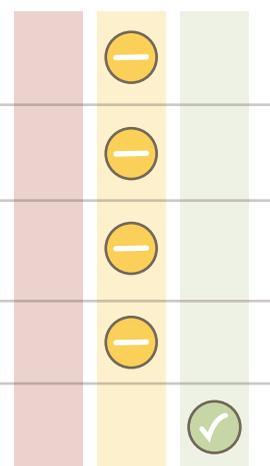
- Seven out of 10 students (72 percent) are meeting reading standards by the end of third grade, effectively the same as in 2008. The gap in achievement between students is evident by this time, with students of color much less likely than their peers to be reading proficiently (Figure 8). A critical benchmark is whether a child can read with proficiency by the end of third grade; it also influences the likelihood of graduating on time and attending college.<sup>[10]</sup>
- Just over half (56 percent) of students in 8th grade are meeting math standards. Students of color are significantly less likely than their peers to meet math proficiency standards (Figure 9). Because success in math is necessary for future success in the science, technology, engineering, and math (STEM) fields – fields that play a significant role in Washington state’s labor market – lower rates of math proficiency are of particular concern.<sup>[11]</sup>
- Three-quarters (77 percent) of high school students graduate within four years.
- The share of students having to take pre-college coursework is an indicator of how prepared they are for college.<sup>[12]</sup> Over half (57 percent) of students attending community college require pre-college level coursework, compared to 8 percent of students who enroll in four-year institutions.

**TABLE 4:**

**K-12: KEY INDICATORS OF PROGRESS<sup>[13]</sup>**

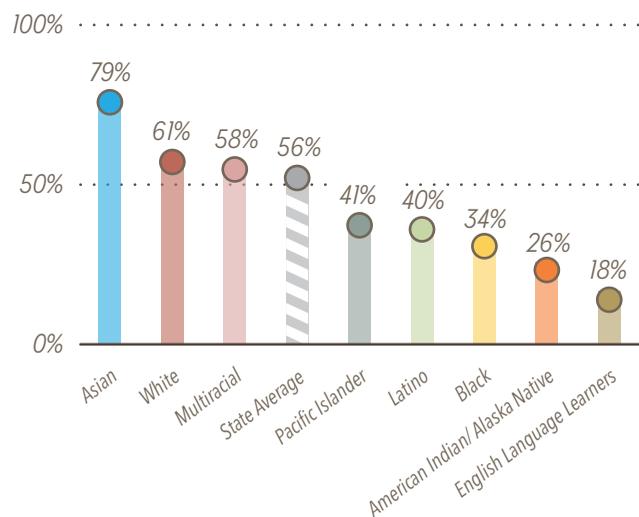
Indicator	Year	2007-08	2013-14
Percent of 3rd grade students meeting reading standards	*	71%	72%
Percent of 8th grade students meeting math standards	*	52%	56%
Percent of students graduating high school within four years		77% (2000-01)	77% (2013-14)
Percent of students at community and technical colleges (CTCs) and four-year public universities taking pre-college coursework	CTCs	59% (2007-08)	57% (2011-12)
	4-Year	13% (2007-08)	8% (2011-12)

**ARE WE MAKING PROGRESS?**



\*Data not available or not comparable to subsequent years

**FIGURE 9:**  
**ACHIEVEMENT GAP IS ESPECIALLY EVIDENT IN SUBJECTS LINKED TO SUCCESS IN STEM FIELDS**  
 Percent of students in 8th grade meeting math standards by race and ethnicity, WA, 2013-2014



Source: Office of Superintendent of Public Instruction, 2013-2014 Measurements of Student Progress (MSP) 8th grade math data.

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

Progress on these milestones is in jeopardy, largely due to a broken revenue system that is unable to adequately fund not just K-12 education, but also all of the other investments children and families need to thrive. In *McCleary v. State*,<sup>[14]</sup> the Supreme Court ruled that Washington state is failing to fulfill our paramount duty to provide a basic education to all students.

By 2018, the state must find at least an additional \$4.5 billion to adequately fund K-12 education for our children.<sup>[15]</sup> On top of that investment, lawmakers need to boost salaries for teachers in order to attract and retain quality educators.

Fulfilling requirements under the *McCleary* decision is essential to making progress on education in Washington state. However, ensuring all students make educational progress will require more. Too many of Washington state's children, especially those of color, face barriers to opportunity early in life – way before they enter kindergarten – that lead to the gap in achievement between students during their K-12 years. Kids need more than just K-12 to reach their full potential in life. Funding for investments outside of basic education that help level the playing field – such as early learning, affordable housing, health and human services, child welfare, and higher education – should not be starved to meet the Supreme Court's ruling.

## CAN ASPIRING STUDENTS ACCESS AND AFFORD HIGHER EDUCATION?

The higher education system is critical in building Washington state’s workforce and equipping adults of all ages with the knowledge, skills, and experience needed to compete in a 21st century economy. Giving all Washingtonians the opportunity to attend college at an affordable price reaps returns to the economy in the form of an educated, skilled, job-ready workforce (Table 5). In Washington state:

- Six out of 10 students graduating from high school immediately enroll in college. Students from Asian backgrounds are the most likely to immediately enroll in college after high school graduation (82 percent), followed by White (61 percent), Multiracial (60 percent), Black (59 percent), Latino (48 percent), and American Indian and Alaska Native students (43 percent) (Figure 10).
- Washington state has reduced its investment in higher education, making tuition less affordable over the last five years. At four-year universities, the share of revenue from student tuition has increased from 38 percent to 62 percent; at community and technical colleges (CTCs), it has increased from 25 percent to 35 percent. Depending on a student’s racial and ethnic background, attending one of Washington state’s four-year universities can be a major strain on household finances – it can take between 15 percent and 26 percent of their household income (Figure 11).
- As tuition has increased, so has student debt and the number of Washingtonians applying for the State Need Grant (SNG), which provides tuition assistance based on income level. From 2008 to 2013, average student debt rose from \$19,780 to \$24,418, and the share of students applying for the SNG and not receiving it jumped to 30 percent from 7 percent.

**TABLE 5:**

**HIGHER EDUCATION: KEY INDICATORS OF PROGRESS<sup>[16]</sup>**

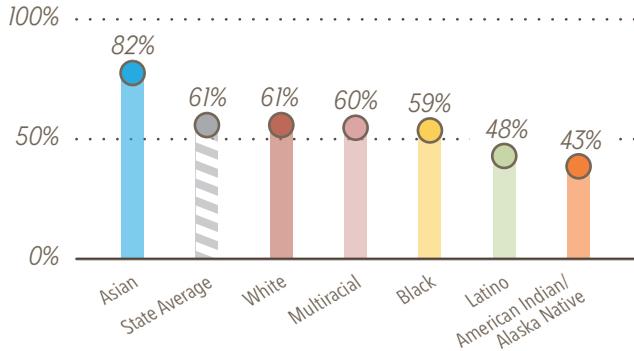
**ARE WE MAKING PROGRESS?**

<b>Percent of students immediately enrolling in college after graduating from high school</b>	*	<b>63%</b> (2007-08)	<b>60%</b> (2010-11)		
<b>Share of revenue for public higher education that comes from student tuition</b>	<b>CTCs</b>	<b>17%</b> (2000)	<b>25%</b> (2008)	<b>35%</b> (2014)	
	<b>4-Year</b>	<b>37%</b> (2000)	<b>38%</b> (2008)	<b>62%</b> (2014)	
<b>Average student debt to attend higher education</b>		<b>\$17,415</b> (2000)	<b>\$19,780</b> (2008)	<b>\$24,418</b> (2013)	
<b>Share of students applying for State Need Grant who did not receive it</b>		<b>5%</b> (2000)	<b>7%</b> (2008)	<b>30%</b> (2014)	

\*Data not available or not comparable to subsequent years

**FIGURE 10:  
MANY STUDENTS OF COLOR ENROLL IN COLLEGE  
FOLLOWING HIGH SCHOOL GRADUATION**

Percent of high school graduates who immediately enroll in college, WA, 2011-2012

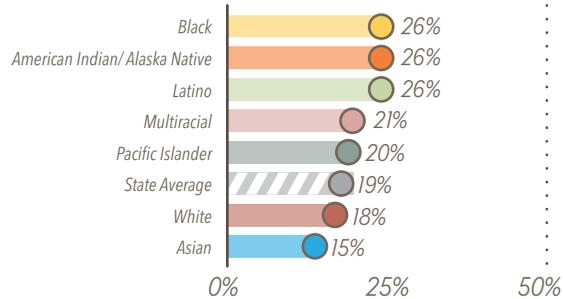


Source: Education Research & Data Center

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

**FIGURE 11:  
THE COST OF HIGHER EDUCATION IS ESPECIALLY  
SIGNIFICANT FOR MOST PEOPLE OF COLOR**

Public 4-year, in-state tuition and fees as a share of median household income by race and ethnicity, WA, 2013-2014



Source: Budget & Policy Center analysis of 2008-2012 American Community Survey Integrated Public-Use Microdata Series ([www.ipums.org](http://www.ipums.org)) and the College Board's "Trends in College Pricing 2014." Data downloaded January 7, 2015, at <http://trends.collegeboard.org/college-pricing>.

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

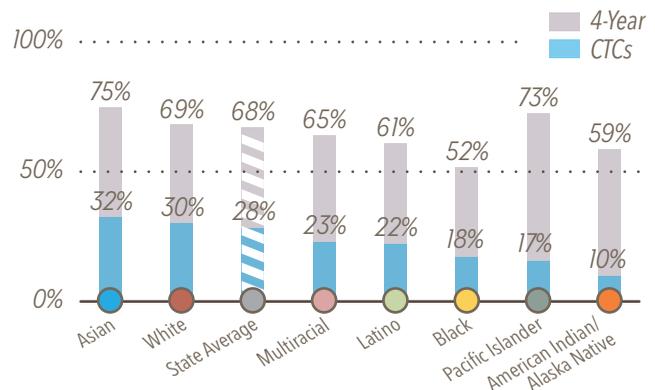
## IS OUR HIGHER EDUCATION SYSTEM MEETING EMPLOYER DEMAND?

Washington state needs educated workers in high-demand fields to keep our region globally competitive. In addition, attending college and acquiring a credential or degree can mean higher earnings throughout life, as well as a greater likelihood of permanent economic security. In Washington state (Table 6):

- The share of 25- to 34-year-olds with an associate degree or higher has increased from 40 percent to 43 percent over the last five years. While people of color enroll in postsecondary education at similar rates as their peers, they are less likely to complete their degrees. This leaves a large (and growing) segment of the state population unqualified for certain high-demand, well-paying jobs (Figure 12)
- There are currently not enough graduates with the degrees and skills employers are looking for to fill the competitive jobs that will drive a 21st century economy. Currently, there is an 11 percent undersupply of graduates for jobs that require associate degrees, and a 31 percent undersupply for those that require bachelor's degrees (Figure 13).

**FIGURE 12:  
COLLEGE COMPLETION RATES ARE LOWER FOR  
MANY STUDENTS OF COLOR**

Cohort graduation rates at public universities and community and technical colleges (CTCs), WA, 2010-2011

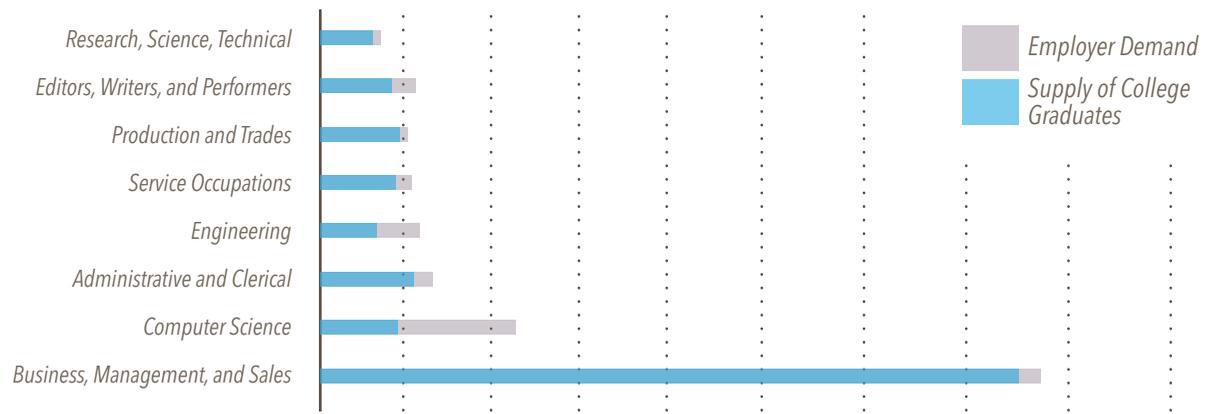


Source: Washington Student Achievement Council. Four-year data is based on six-year graduation/completion rates for a cohort that started in 2005. CTC data based on two-year completion rates for cohort that started in 2008.

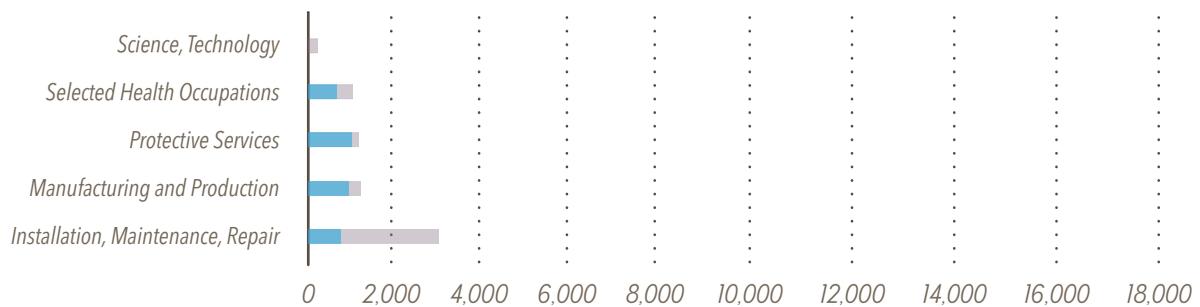
Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

**FIGURE 13:**  
**THERE IS A SHORTAGE OF CURRENT GRADUATES TO MEET EMPLOYER DEMAND IN MANY COMPETITIVE FIELDS**  
 Current supply of college graduates compared to employer demand, by occupation and degree type, WA, 2012

SUPPLY AND DEMAND IN FIELDS REQUIRING A BACHELOR'S DEGREE



SUPPLY AND DEMAND IN FIELDS REQUIRING AN ASSOCIATE DEGREE/CERTIFICATE



Source: Washington Student Achievement Council, State Board for Community and Technical Colleges, Workforce Training and Education Coordinating Board. "A Skilled and Educated Workforce 2013 Update."  
 Note: Competitive field refers to occupations that require more advanced training than is typically required for entry-level positions.

**TABLE 6:**

MEETING EMPLOYER DEMAND: KEY INDICATORS OF PROGRESS<sup>(17)</sup>

ARE WE MAKING PROGRESS?

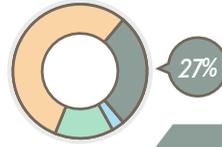
Share of 25- to 34-year-olds with an Associate of Arts (AA) degree or higher		38% (2000)	40% (2008)	43% (2013)		
Undersupply of graduates to fill future competitive-level jobs:	Mid-level (AA degree/certificate + experience)	*	*	11% (2012)		Trend data not available
	Bachelor's degree or higher	*	*	31% (2012)		Trend data not available

\*Data not available or not comparable to subsequent years

## *HOW WASHINGTON CAN MAKE PROGRESS ON EDUCATION*

- Invest in affordable, high-quality early learning to support children's social, cognitive, and academic development and prepare them for success in school and beyond.
- Provide a high-quality basic education to all students by adequately funding Washington state's K-12 system under the McCleary ruling – including enough money to give teachers a raise so schools can retain and attract the most-talented educators.
- Increase state funding for Washington state's colleges and universities so all Washingtonians can afford to attend college without taking on an unmanageable amount of debt.
- Expand opportunities for all students to get a higher education by expanding successful programs like the State Need Grant and the College Bound Scholarship program, and develop strategies to attract and retain students of color for high-demand fields.
- Work with employers to identify sector-based strategies to fill jobs in competitive fields.

# HEALTHY PEOPLE & ENVIRONMENT



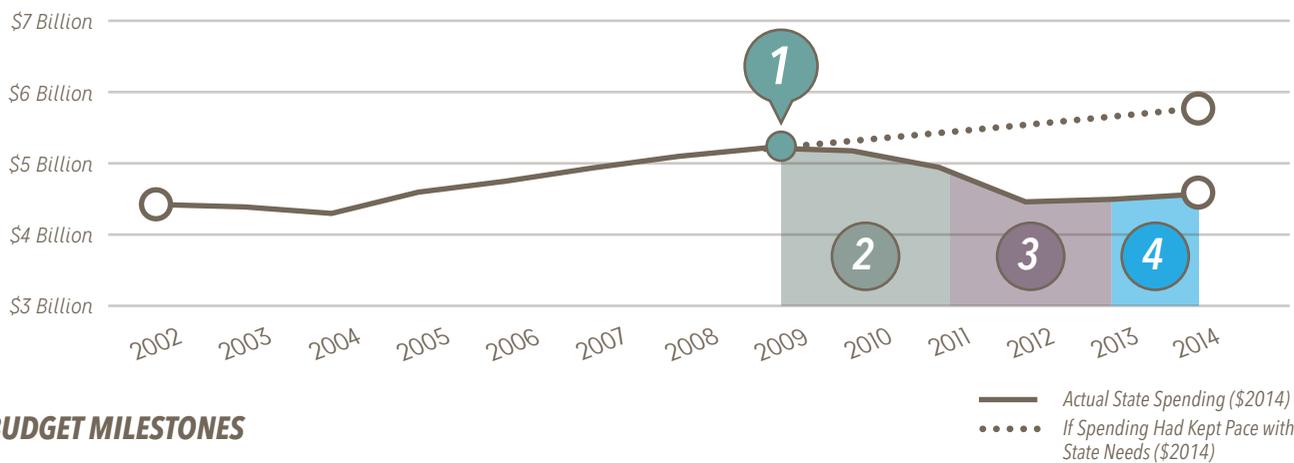
Washington state should be a society in which everyone has the opportunity to live a healthy and productive life, with affordable options for health care and the opportunity to live in an environment with clean air, water, and land.

## BUDGET SNAPSHOT

### INVESTMENTS IN HEALTHY PEOPLE & ENVIRONMENT

Washington state invests 27 percent of its total operating revenue on programs that protect public health and the environment. Spending is nearly the same as it was in 2002 (Figure 14), following a recent decline during the economic downturn (solid line). Had spending on the health of people and the environment kept pace with pre-recession growth, it would be 26 percent (\$1.2 billion) higher than it is currently (dotted line).

**FIGURE 14:**  
**STATE INVESTMENTS IN HEALTHY PEOPLE & ENVIRONMENT HAVE FALLEN BEHIND BY \$1.2 BILLION**  
State funding + federal stimulus funding, WA, 2002-2014



### BUDGET MILESTONES

- 2009: The 2009 American Recovery and Reinvestment Act (ARRA) injects over \$2 billion into health and environmental investments to offset impact of recession.
- 2009-2011: Funding for health programs (Basic Health program, mental health services) and environmental programs (toxics clean-up, ecology) are dramatically cut. Washington state receives a waiver to allow early expansion of Medicaid as part of the federal Affordable Care Act (ACA). In addition, Washington state's ability to protect our air, water, and land from toxins and other environmental threats is significantly compromised by cuts to ecology and toxic clean-up programs.
- 2011-2013: Washington lawmakers approve Medicaid expansion under ACA in the budget, and health care funding slightly rebounds.
- 2013-2014: Over 700,000 Washingtonians enroll in ACA-related health insurance programs.

Source: Budget & Policy Center analysis of LEAP data

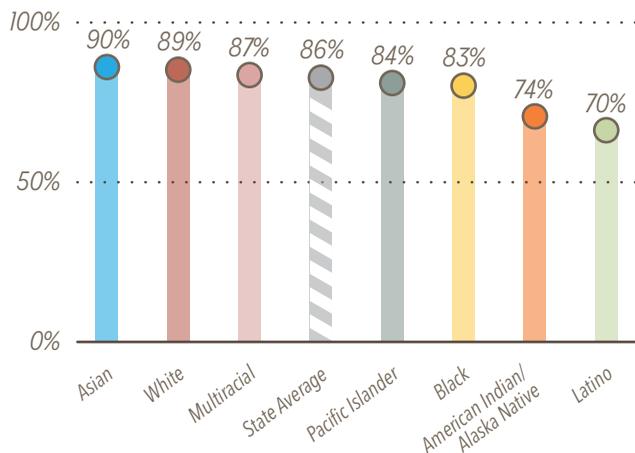
Notes: Spending adjusted for inflation in \$2014. Estimated spending calculated using a 3.6% growth rate. See full methodology for more information on estimated spending.

## DO WASHINGTONIANS HAVE ACCESS TO AFFORDABLE, COMPREHENSIVE HEALTH CARE?

When an adult or child is sick, being able to see a doctor is essential for their well-being. But whether and how individuals and families choose to get medical or dental care depends greatly on whether that care is affordable.

Full implementation of the ACA began in 2014 with Medicaid expansion and the creation of the Washington Health Benefit Exchange. More than 700,000 Washingtonians have enrolled in these programs to gain affordable coverage.<sup>[18]</sup> In Washington state\* (Table 7):

**FIGURE 15:**  
**MANY PEOPLE OF COLOR ARE LESS LIKELY TO HAVE HEALTH INSURANCE COVERAGE**  
Percent of population with health care coverage by race and ethnicity, WA, 2012



Source: B&PC analysis of ACS 2008-2012 5-year estimates from IPUMS.

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

- In 2013, prior to ACA implementation, almost all children younger than 18 (95 percent) and seniors 65 years and older (99 percent) had health care coverage. The high coverage rate among children is a result of the creation of Apple Health for Kids in 2007, a state health insurance program with the mission to insure all kids.<sup>[19]</sup> The high coverage rate among seniors is a result of Medicare.
- Young adults (age 18 to 24) were the least likely age group to be insured – prior to ACA, one of every four (24 percent) young adults lacked health coverage.
- Eighty percent of working-age adults had health coverage, but rates of coverage had decreased since 2008 as more employers started to drop health insurance during the Great Recession. American Indian and Alaska Native adults are the least likely to have health insurance (with 74 percent covered), followed by Black (83 percent) and Pacific Islander adults (84 percent) (Figure 15). The decline in employer-based health insurance is one reason why the share of adults not seeing a doctor has increased since 2008, from 12 percent to 16 percent.
- The share of Washingtonians with a “patient-centered medical home” – a network of health care providers that offer comprehensive and continuous medical care – was low for both children (59 percent) and adults (53 percent). Having a medical home is shown to improve the health of children and adults.
- The share of residents seeing a dentist in the past year is higher among children (86 percent) than adults (67 percent). A higher share of children saw a dentist in 2012 than in 2007, while a smaller share of adults saw one over the same time period.

*\*The first comprehensive look at the ACA’s effects on health care coverage and costs at the state level will not be released until the fall of 2015. So it’s important to note that this data does not take into account the ACA’s impact.*

**TABLE 7:**

HEALTH CARE: KEY INDICATORS OF PROGRESS<sup>[20]</sup>

ARE WE MAKING PROGRESS?

		*	*	700,000 (2014)			
<b>Number of Washingtonians enrolling in Medicaid or Exchange under the Affordable Care Act</b>		*	*	700,000 (2014)			✓
<b>Percent of population with health coverage (by age):</b> <small>Note: Data do not reflect the 700,000 people who enrolled under the ACA. The first comprehensive look at the impact of ACA on health insurance coverage rates will be released in the fall of 2015.</small>	<b>Children (0-17)</b>	*	92% (2008)	94% (2013)			✓
	<b>Young adults (18-24)</b>	*	74% (2008)	74% (2013)		—	
	<b>Working-age adults (25-64)</b>	*	85% (2008)	81% (2013)		—	
	<b>Seniors (65+)</b>	*	99% (2008)	99% (2013)			✓
<b>Percent of adults and children with access to a reliable network of comprehensive medical care (also referred to as a "patient-centered medical home"):</b>	<b>Children (0-17)</b>	*	60%	59%		—	
	<b>Adults (18-64)</b>	62%	56%	53%		—	
<b>Percent of adults not seeing doctor because of cost</b>		9% (2000)	12% (2008)	16% (2012)	✗		
<b>Percent of children that had a dental visit within the last year</b>		*	81% (2007-08)	86% (2011-12)			✓
<b>Percent of adults that had a dental visit within the last year</b>		70%	73%	67%		—	

\*Data not available or not comparable to subsequent years

## DOES WASHINGTON STATE PROTECT ITS MOST VULNERABLE RESIDENTS?

The child welfare and mental health systems play an essential role in keeping Washingtonians safe when they may not have the resources or authority to protect themselves on their own. The mental health system has been weakened by budget cuts that limit the state's capacity to serve people with mental illness. Cuts have also been made to intensive services that help children in foster care and to emergency housing for children in crisis. In Washington state (Table 8):

- While the number of psychiatric beds in state and community hospitals has rebounded to 2000 levels (12 per 100,000), too many people involuntarily committed for treatment for mental illness are being "boarded" in state emergency rooms due to lack of capacity. Psychiatric boarding in facilities that do not offer individualized psychiatric care is a practice the Washington State Supreme Court recently ruled as unconstitutional under the Involuntary Treatment Act.<sup>[21]</sup> The percentage of patients being readmitted to a state or community hospital within 30 days has declined, suggesting progress on quality of treatment is being made.
- The rate of out-of-home placements – when children are removed from the care of their parents or legal guardian – has declined, from 7.2 per 1,000 children in 2008 to 5.3 per 1,000 in 2013. Rates of re-entry into the child-welfare system are also declining for children who have been reunited with their family and guardians. Re-entry into the system following adoption remains low, although the recent increase is of some concern.

**TABLE 8:**VULNERABLE WASHINGTONIANS: KEY INDICATORS OF PROGRESS<sup>[22]</sup>

ARE WE MAKING PROGRESS?

	2000	2008	2014			
<b>Number of psychiatric beds</b> <i>(per 100,000 people)</i>	13 (2000)	9 (2008)	12 (2014)			
<b>Share of patients readmitted to a state or community hospital within 30 days of leaving</b>	*	7.2% (2008)	5.8% (2014)			
<b>Rate of out-of-care placements</b> <i>(per 1,000 children)</i>	5.9 (2000)	7.2 (2008)	5.3 (2014)			
<b>Share of children re-entering out-of-home care within two years (by placement type):</b>	<b>Reunification</b>	25% (2000)	17% (2008)	14% (2011)		
	<b>Guardianship</b>	14% (2000)	14% (2008)	5% (2011)		
	<b>Adoption</b>	0% (2000)	0.1% (2008)	1% (2011)		

\*Data not available or not comparable to subsequent years

## IS OUR WATER, AIR, AND LAND SAFE AND CLEAN FOR USE?

Clean air, water, and land are essential to Washingtonians' health and quality of life. In addition, the natural beauty and biodiversity of the Pacific Northwest are some of our biggest strengths, providing residents and visitors from all over the globe with a connection to the natural world.

Over the last decade, Washington state has increasingly recognized the need to protect our people, air, water, and land from the threats posed by pollution, toxins, and hazardous waste. A few indicators show we have made progress in important areas – such as the quality of our drinking water and the reduction in hazardous waste from manufacturers – but there is considerable room for progress. In Washington state (*Table 9*):

- Residents face low-to-moderate air quality one of every five (18 percent) days on average.
- The quality of our drinking water is high, and the percentage of people affected by drinking-water violations has declined significantly since 2008. However, the quality of Washington state's vast system of streams, rivers, and coastal waterways is troubling, as quality ratings are either low or declining. The share of beaches meeting water-quality standards has declined in the last five years, from 90 percent to 79 percent, while the overall share of rivers and streams having a "good" quality rating is low (49 percent). The health of shellfish beds – an important indicator of ocean acidification – is also of concern. One in five (19 percent) shellfish beds – natural locations where a shellfish species occupies more than 50 percent of the specified area – have shut down for harvesting as a result of pollution.

- There has been a significant decline in the risk to public health caused by toxic chemicals released by industries. The Risk-Screening Environmental Indicator (RSEI) – a tool used to measure and rank toxins emitted by industries based on their risk to human health – has dropped by 93 percent.
- One-quarter (24 percent) of the hazardous waste produced by businesses is recycled. While this is an improvement over 2000, a relatively small share of hazardous waste is being recycled.
- An increasing amount of solid waste is being recycled by households and businesses – 57 percent in 2011 – protecting the environment and saving the state money.

**TABLE 9:**

AIR, WATER, & LAND QUALITY: KEY INDICATORS OF PROGRESS<sup>[23]</sup>

ARE WE MAKING PROGRESS?

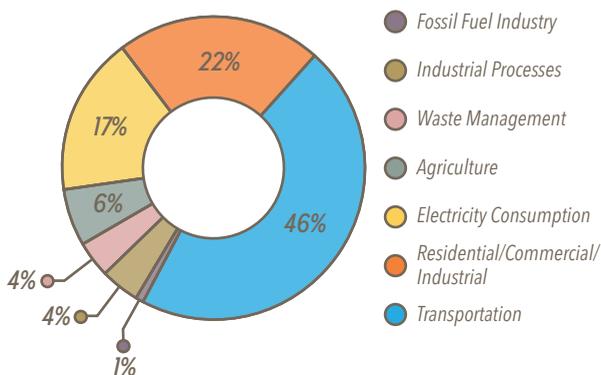
<b>Percent of days with low to moderate air quality</b>	<b>20%</b> (2000)	<b>16%</b> (2008)	<b>18%</b> (2013)		
<b>Percent decline in toxic chemicals released by manufacturers that pose significant risk to human health</b>	<b>*</b> (2000)	<b>-80%</b> (2008)	<b>-93%</b> (2010)		
<i>(Percent change in Risk Screening Environmental Indicators Score, baseline 2000)</i>					
<b>Percent of people impacted by drinking-water-quality violations</b>	<b>5%</b> (2000)	<b>3%</b> (2008)	<b>0.2%</b> (2012)		
<b>Percent of tested beaches meeting water-quality standards</b>	<b>86%</b> (2000)	<b>90%</b> (2008)	<b>79%</b> (2013)		
<b>Percent of tested rivers and streams that have a water-quality index rating of "good"</b>	<b>50%</b> (2000)	<b>39%</b> (2008)	<b>45%</b> (2013)		
<b>Percent of shellfish beds closed for harvesting because of pollution</b>	<b>22%</b> (2000)	<b>21%</b> (2008)	<b>19%</b> (2012)		
<b>Percent of hazardous waste recycled by businesses or other facilities</b>	<b>16%</b> (2000)	<b>25%</b> (2008)	<b>24%</b> (2013)		
<b>Percent of solid waste recycled</b>	<b>37%</b> (2000)	<b>47%</b> (2008)	<b>57%</b> (2011)		

\*Data not available or not comparable to subsequent years

## ARE WE REDUCING WASHINGTON STATE'S CONTRIBUTION TO CLIMATE CHANGE?

Carbon emissions from automobiles, industry and other sources are the primary greenhouse gas linked to rapid climate change,<sup>[24]</sup> which poses a significant threat to Washington state's economy, job creation, public health, and quality of life. In 2008, policymakers set legal limits on carbon emissions in our state, starting with a requirement to return to 1990 emission levels by 2020.<sup>[25]</sup> While carbon emissions are declining slightly, projections show that without further policy changes, we will not meet the legal limits on emissions (Figure 17). In Washington state (Table 10):

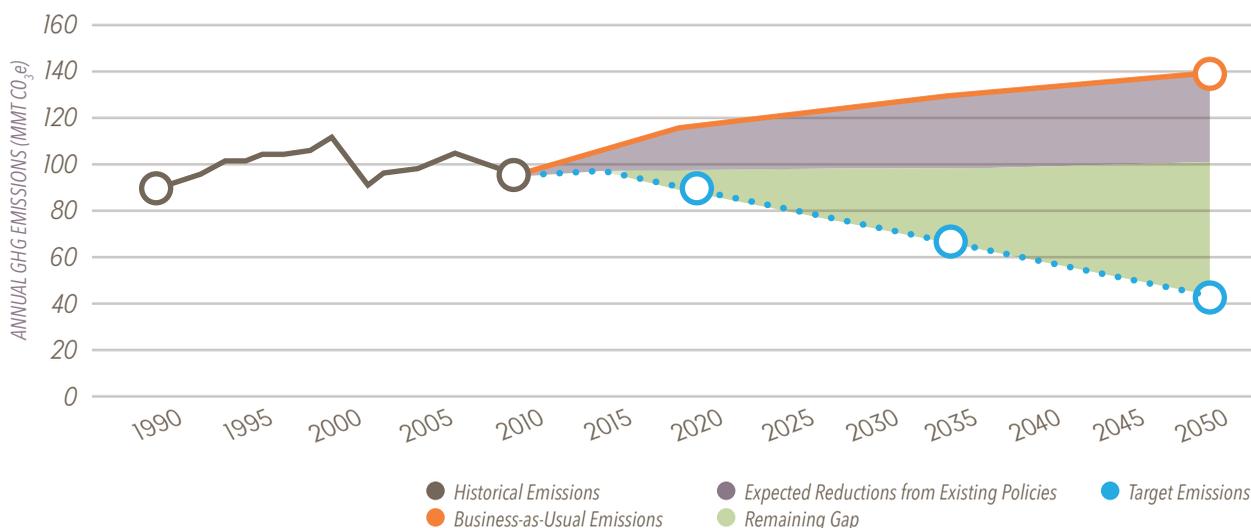
**FIGURE 16:**  
**TRANSPORTATION LARGEST SHARE OF EMISSIONS**  
Level of greenhouse gas emissions by sector (million metric tons CO<sub>2</sub>), WA, 2011



Source: Department of Ecology, "Washington State Greenhouse Gas Emissions Inventory 2010-2011."

- The overall level of carbon emissions has decreased, although not enough to offset the significant threats posed by pollution. In 2011, Washington state emitted 91.7 metric tons of carbon dioxide into the atmosphere, largely due to transportation sources, such as cars, trucks, and trains (Figure 16).
- Our reliance on fossil fuels is decreasing, with the exception of natural gas. Imports of both oil and coal have dropped since 2008.
- Demand for electricity has decreased over the last five years. When coupled with growth in the renewable energy used by residents, the environmental impact of electricity consumption is declining in our state.
- Between 2008 and 2012, the number of megawatt hours of wind and solar electricity consumed increased from 1 million MWh to 2.9 million MWh.

**FIGURE 17:**  
**WASHINGTON STATE NOT ON TRACK TO MEET 2020 EMISSIONS REDUCTION TARGETS**  
Statutory greenhouse gas (GHG) emission reduction targets, WA, 2020, 2035, 2050



Source: "Carbon Emissions Reduction Taskforce: Report to the Washington State Governor's Office," November 2014

**TABLE 10:**

CLIMATE CHANGE: KEY INDICATORS OF PROGRESS<sup>(26)</sup>

ARE WE MAKING PROGRESS?

		2000	2008	2011	ARE WE MAKING PROGRESS?		
<b>Level of carbon emissions</b> (metric tons of CO <sub>2</sub> )		105	99	91.7	✗	—	✓
<b>Dependence on fossil fuels/non-renewable resources:</b>	<b>Natural gas</b> (million cubic feet)	286,653	298,140	314,124	—	—	✓
	<b>Barrels of petroleum</b> (in thousands)	151,824	143,994	139,215	—	—	✓
	<b>Coal</b> (short tons)	6,001,410	5,763,323	4,428,542	—	—	✓
<b>Electricity consumption:</b>	<b>Total residential and commercial electricity consumed</b> (million MWh)	57	66.2	65.6	—	—	✓
	<b>Total wind and solar electricity consumed</b> (million MWh)	0	1	2.9	—	—	✓

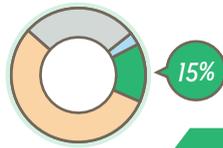
\*Data not available or not comparable to subsequent years

# LOOKING AHEAD

## HOW WASHINGTON CAN MAKE PROGRESS ON HEALTHY PEOPLE & ENVIRONMENT

- Continue to fully implement the ACA in Washington state by incorporating the federal Basic Health option, which would provide additional options for affordable health care coverage at very little cost to the state.
- Eliminate racial and ethnic gaps in health care coverage by targeting resources toward enrolling uninsured people of color in ACA programs.
- Provide adequate funding to ensure that children in the foster care system and Washingtonians with mental illness are provided services quickly, safely, and in a way that ensures their long-term well-being.
- Create a cap-and-trade system – a system that puts a price and a cap on carbon emissions to control pollution and make polluters pay – to reduce Washington state’s contribution to climate change and the impact it has in our state. Use revenue from cap-and-trade revenues to reduce the impact of climate change on children, families, the environment, and the state economy.
- Further target revenues from a cap-and-trade system to mitigate the impact of climate change on communities of color and on people with low incomes, who are the worst hit by the negative impacts of climate change and least able to adapt to a carbon pricing system.

# COMMUNITY DEVELOPMENT & TRUST



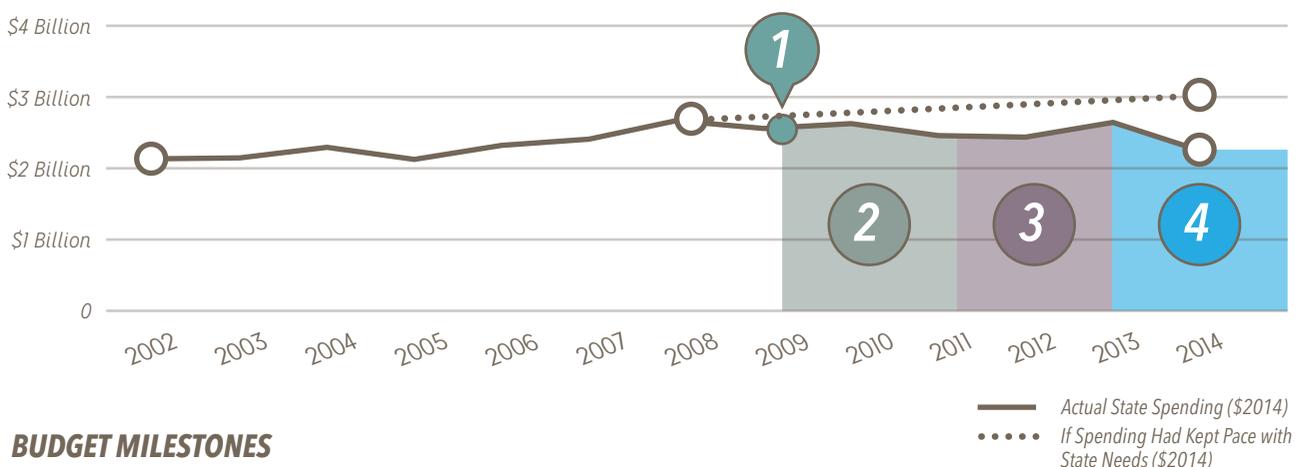
Washington state should offer a quality of life in which residents have the freedom to live, work, and play; and our state government should foster trust by making decisions out in the open.

## BUDGET SNAPSHOT

### INVESTMENTS IN COMMUNITY DEVELOPMENT & TRUST

Washington state invests 15 percent of its total operating revenue on government operations as well as services that support a high quality of life, such as public safety, public parks, and the arts. Spending on community development and public trust has rebounded – it is slightly above 2002 levels (Figure 18), after declining during the recession (solid line). Had spending kept pace with pre-recession growth, it would be 35 percent higher (\$776 million) than it is currently (dotted line).

**FIGURE 18:**  
**STATE INVESTMENTS IN COMMUNITY DEVELOPMENT & TRUST HAVE FALLEN BEHIND BY \$776 MILLION**  
State funding + federal stimulus funding, WA, 2002-2014



### BUDGET MILESTONES

- 1 2009: Funding through the American Recovery and Reinvestment Act (ARRA) injects \$185 million into investments promoting community development and trust.
- 2 2009-2011: Lawmakers cut state parks funding from the General Fund by more than half, from \$94.5 million to \$41.5 million (56 percent). The Discover Pass is created, requiring Washingtonians to pay for visiting state parks. To save money on corrections, supervision for certain types of offenders is reduced, and two prisons are closed. The state also closes a rehabilitation center for juvenile offenders.
- 3 2011-2013: Funding for state parks from the General Fund declines to \$17.3 million.
- 4 2013-2015: Funding for state parks from the General Fund declines to \$8.7 million. Lawmakers make over \$200 million in bond payments early, creating a jump in funding in 2013.

Source: Budget & Policy Center analysis of LEAP data

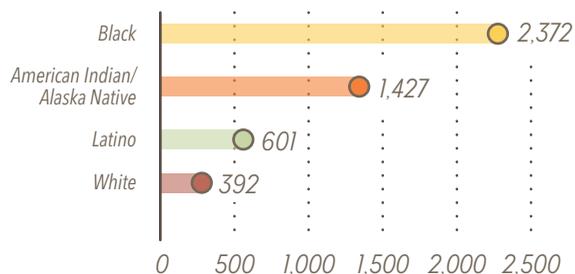
Notes: Spending adjusted for inflation in \$2014. Estimated spending calculated using a 3.6% growth rate. See full methodology for more information on estimated spending.

## DO WASHINGTONIANS FEEL PROTECTED FROM CRIME AND HAVE CONFIDENCE IN THE CRIMINAL JUSTICE SYSTEM?

Strong communities depend on trust. When people feel confident they are protected and have the opportunity to live, work, and play without the fear of violence, harassment, or discrimination, they form stronger bonds within their communities. [27] Crime rates in Washington state are going down. However, given the extraordinary toll that involvement with the criminal justice system takes on communities, especially communities of color, [27] much more progress is needed. In Washington state (Table 11):

- The total crime rate decreased from 52 per 1,000 people in 2000 to 38 per 1,000 people in 2011. The violent crime rate has been declining as well.
- The prison population in Washington state increased more than 300 percent between 1980 and 2011. [28] While rates of incarceration have declined in recent years, the rate among adults (257 per 100,000) and children (150 per 100,000) is still high. Incarceration rates are especially high among Black, American Indian/Alaska Native, and Latino Washingtonians, who are all over-represented in the corrections system compared to their share of the overall state population (Figure 19). There is no evidence to suggest, however, that people of color commit more crime. Rather, research has shown that decisions by policymakers – such as sentencing policies and practices – have resulted in disproportionately higher rates of incarceration for people of color. [29]
- The share of adults returning to prison after being released is concerning. In 2011, nearly one in three adults (31 percent) returned to prison within three years, suggesting that former prisoners are having a difficult time transitioning back into their communities.

**FIGURE 19:**  
**PEOPLE OF COLOR OVER-REPRESENTED IN STATE PRISONS**  
Number of prisoners with a sentence of more than a year (per 100,000), WA, 2010



Source: Analysis by the Prison Policy Initiative based on data from the U.S. Census 2010 Summary File. <http://www.prisonpolicy.org/graphs/2010rates/WA.html>

Note about data: Includes incarcerated populations in all types of correctional facilities in the state, including federal and state prisons, local jails, and halfway houses. Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

**TABLE 11:**

**CRIMINAL JUSTICE: KEY INDICATORS OF PROGRESS**[30]

				ARE WE MAKING PROGRESS?		
<b>Total crime rate*</b> (per 1,000 people)	51.6 (2000)	40.7 (2008)	38.3 (2011)			✓
<b>Violent crime rate*</b> (per 1,000 people)	3.7 (2000)	3.3 (2008)	2.9 (2011)			✓
<b>Adults in prison</b> (per 100,000 adults)	248 (2000)	273 (2008)	257 (2013)		—	
<b>Juveniles in correctional facilities</b> (per 100,000 children)	293 (2001)	218 (2007)	150 (2011)		—	✓
<b>Percent of adults returning to prison within 3 years of release</b>	29% (2000)	28% (2008)	31% (2011)	✗		

\* In 2011 the Uniform Crime Report (UCR) data was replaced by the National Incident Based Reporting System (NIBRS), a more comprehensive system. Because NIBRS is new, it does not offer historical comparisons, so UCR was used instead. In the future, NIBRS will replace UCR in Progress Index reports.

## DO COMMUNITIES HAVE ACCESS TO AMENITIES THAT ENHANCE QUALITY OF LIFE?

Quality of life in communities is greatly enhanced by state-supported amenities like parks and the arts. Parks give communities the opportunity to enjoy the beautiful landscape of Washington state and provide places for recreation, exercise, and meeting neighbors. Publicly supported art and arts education play an important role in nurturing creativity and capturing the cultural heritage of our land and people. These are the kinds of amenities that can bring people together and contribute to building strong communities. In Washington state (*Table 12*):

- State parks have taken a dramatic hit since the start of the Great Recession, with state General Fund investment declining by more than 91 percent.<sup>[31]</sup> The parks now rely almost exclusively on sales of the Discover Pass to generate enough revenue to keep them open. Additional fees may be linked to the hastened decline in park attendance, which dropped by nearly 6 million between 2008 and 2014. What’s more, Washington State Parks and Recreation has decreased its number of permanent, full-time employees – including park rangers and construction-and-maintenance positions – from 595 in 2008 to 395 in 2012. These job losses were at the expense of environmental, historical, and cultural preservation of lands that hold significant meaning for countless Washingtonians.
- There are over 4,500 works of art displayed in public buildings throughout the state, including in K-12 schools, colleges, universities, and state agencies.

**TABLE 12:**

**COMMUNITY AMENITIES: KEY INDICATORS OF PROGRESS<sup>[32]</sup>**

**ARE WE MAKING PROGRESS?**

<b>Park attendance</b>	<b>47,423,130</b> <i>(2000)</i>	<b>41,129,099</b> <i>(2008)</i>	<b>35,289,829</b> <i>(2014)</i>	
<b>Number of permanent, full-time park employees</b>	*	<b>595</b> <i>(2008)</i>	<b>395</b> <i>(2012)</i>	
<b>Number of public art works</b>	*	*	<b>4,500</b> <i>(2014)</i>	

\*Data not available or not comparable to subsequent years

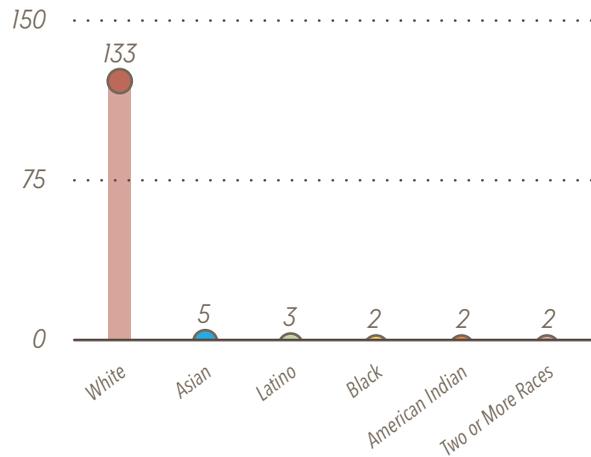
## IS STATE GOVERNMENT REPRESENTATIVE?

The very concept of democracy is built on making sure all communities have a role in self-government and are civically engaged. To be truly representative, government should reflect the makeup of the communities it serves, and lawmakers should consider how its decisions affect equal opportunity. Yet women and people of color are underrepresented in elected offices, and therefore have less influence over the policy decisions that impact their daily lives. Without a representative voice, diverse perspectives are absent from the debate, resulting in an inevitable bias in how decisions get made. In Washington state (*Table 13*):

- Women comprised 41 percent of state legislators in 2000, leading the nation in female political participation. As of 2015, the share of female legislators has fallen to 33 percent, and Washington state dropped to the fifth-highest in the nation for female political participation.<sup>[33]</sup>
- People of color make up 29 percent of the population, and Washington state will continue to grow more diverse over time. However, just 9 percent of state legislators are people of color. Of the 147 legislators in the House of Representatives and Senate in January 2014, 133 of them were White, and just 14 were people of color (*Figure 20*).

**FIGURE 20:**  
**COMMUNITIES OF COLOR ARE UNDER-REPRESENTED IN WASHINGTON STATE LEGISLATURE**

*Composition of the Washington State Legislature by race/ethnicity as of January 2014*



Source: Seattle Times

Note: Data on race and ethnicity for legislators is not collected on a routine basis. As such, this data from January 2014 does not reflect changes that occurred in the state Legislature as a result of the most-recent election. While the composition of communities of color did not change significantly between then and now, this data does not account for the unfortunate passing of Rep. Roger Freeman, D-Federal Way, in October 2014.

**TABLE 13:**

**GOVERNMENT REPRESENTATION: KEY INDICATORS OF PROGRESS<sup>[34]</sup>**

Share of women in state Legislature

41%  
(2000)

35%  
(2008)

33%  
(2015)

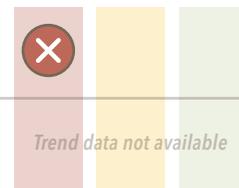
Share of people of color in state Legislature

\*

\*

9%

**ARE WE MAKING PROGRESS?**



\*Data not available or not comparable to subsequent years

## IS SPENDING ON STATE INVESTMENTS FARSIGHTED AND TRANSPARENT?

Future generations of Washingtonians deserve better chances to be economically successful than they have today. To keep that promise, policymakers must ensure schools, health care, child care, and other investments that create opportunity are adequate and sustained. The public must be actively involved in developing those priorities through the state budget. They should have a full view of how the budget is put together and multiple opportunities to express their priorities to lawmakers.

While more needs to be done, Washington state is making a lot of progress toward creating a state budget process that plans for the future and that the public is able to understand. Independent evaluations of the state budget and the state agencies that provide public services help ensure tax dollars are spent efficiently and in the way lawmakers intended. In Washington state (Table 14):

- The State Auditor’s Office (SAO) and the Joint Legislative Audit and Review Committee (JLARC) – both charged with overseeing how public dollars are spent and recommending improvements – are nationally renowned for their professionalism and independence.<sup>[35]</sup> The majority of recommendations that both audit agencies made to state agencies between 2007 and 2013 were implemented – 84 percent of SAO’s recommendations were implemented between 2007 and 2013, and 91 percent of JLARC’s recommendations between 2009 and 2012. This resulted in better, more efficient services.<sup>[36]</sup>
- Significant progress has been made when it comes to auditing tax breaks. JLARC evaluates the performance of most state tax breaks at least once every 10 years. This process is overseen by an independent Citizen Commission that holds regular public hearings on tax break reviews. Policymakers have brought greater transparency and accountability to the state budget by requiring any new tax break to include an expiration date, a specific public purpose, and measurements to determine whether a particular tax break is meeting that purpose. However, the Legislature implemented just 17 percent of JLARC’s recommended actions for tax breaks between 2007 and 2013.<sup>[37]</sup>

**TABLE 14:**

**GOVERNMENT FARSIGHTEDNESS:  
KEY INDICATORS OF PROGRESS<sup>[38]</sup>**

**ARE WE MAKING PROGRESS?**

*Are state auditors (SAO and JLARC) reviewed consistently to ensure they provide independent, nonpartisan audits?*

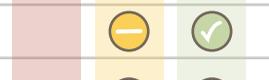


*Is state spending subject to routine, independent audits on:*

*Spending on programs and services that are included in the state budget?*



*Tax breaks?*



*Are bonds used for state infrastructure projects considered safe investments?*

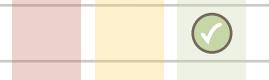


*Do policymakers practice sound fiscal policy by:*

*Forecasting revenues into the future?*



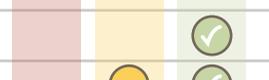
*Forecasting spending into the future?*



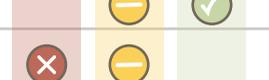
*Using fiscal notes to estimate the impact of a bill?*



*Using a single, nonpartisan, independent agency to analyze and prepare fiscal notes and spending proposals?*



*Estimating maintenance level costs?*



*Maintaining an adequate rainy day fund?*



*Ensuring state employee pensions are sustainable?*



Washington state has many tools to ensure that its government spending decisions are farsighted and sustainable. For example:

- Policymakers forecast state revenues four years into the future. This helps them gauge whether tax resources are adequate for the long run as they develop the state budget. They also forecast state spending on investments four years into the future. This helps to ensure spending decisions are sustainable over time.
- Professional, nonpartisan legislative staff members estimate the costs or savings associated with policy proposals. These “fiscal notes” provide lawmakers with information about the immediate and future costs of proposed legislation or tax changes. However, there is no single, independent legislative agency responsible for analyzing the Governor’s budget proposal and other spending proposals to ensure cost and savings estimates are credible and unbiased.
- Nonpartisan staffers also estimate the costs of maintaining investments at existing levels to ensure spending proposals are sustainable. Such “maintenance level” estimates also allow policymakers to gauge how spending decisions will affect those who use schools, health care, roads and transit, and other public services.
- The state maintains a Budget Stabilization Account, or “rainy day fund,” intended to help keep the budget stable during economic downturns. More progress can be made, however. Prior to a recession, total budget reserves (including the rainy day fund) should reach at least 15 percent of annual state spending, according to the Center on Budget and Policy Priorities.<sup>[39]</sup> Reserves in Washington state are projected to reach only 8 percent of annual spending by 2019.<sup>[40]</sup>

Because policymakers have taken these steps to foster sound financial management, Washington state bonds are considered safe investments by the independent agencies that monitor state and local government finances.<sup>[41]</sup> That allows policymakers to save money through low interest rates on financing new roads, bridges, and other large infrastructure projects that can’t be paid for upfront. Infrastructure bonds and other types of state debt have consistently maintained the second-highest ratings given by bond ratings agencies.

One significant area for improvement is the sustainability of state employee pension funds. Although Washington state has one of the most robustly funded state and local government pension funds in the nation, policymakers have routinely contributed less to these funds over the past decade than was recommended by the State Actuary. Continuing this trend could threaten the long-term sustainability of the fund – in 2013, total resources for pensions fell to about 94 percent of what will be needed to cover current obligations to retirees. The good news is that all pension plans available to new employees are more than fully funded. It is only older, more generous pension plans that are less-than-fully funded. And lawmakers recently announced a plan to phase in higher annual contribution rates to make up for the shortfalls in these plans.

**TABLE 15:**

**GOVERNMENT TRANSPARENCY:  
KEY INDICATORS OF PROGRESS<sup>[42]</sup>**

*Is state government transparent on the budget process by:*

	<b>ARE WE MAKING PROGRESS?</b>		
	Not at all	Some	Yes
<i>Making the executive and legislative budget proposals accessible to the public?</i>			✓
<i>Ensuring that all the assumptions and information that help shape budget proposals are accessible to the public?</i>		–	✓
<i>Giving Washingtonians the opportunity to participate in public hearings on the budget?</i>		–	✓
<i>Making information about businesses that receive tax breaks available to the public?</i>		–	

Overall, Washington state scores high marks for making the budget process transparent to Washingtonians. There is, however, some room for improvement – particularly with regard to tax breaks. In Washington state (*Table 15*):

- Budget proposals from the Governor, Senate, and House of Representatives are made available to the public via the Legislative Evaluation & Accountability Program (LEAP) website.<sup>[43]</sup> Budget materials and data can be downloaded and analyzed by users.
- Most information needed to create executive and legislative budget proposals – including revenue projections and forecasts for how many people will need services – is made available to the public online. More information about the assumptions that are used to craft budget proposals should be made available to the public, however. Furthermore, the public is not always given enough time to analyze and weigh in on spending proposals before lawmakers vote on them.<sup>[44]</sup>
- General information on the 655 tax breaks in Washington state is available to the public, and much of it can be downloaded by users. But there are only a handful of tax breaks in Washington state that require businesses to publically disclose the specific amounts they receive or how those dollars are spent.<sup>[45]</sup> Much more could be done to make the number of tax breaks, as well as their impact, more transparent to the public.

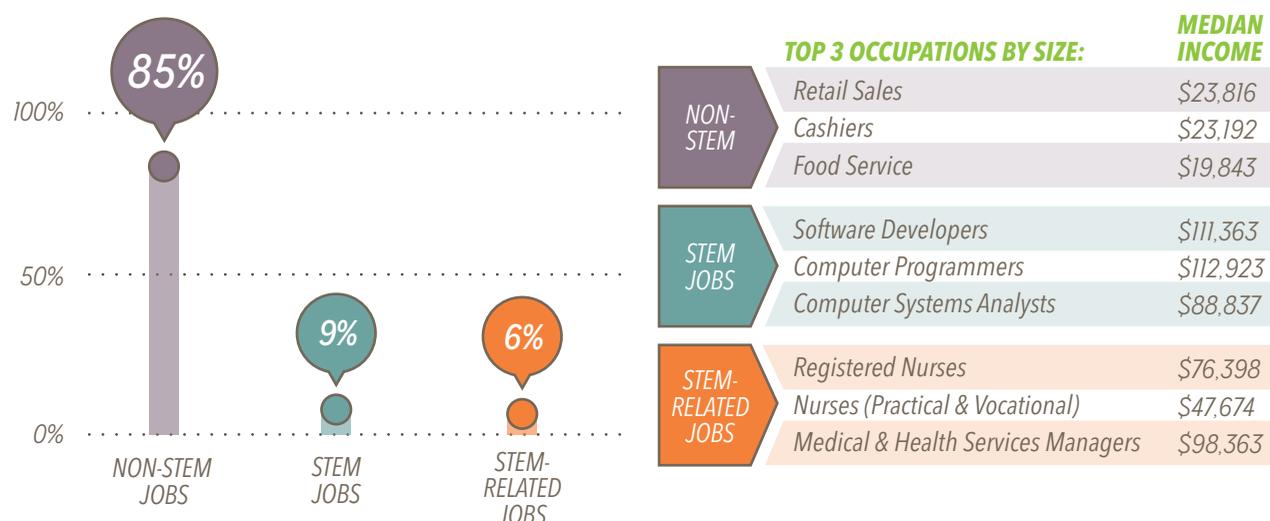
## LOOKING AHEAD

### **HOW WASHINGTON CAN MAKE PROGRESS ON COMMUNITY DEVELOPMENT AND TRUST**

- Invest in criminal justice alternatives that result in lower rates of incarceration, and target resources toward the elimination of racial and ethnic disparities in the criminal justice system. Such alternatives should include programs that provide coordinated and individualized services to former prisoners as they transition back into their families and communities.
- Adequately fund the state parks system so all Washingtonians have ample opportunity to experience the natural beauty of the state.
- Create more-comprehensive, holistic fiscal notes. Under current law, a proposed cut to one program may directly increase costs to another program, but fiscal notes do not account for these cost shifts.
- Create an independent, nonpartisan legislative fiscal agency charged with analyzing tax and spending proposals.
- Create a more robust rainy day fund by increasing annual deposits. In addition, the fund should be allowed to grow to at least 15 percent of annual spending.
- Fully fund the state pension system by contributing the amounts recommended by the state actuary each year.
- Require the Governor to release, and publish online, a “pre-budget” document that includes all of the cost assumptions and estimates used to build annual budget proposals.
- Require the Department of Revenue to publish a list of businesses that get tax breaks and the amounts they receive each year.

Washington state should offer an abundance of high-quality, living-wage jobs that support a strong middle class and that attract the best talent and businesses to our state.

**FIGURE 21:**  
**MAJORITY OF JOBS IN WASHINGTON STATE DO NOT PAY ENOUGH TO SUPPORT A THRIVING MIDDLE CLASS**  
Percent of non-STEM, STEM, and STEM-related occupations with median incomes, WA, 2014



STEM=science, technology, engineering, and math  
Source: Washington State Economic Security Department, Occupational Projections & Wage Estimates, 2014

## ARE THERE ENOUGH GOOD JOBS TO SUSTAIN A MIDDLE CLASS?

An abundance of well-paying jobs that allow workers and their families to meet basic needs, but also the opportunity to get ahead, is the cornerstone of a strong middle class.

Washington state is nationally recognized for having a high share of science, technology, engineering, and math (STEM) jobs (9 percent)<sup>[46]</sup> – such as computer programmers and software engineers. It also has a high share of STEM-related jobs (6 percent) – such as nurses and health care managers (Figure 21). With high median incomes, STEM jobs (\$77,698) and STEM-related jobs (\$68,984) are critical to the overall health of Washington state’s middle class.

But while the share of STEM jobs is relatively high compared to other states, the vast majority (85 percent) of jobs in Washington state pay far lower median wages (\$45,574). In fact, the largest non-STEM job categories – retail sales, cashiers, and food service – all have median annual incomes below \$25,000, well below what it takes to meet basic needs in most places in the state. Moreover, people of color and women are over-represented in lower-paying occupations and under-represented in the higher-paying ones, like science and engineering (Figure 23).

The trend toward lower-wage work has been happening for some time, but ramped up during the Great Recession, when many middle-wage jobs were lost and replaced by lower-wage jobs. In addition to a high share of jobs that pay low wages, many people work part-time because they cannot find full-time work. In Washington state (Table 16):

**TABLE 16:**

MIDDLE-CLASS JOBS: KEY INDICATORS OF PROGRESS<sup>(47)</sup>

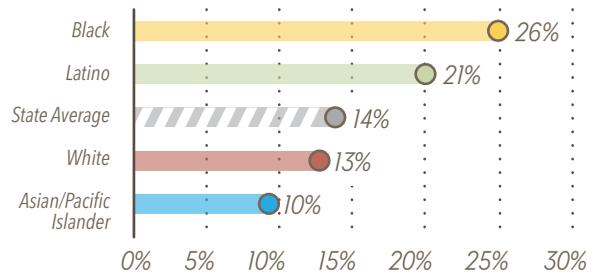
				ARE WE MAKING PROGRESS?		
Share of jobs that pay enough for a family of three to meet basic needs on one income (\$60,000)	*	*	62% (2014)	Trend data not available		
Unemployment rate	5.2% (2000)	5.3% (2008)	5.7% (2015)			✓
Underemployment rate	9.6% (2000)	10.4% (2008)	14% (2013)	✗		
Percent of the labor force working part-time due to a lack of job opportunities	14% (2000)	17% (2008)	25% (2013)	✗		

\*Data not available or not comparable to subsequent years

- Six of every 10 (62 percent) jobs do not pay enough for a family of three to meet basic needs – like food, shelter, child care, or transportation – on one income.
- The unemployment rate has declined to near pre-recession levels. As of January 2015, the unemployment rate stood at 5.7 percent.
- The potential of our labor force is not being fully utilized, as reflected in the share of the workforce that is underemployed (14 percent) – meaning they are not working as much as they desire – and the number of people working part-time because they can't find full-time opportunities (25 percent). People of color are the most likely to be underemployed (**Figure 22**), compromising economic security in communities of color and the overall economy.

**FIGURE 22:**  
**TOO MANY PEOPLE OF COLOR ARE UNDERUTILIZED IN THE LABOR MARKET**

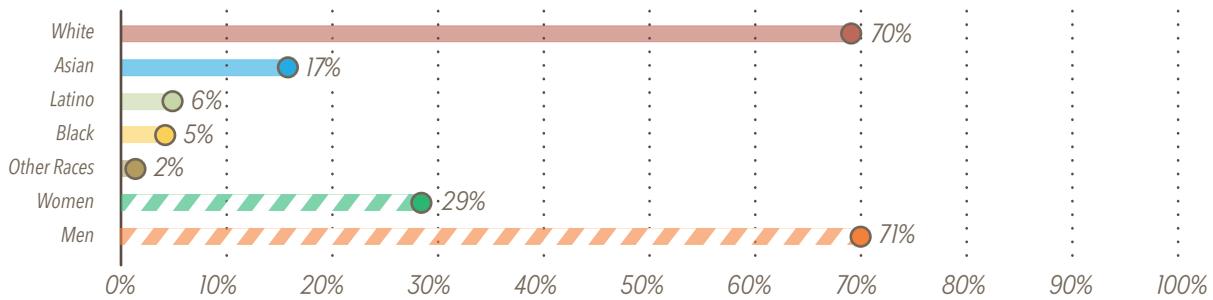
Underemployment by race and ethnicity, WA, 2013



Source: Economic Policy Institute analysis of Current Population Survey data

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

**FIGURE 23:**  
**WOMEN AND PEOPLE OF COLOR ARE UNDER-REPRESENTED IN SCIENCE AND ENGINEERING JOBS**  
 Percent of women and people of color in science and engineering, U.S., 2013



Source: National Science Foundation, National Center for Science and Engineering Statistics, Scientists and Engineers Statistical Data System, 2013 (preliminary)

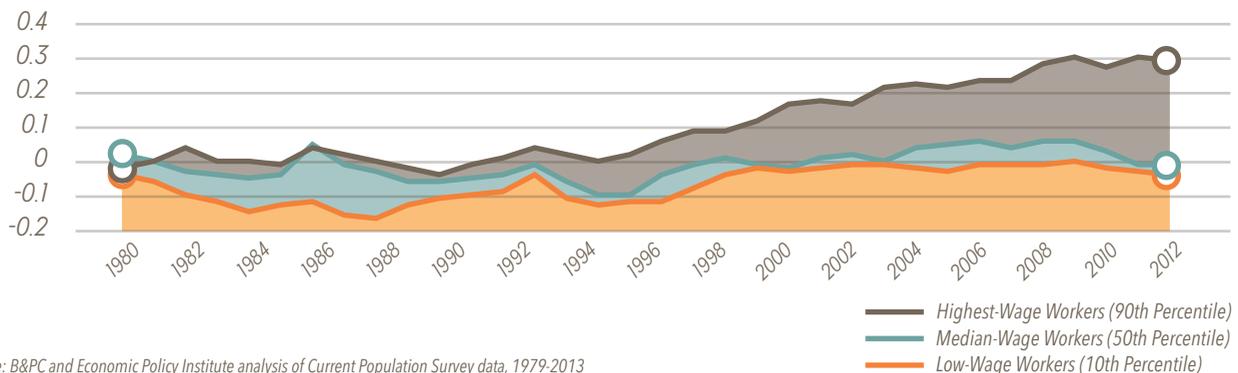
Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow. Latino may be any race. The "Other" category includes American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial. Detail may not add to total because of rounding.

## IS ECONOMIC GROWTH STRONG AND SHARED WITH WORKERS?

A strong middle class depends on workers getting a fair share of the wealth they work so hard to create. Gross state product (GSP) – a measure of all economic activity in a state – is on the rise, and the productivity of workers remains strong. Yet the benefits of our state’s economic growth continue to go mostly to the richest 1 percent, leaving out low- and middle-wage workers (Table 17). In addition, people of color and women earn less than their peers. In Washington state:

- Nearly one quarter (23 percent) of all income is held by the richest 1 percent. For perspective, the richest 1 percent held no more than 11 percent of all income during the height of middle class prosperity from 1947 to 1979.<sup>[48]</sup>
- Median wages dropped slightly over the last five years, from \$19.60 to \$19.06 per hour. Wages for low- and middle-income workers have been effectively stagnant for the last 35 years (Figure 24).

**FIGURE 24:**  
**WAGES FOR LOW- AND MIDDLE-WAGE WORKERS HAVE BEEN STAGNANT FOR 35 YEARS**  
 Cumulative percent change in wages for low- (10%), middle- (50%), and high-wage (90%) earners, WA, 1979-2013



Source: B&PC and Economic Policy Institute analysis of Current Population Survey data, 1979-2013

**TABLE 17:**

**WAGES AND COMPENSATION: KEY INDICATORS OF PROGRESS<sup>(49)</sup>**

**ARE WE MAKING PROGRESS?**

<b>Gross state product (GSP)</b> <i>(in \$billions)</i>		<b>\$299</b> <i>(2000)</i>	<b>\$358</b> <i>(2008)</i>	<b>\$388</b> <i>(2013)</i>	
<b>Labor productivity</b> <i>(GSP/adjusted total employment)</i>		<b>\$114,610</b> <i>(2000)</i>	<b>\$129,702</b> <i>(2008)</i>	<b>\$139,113</b> <i>(2013)</i>	
<b>Share of all income held by the top 1 percent</b>		<b>22%</b> <i>(2000)</i>	<b>21%</b> <i>(2008)</i>	<b>23%</b> <i>(2012)</i>	
<b>Median hourly wage of workers</b> <i>(\$2014)</i>		<b>\$18.56</b> <i>(2000)</i>	<b>\$19.60</b> <i>(2008)</i>	<b>\$19.06</b> <i>(2014)</i>	
<b>Percent of full-time employees offered benefits from their employers:</b>	<b>Health insurance</b>	*	*	<b>91%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Paid sick leave</b>	*	*	<b>49%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Paid vacation</b>	*	*	<b>70%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Retirement benefits</b>	*	*	<b>37%</b> <i>(2013)</i>	<i>Trend data not available</i>
<b>Percent of part-time employees offered benefits from their employers:</b>	<b>Health insurance</b>	*	*	<b>35%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Paid sick leave</b>	*	*	<b>24%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Paid vacation</b>	*	*	<b>29%</b> <i>(2013)</i>	<i>Trend data not available</i>
	<b>Retirement benefits</b>	*	*	<b>16%</b> <i>(2013)</i>	<i>Trend data not available</i>

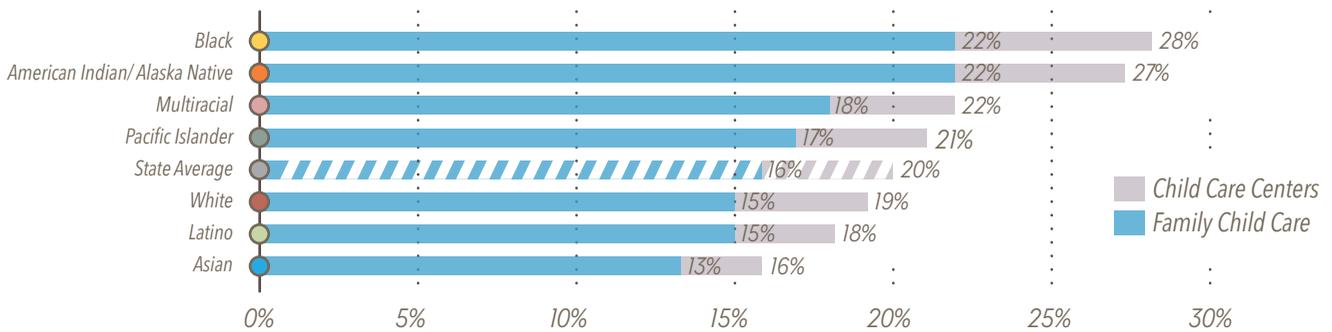
\*Data not available or not comparable to subsequent years

## DOES OUR STATE SUPPORT THE NEEDS OF A 21ST CENTURY WORKFORCE?

Washington state’s workforce looks much different today than it did 40 years ago. Job opportunities are now concentrated in urban centers, and there are more households where both parents are working to provide economic security for their families. Two critical services – child care and transportation – are essential for supporting children and families, as well as growing Washington state’s economy and its competitive edge globally (*Table 18*).

- The number of child care providers – in both child care centers and family child care homes – in Washington state declined from 7,486 in 2008 to 6,141 in 2013, limiting the child care system’s ability to meet the needs of our growing workforce and population.
- Depending on the type of care (child care center or family child care home) and the child’s age, the median cost of care for one child ranges from 6 percent to 20 percent of household income. The cost of care for very young children is especially difficult to afford for many families, especially for families of color who have lower overall earnings than others (*Figure 25*).
- A relatively small share of workers (6 percent) rely on buses and other mass public transportation to get to work. Many people drive instead, which contributes to traffic congestion, longer commute times, and increasing carbon emissions.
- Over one third (36 percent) of workers spend 30 minutes or more getting to work every day, reducing their productivity and the amount of time they spend outside of work with friends and family.

**FIGURE 25:**  
**COST OF CHILD CARE FOR YOUNG CHILDREN IS TOO EXPENSIVE FOR MOST FAMILIES**  
 Median child care costs for infants as a share of median family income – by type of child care and by race and ethnicity, WA, 2013



Source: 2013 ACS 5-year estimates of median household income by race and ethnicity; median rates for family child care and child care centers provided by Child Care Aware of Washington for 2013.

**TABLE 18:**

**RESOURCES FOR WORKING FAMILIES: KEY INDICATORS OF PROGRESS<sup>[50]</sup>**

**ARE WE MAKING PROGRESS?**

<b>Number of child care providers</b>	*	<b>7,486</b> (2008)	<b>6,141</b> (2013)				
<b>Median cost of child care centers** as a share of median income</b>	<b>Infant</b>	*	<b>18%</b> (2008)	<b>20%</b> (2013)			
	<b>Toddler</b>	*	<b>15%</b> (2008)	<b>16%</b> (2013)			
	<b>Preschool</b>	*	<b>13%</b> (2008)	<b>15%</b> (2013)			
	<b>School-age</b>	*	<b>8%</b> (2008)	<b>9%</b> (2013)			
<b>Median cost of family child care homes** as a share of median income</b>	<b>Infant</b>	*	<b>13%</b> (2008)	<b>16%</b> (2013)			
	<b>Toddler</b>	*	<b>13%</b> (2008)	<b>15%</b> (2013)			
	<b>Preschool</b>	*	<b>11%</b> (2008)	<b>13%</b> (2013)			
	<b>School-age</b>	*	<b>6%</b> (2008)	<b>8%</b> (2013)			
<b>Percent of workers using public transportation</b>		<b>5%</b> (2000)	<b>6%</b> (2008)	<b>6%</b> (2013)			
<b>Share of commuters spending more than 30 minutes to travel to work</b>		<b>35%</b> (2000)	<b>35%</b> (2008)	<b>36%</b> (2012)			

\*Data not available or not comparable to subsequent years

\*\*In Washington state, the Department of Early Learning licenses two types of care: (1) family child care homes and (2) child care centers. Family child care homes typically offer child care for mixed-age groups in a person's home. Child care centers vary in size and typically care for children in multiple age groups, from infants to school-age children. Other license-exempt care options such as part-day preschools, care provided by family members, and community recreation programs are not regulated by the state. To learn more about different types of child care visit: <http://wa.childcareaware.org/families/types-of-care>.

## *HOW WASHINGTON CAN MAKE PROGRESS ON GOOD JOBS*

- Raise the minimum wage so more workers are able to meet their basic needs.
- Pass paid sick and family leave policies so all workers can take time off to care for themselves and their families without fear of losing their jobs.
- Make training and recruitment of women and people of color in high-skill and high-wage fields a priority for state employment resources.
- Invest in a high-quality, affordable child care system that nurtures child development while supporting the needs of working parents.
- Invest in a public transportation system to meet the needs of Washington state's growing population. As part of this effort, resources should be directed toward creating living-wage jobs for those who build a clean and efficient transportation system.

# REVENUE

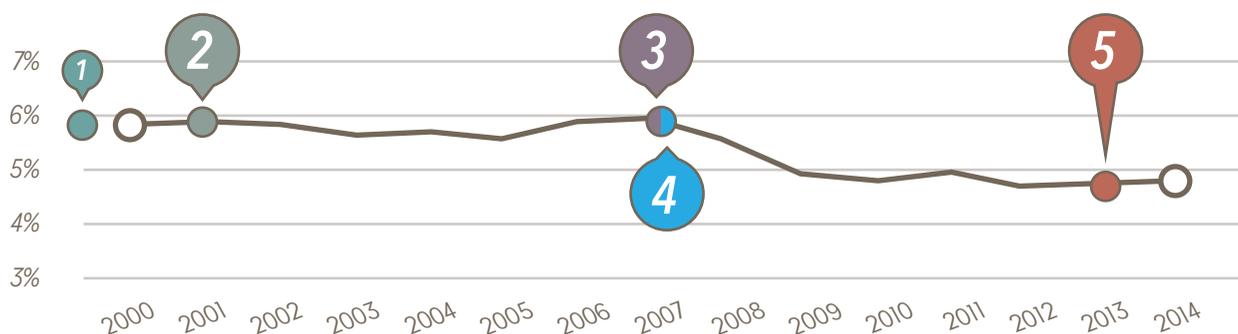
Washington state should have a stable, dependable, and equitable tax system that ensures there are adequate resources to invest in equal opportunities for our children, families, businesses, and communities.

## REVENUE SNAPSHOT

### TRENDS IN REVENUE

Washington state's upside-down revenue system – in which low- and middle-income families pay seven times more taxes as a proportion of their income than the wealthiest families – is fundamentally broken. Furthermore, despite an improving economy, tax revenues have fallen behind (Figure 26). As a result, schools, public health services, environmental protections, and services that support children and families have been sharply cut in recent years.

**FIGURE 26:**  
**WASHINGTON STATE'S TAX SYSTEM IS NOT DEPENDABLE IN THE LONG RUN**  
Near General Fund tax revenues as a share of total state personal income, WA, 2000-2014

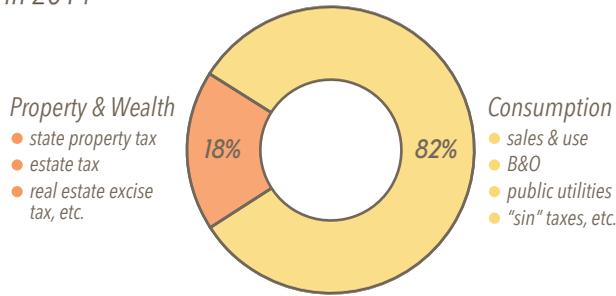


### BUDGET MILESTONES

- 1999: Voters approve Initiative 695, which replaces the state motor vehicle excise tax with a flat, \$30 annual fee on each vehicle. The change eliminates nearly \$1 billion per year in tax resources for schools, health care, safe communities, and other important priorities.
- 2001: Voters approve I-747, which limits the annual growth of property tax revenues to 1 percent or the rate of inflation (whichever is smaller). The limit is arbitrarily low and doesn't allow schools to keep up with the actual costs of things such as paying teacher salaries and educating children with special needs.
- 2007: A new process is set up to conduct regular performance evaluations of most state tax breaks, bringing greater transparency and accountability to the system.
- 2007: A rainy day fund is created, bringing greater stability to our revenue system by requiring policymakers to set a small portion of revenues aside each year during good economic times.
- 2013: Policymakers pass a law requiring all new tax breaks to include a specific public purpose, an expiration date, and a set of measurements for evaluating whether the tax breaks are serving their intended purpose.

Source: Budget & Policy Center analysis; data from ERFC and BEA

**FIGURE 27:**  
**WASHINGTON STATE MOSTLY TAXES CONSUMPTION**  
 State taxes collected by the Department of Revenue in 2014



Source: Budget & Policy Center calculations; data from DOR

## HOW WE TAX

Our state’s tax system has changed little since it was created in the mid-1930s. Today (Figure 27):

- Most general state tax revenues (82 percent) come from taxes on consumption or on the purchases of goods and services by consumers and businesses. Consumption taxes include the retail sales and use tax; the Business & Occupation (B&O) tax; public utilities taxes (for water, electricity, natural gas, and waste-management services); and various “sin” taxes, such as the cigarette tax and taxes on alcohol and marijuana.
- A much smaller amount of revenue (18 percent) is collected from taxes on property and wealth.

## HOW WASHINGTON STATE’S TAX SYSTEM IS PERFORMING

The slow recovery of state tax revenues following the Great Recession is a direct consequence of an upside-down, 1930s-era tax system that doesn’t allow for a healthy, growing revenue system (Box 4). Our ability to make progress is strongly dependent on whether we fix our broken revenue system. Below is a summary of how Washington state’s tax system performs against the principles of a high-quality revenue system, and solutions for how to fix it.

### BOX 4:

#### PRINCIPLES OF A HIGH-QUALITY REVENUE SYSTEM: KEY INDICATORS OF PROGRESS

<b>Equitable</b>	State and local taxes should not take a disproportionately large bite out of lower- and middle-income families’ budgets.
<b>Stable and dependable</b>	The tax system should provide enough resources to keep up investments in important public services through good and bad economic times.
<b>Simple and transparent</b>	Paying taxes should be simple enough that people and businesses can easily determine how to pay their taxes and calculate exactly how much they actually pay each year.
<b>Evenhanded for business</b>	A tax system should treat all businesses equitably, and not favor one industry or activity over another, without a sound justification.

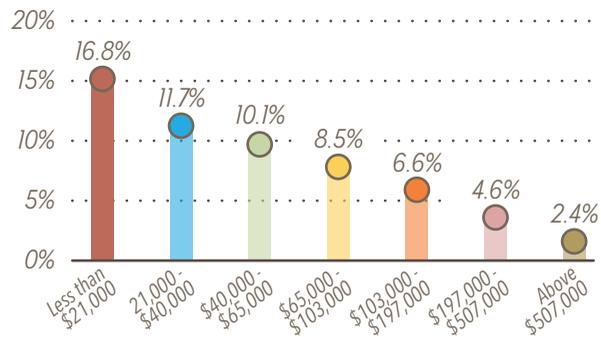
## IS WASHINGTON STATE'S TAX SYSTEM EQUITABLE?

Lower- and middle-income families should not have significantly higher state and local tax rates than high-income families. Those who have benefited most from the economic growth in the last few decades can afford to pay higher taxes to ensure schools, health care, child care, and other growth-promoting investments are available to future generations of Washingtonians.

In Washington state, we have the most upside-down tax system in the nation. Poor and middle-class families pay the largest share of their income in taxes (16.8 percent), while the richest 1 percent pay the least (2.4 percent) (Figure 28). People of color are the hardest hit by our revenue system, as they face greater barriers to economic opportunities and often have lower incomes than their white peers (Figure 29).

**FIGURE 28:**  
**WASHINGTON STATE'S TAX SYSTEM IS UPSIDE DOWN**

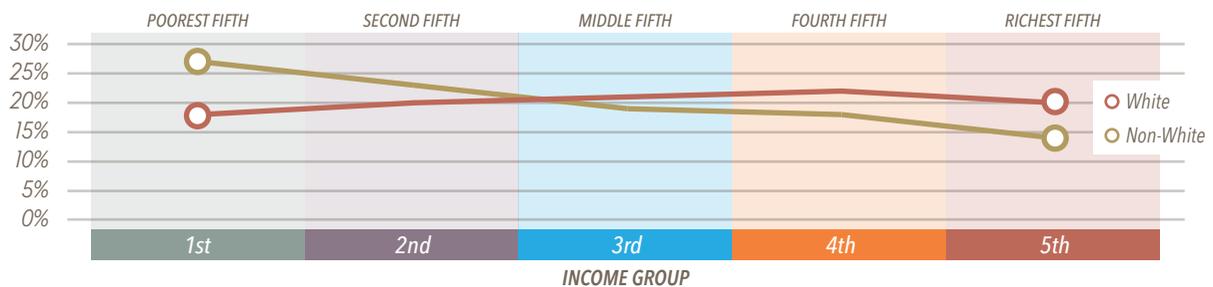
Washington state and local taxes as a share of family income by income group, 2015



Source: Institute of Taxation and Economic Policy

**FIGURE 29:**  
**PEOPLE OF COLOR ARE MORE LIKELY TO BE AMONG THE HIGHEST-TAXED/LOWEST-INCOME FIFTH OF WASHINGTONIANS**

Share of race/ethnic group by household income, poorest fifth to richest fifth of Washingtonians



Income Group	White*	Black*	American Indian/Alaska Native*	Chinese*	Japanese*	Other Asian/Pacific Islander	Other*	Multiracial*	Latino
1st	18%	35%	34%	17%	18%	16%	17%	22%	32%
2nd	20%	24%	24%	13%	16%	17%	26%	21%	27%
3rd	21%	16%	18%	17%	18%	21%	21%	19%	20%
4th	22%	16%	14%	22%	24%	23%	23%	21%	14%
5th	20%	9%	10%	30%	25%	23%	13%	18%	7%

B&PC analysis of IPUMS data, 2012 ACS 5-year estimates. \*Non-Hispanic

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

## IS THE STATE TAX SYSTEM DEPENDABLE AND STABLE?

The tax system should provide enough resources to keep up the state’s investments through good and bad economic times. As the economy grows and changes, so must investments that support safe, healthy communities and a modern, well-educated, and competitive workforce. A modern state tax system would enable us to reliably fund these investments in the long run. But Washington state’s tax system has been falling behind the changing economy for decades. Between 2000 and 2014, tax revenues as a share of state personal income declined by 20 percent (*Table 19*).

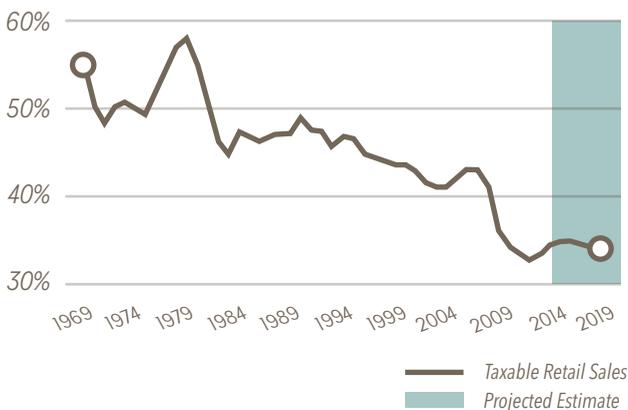
The retail sales tax, Washington state’s largest source of revenue, is primarily responsible for this long-term decline in revenues relative to the economy. In 1935, the year the sales tax was created, the economy looked much different than it does today. Back then, consumers spent most of their incomes on tangible goods, such as household items and tools. Today, consumers spend most of their incomes on services that are not covered by the sales tax, such as health care, financial advice, and satellite TV. In addition, consumers now purchase many goods from out-of-state via the internet, but the state is barred by federal law from requiring sellers to collect sales tax on many internet transactions.

The consequences of this shift in our economy are dramatic (*Figure 30*). In 1969, the products subject to the state sales tax amounted to 55 percent of Washington state’s total economy; today, they amount to only 36 percent and will continue to decline, making the tax system even less dependable in the long run.

Short-term stability is also essential to a healthy revenue system, so that investments in our state can be sustained during economic downturns and other emergencies. “Rainy day funds,” also called budget reserves, are the primary tool states use to ensure revenues remain stable during economic downturns. These funds allow policymakers to save a portion of revenues generated during good economic times, which can be drawn down when the economy falters to help maintain funding for schools, public safety, and other essential investments.

**FIGURE 30:**  
**THE SALES TAX CAPTURES A SHRINKING SHARE OF THE ECONOMY**

*Taxable retail sales as a share of total personal income in Washington state, 1969-2019*



Source: Economic and Revenue Forecast Council

Washington state made progress on improving revenue stability when policymakers and voters added a rainy day fund requirement to the state constitution in 2007, and again in 2011 by deciding to dedicate additional resources to the fund during times of extraordinarily strong revenue growth. However, our rainy day fund is not sufficient. Total state budget reserves (including rainy day funds) should grow to at least 15 percent of a state’s annual general operating budget to be prepared for a recession, according to the Center on Budget and Policy Priorities.<sup>[51]</sup>

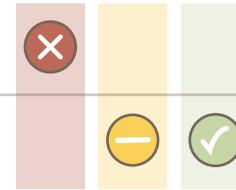
Although budget reserves rise and fall along with economic conditions, reserves in Washington state have not reached this critical 15 percent threshold since 2000. In fact, they have diminished over the past decade (*Table 19*). Just before the 2001 recession caused by the dot-com bust, total reserves reached 12.1 percent of the operating budget; in 2008, just before the onset of the Great Recession, reserves amounted to only 7.5 percent of the state budget. By 2019, Washington state’s total reserves are projected to be only 8 percent of the annual state budget.<sup>[52]</sup>

**TABLE 19:**

**DEPENDABILITY AND STABILITY OF TAX SYSTEM: KEY INDICATORS OF PROGRESS<sup>[53]</sup>**

**ARE WE MAKING PROGRESS?**

<b>State tax collections as a share of the state economy (total personal income)</b>	<b>5.8%</b> (2000)	<b>5.6%</b> (2008)	<b>5.0%</b> (2014)
<b>Budget reserves as a share of the state operating budget</b>	<b>12.1%</b> (2000)	<b>7.5%</b> (2008)	<b>*</b>



*\*Data not available or not comparable to subsequent years*

## IS THE STATE TAX SYSTEM SIMPLE AND TRANSPARENT?

Given that there’s no personal income tax, the tax system in Washington state is quite simple for most individuals. Businesses also give the process of filing taxes in Washington state high marks for simplicity (Table 20). That’s because compliance with Washington’s business and occupation (B&O) tax generally doesn’t require businesses to perform complex calculations to determine their net profits (or the share of those profits that occurred in Washington state).

But when it comes to taxpayers’ understanding of how much they pay, Washington state’s tax system is lacking. The final price of a good or service paid by a consumer in Washington state can include multiple hidden layers of taxation.<sup>[54]</sup> For example, although cash register receipts show sales taxes directly paid by consumers, they do not reflect the sales taxes and B&O taxes previously paid by manufacturers, wholesalers, and retailers that are built into the final price of a good or service sold in Washington state. As a result, it is impossible for individuals to accurately determine how much they actually pay in state and local taxes each year.

Transparency is further undermined by the growing number of special-interest tax breaks in Washington state. As of 2014, there were 655 tax breaks on the books – 223 more than in 2000 (Table 20). This amounts to billions of dollars in hidden spending every year. That’s because, like budgeted investments in education and other priorities, tax breaks are often enacted to advance specific public goals, such as creating jobs or increasing business investment in a particular industry. Unlike budgeted expenditures, however, tax breaks are not routinely reviewed by lawmakers during the biennial budget development process. As a result, they can remain in place for years or decades without having their costs or benefits balanced against competing priorities.

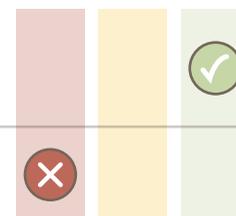
Tax break transparency was improved in 2007 when policymakers established a process to evaluate the performance of most breaks at least once every 10 years. In 2012, the Legislature passed a law requiring all new tax breaks to include an expiration date, specific and measurable goals, and other provisions designed to improve transparency and accountability.

**TABLE 20:**

**SIMPLICITY & TRANSPARENCY OF OUR TAX SYSTEM: KEY INDICATORS OF PROGRESS<sup>[55]</sup>**

**ARE WE MAKING PROGRESS?**

<b>Share of business taxpayers surveyed who agree with the statement that “tax forms and instructions are easy to understand.”</b>	<b>*</b>	<b>71%</b> (2007)	<b>85%</b> (2014)
<b>Number of special-interest tax breaks</b>	<b>443</b> (2000)	<b>574</b> (2007)	<b>655</b> (2014)



*\*Data not available or not comparable to subsequent years*

## IS THE TAX SYSTEM EVENHANDED FOR BUSINESS?

Washington state taxes small businesses much more heavily than it taxes medium and large businesses. B&O taxes among small businesses – those with \$5 million or less in gross receipts each year – average 1.7 percent of gross income. Large businesses on the other hand, which are those with more than \$25 million in gross receipts each year, have average B&O taxes of less than 1 percent of gross income. Furthermore, service-related businesses, such as hairdressers, accountants, and janitors, are taxed more heavily than manufacturers or shipping companies (Table 21).

**TABLE 21:**

**EVENHANDEDNESS OF TAX SYSTEM: KEY INDICATORS OF PROGRESS<sup>[56]</sup>**

**ARE WE MAKING PROGRESS?**

<b>Taxes as a share of Gross Business Income</b> <i>By industry type:</i>	<b>Manufacturing</b>	0.28%	
	<b>Computer programming</b>	2.01%	
	<b>Trade</b>	0.81%	
	<b>Services</b>	2.03%	
<b>Taxes as a share of Gross Business Income</b> <i>By industry size:</i>	<b>Small</b> <i>(gross receipts &lt; \$5 million)</i>	1.7%	
	<b>Medium</b> <i>(gross receipts \$5-\$25 million)</i>	1.2%	
	<b>Large</b> <i>(gross receipts &gt; \$25 million)</i>	0.95%	

\*Data not available or not comparable to subsequent years

## *HOW WASHINGTON CAN MAKE PROGRESS ON REVENUE*

- Expand the sales tax to include more services, which would better reflect today's purchasing patterns and generate at least \$100 million per year in additional revenue.
- Tax profits from the sale of corporate stock and other high-end financial assets to generate roughly \$800 million per year in new resources. Because the tax would be paid almost exclusively by the very richest Washingtonians, it would begin to make our tax system more equitable for all income groups while fighting the rise of income inequality.
- Fund the Working Families Tax Rebate (WFTR) to reduce taxes for more than 400,000 hardworking families with lower incomes across Washington state. The WFTR would help bring more balance to the tax system based on income and ability to pay, while combating rising income inequality.
- Improve public understanding of tax breaks and accountability by: requiring tax break recipients to meet minimum standards for job creation and other benchmarks; having major corporations publicly disclose how much they claim in state tax breaks each year; and setting expiration dates for all major tax break programs.
- Create a more adequate and equitable property tax by reducing taxes on middle-class and lower-income homeowners and renters, and eliminating the law that severely restricts the growth of property tax revenues from one year to the next.



## CHARTING THE PATH TO PROGRESS FOR ALL WASHINGTONIANS

The state budget is so much more than just numbers and line items. It truly is a statement of our values. The investments we choose to make provide the foundation that allows Washington state's children, families, communities, and businesses to thrive.

This report proves progress is possible, and it demonstrates the essential role that our state government plays in the lives of Washingtonians. Thanks to state investments, social programs kept 241,000 children from experiencing poverty last year. More young adults have associate degrees now than ever before. Over 700,000 people gained access to affordable health care coverage last year. We are increasing the share of energy we get from renewable resources like wind and solar power. These accomplishments would not have been possible without state investments.

Yet this report also shows that more needs to be done to achieve shared prosperity in Washington state. In fact, out of almost 100 measures of progress, more than half of them show progress has stalled or is falling behind.

State investments are not benefitting everyone equally; in many cases, people of color do not have equal access to opportunity, and their measures of progress in critical areas are trailing those of their peers. This threatens their well-being and our collective future. An alarming share of children and families are struggling to make ends meet in an economy where growth primarily benefits 1 percent of the population. Improvement on education outcomes of students has stalled. Too many jobs don't pay enough for families to make ends meet.

Much work remains, but we do have choices. Lawmakers can choose to fix our broken revenue system. They can invest in policies that ensure all Washingtonians – regardless of their racial and ethnic background or the circumstances into which they were born – can reach their full potential. They can prioritize investments that create good jobs and a supportive infrastructure for workers and their families, while also building a clean energy economy.

Our people and environment are worthy of investment. Period. We hope the findings of this report contribute to meaningful, productive discussions on how Washington state can move policies and investment in the direction of creating shared prosperity for us all.

**To further engage in efforts to build shared prosperity in Washington state, connect with us:**

**On the web:** [budgetandpolicy.org](http://budgetandpolicy.org)

**On our blog:** [budgetandpolicy.org/schmudget](http://budgetandpolicy.org/schmudget)

[twitter.com/budget\\_policy](https://twitter.com/budget_policy)



[facebook.com/budgetandpolicy](https://facebook.com/budgetandpolicy)



[youtube.com \(channel: WA Budget & Policy\)](https://youtube.com/channel/WA%20Budget%20%26%20Policy)



1. The National Bureau of Economic Research U.S. Business Cycle Expansions and Contraction available at <http://www.nber.org/cycles.html>
2. Alan Blinder & Mark Zandi (2010) How the Great Recession Was Brought to an End available at <https://www.economy.com/mark-zandi/documents/End-of-Great-Recession.pdf>; Congressional Budget Office (2011) Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output from January 2011 Through March 2011 available at <http://www.cbo.gov/publication/41461?index=12185>; Congressional Budget Office (2014) Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output in 2013 available at <https://www.cbo.gov/publication/4512>
3. Estelle Sommeiller and Mark Price (2015) The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012 available at <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>
4. Estelle Sommeiller and Mark Price (2015) The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012 available at <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>
5. U.S. Department of Health & Human Services Office of the Assistant Secretary for Planning and Evaluation 2015 federal poverty guidelines available at <http://aspe.hhs.gov/poverty/15poverty.cfm>
6. Data for Table 1:  
Share of all income held by the top 1 percent: Estelle Sommeiller and Mark Price (2015) The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012 available at <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>
- Median household income: Budget & Policy Center analysis of 2000 Census, 2008-2013 American Community Survey; adjusted by CPI-U-RS
- Share of people with low incomes: Budget & Policy Center analysis of 2000 Census, 2008-2013 American Community Survey
- Number of homeless children in public schools: Office of Superintendent of Public Instruction Homeless Education Data and Reports available at <https://www.k12.wa.us/HomelessEd/Data.aspx>
- Share of households that do not possess enough assets to withstand a financial crisis: Corporation for Economic Development Asset & Opportunity Scorecard available at <http://assetsandopportunity.org/scorecard/>
7. Data for Table 2:  
Percentage point drop in poverty rate after impact of social programs is considered: Annie E. Casey Foundation (2015) Measuring Access to Opportunity in the United States: KIDS COUNT Data Snapshot available at <http://www.aecf.org/resources/measuring-access-to-opportunity-in-the-united-states/>
- Share of unemployed people receiving unemployment insurance: Budget & Policy Center analysis of Department of Labor Unemployment Insurance Data Summary and Bureau of Labor Statistics 2000-2014 historical unemployment data
- Number of children receiving TANF (per 100 children living below 100% of the federal poverty line): Budget & Policy Center analysis of U.S. Department of Health & Human Services data, Census 2000, and 2008-2013 American Community Survey data
- Number of families receiving Working Connections Child Care per 100 children living below 200% of the federal poverty line): Budget & Policy Center analysis of Washington State Department of Social & Health Services data, Census 2000, and 2008-2013 American Community Survey data
- Number of people receiving Supplemental Nutrition Assistance Program: Budget & Policy Center analysis of Washington State Department of Social & Health Services data, Census 2000, and 2008-2013 American Community Survey data
8. There are numerous studies showing the short- and long-term benefits of early learning. The majority of that work can be summarized on the website of Dr. James Heckman (<http://heckmanequation.org/heckman-equation>)
9. Data for Table 3:  
Percent of 3- and 4-year olds enrolled in preschool: National KIDS COUNT Data Book 2014
- Percent of children prepared to enter kindergarten in all six areas of readiness: Office of Superintendent of Public Instruction WaKIDS data available at <http://reportcard.ospi.k12.wa.us/WaKidsDetailPage.aspx?domain=WaKIDS&year=2014-15&groupLevel=District&schoolId=1&reportLevel=State>
10. Annie E. Casey Foundation (2010) Early Warning! Why Reading by the End of Third Grade Matters: A KIDS COUNT Special Report available at <http://www.aecf.org/resources/early-warning-why-reading-by-the-end-of-third-grade-matters/>
11. Astin, A.W., and H.S. Astin. 1992. Undergraduate Science Education: The Impact of Different College Environments on the Educational Pipeline in the Sciences. Final Report to the National Science Foundation. Los Angeles: The Higher Education Research Institute, UCLA; Grandy, J. 1998. Persistence in Science of High-Ability Minority Students: Results of a Longitudinal Study. The Journal of Higher Education; and Crisp, Gloria, and Amaury Nora. 2006. Overview of Hispanics in Science, Mathematics, Engineering and Technology (STEM): K-16 Representation, Preparation and Participation available at [http://www.hacu.net/images/hacu/OPAI/H3ERC/Hispanics\\_in\\_STEM\\_Crisp\\_Nora.pdf](http://www.hacu.net/images/hacu/OPAI/H3ERC/Hispanics_in_STEM_Crisp_Nora.pdf)
12. Washington State Education Research & Data Center P-20 Research Compendium available at <http://www.ercd.wa.gov/indicators/default.asp>
13. Data for Table 4:  
Percent of 3rd grade students meeting reading standards: Office of Superintendent of Public Instruction School Report Card data available at <http://reportcard.ospi.k12.wa.us/wasITrend.aspx?domain=MSPH SPE&year=2014-15&groupLevel=District&schoolId=1&reportLevel=State&gradeLevelId=3&waslCategory=1&chartType=1>
- Percent of 8th grade students meeting math standards: Office of Superintendent of Public Instruction School Report Card data available at <http://reportcard.ospi.k12.wa.us/wasITrend.aspx?domain=MSPH SPE&year=2014-15&groupLevel=District&schoolId=1&reportLevel=State&gradeLevelId=3&waslCategory=1&chartType=1>
- Percent of students graduating from high school within four years: Office of Superintendent of Public Instruction Graduation and Dropout Statistics data available at <http://www.k12.wa.us/DataAdmin/default.aspx>

Percent of students at community and technical colleges (CTCs) and four-year public universities taking pre-college coursework: Washington State Education Research & Data Center P-20 Research Compendium available at <http://www.erdc.wa.gov/indicators/default.asp>

14. *McCleary v. State of Washington* available at <http://www.courts.wa.gov/opinions/pdf/843627.opn.pdf>

15. Budget & Policy Center analysis of Joint Task Force of Education Funding data

16. Data for Table 5:

Percent of students immediately enrolling in college after graduating from high school: Washington State Education Research & Data Center. The data file comes from many sources including: OSPI for information about high school graduates, State Board of Community and Technical Colleges for enrollment and completions data for Washington Community and Technical Colleges (two-year institutions), PCHEES system for enrollment and completions data for the four-year institutions, National Student Clearinghouse for enrollment data for private and out-of-state institutions

Share of revenue for public higher education that comes from student tuition: Budget & Policy Center analysis of LEAP data

Average student debt to attend higher education: The Institute for College Access & Success, College InSight available at <http://www.college-insight.org>

Share of students applying for State Need Grant who did not receive it: 2013-14 State Need Grant Manual and WSIPP's State Need Grant: Student Profiles and Outcomes

17. Data for Table 6:

Share of 25- to 34-year olds with an AA degree or higher: Budget & Policy Center analysis of 2000 Census, 2008-2013 American Community Survey IPUMS data – Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010

Undersupply of graduates to fill future competitive-level jobs: Washington Student Achievement Council, the State Board for Community and Technical Colleges, and the Workforce Training and Education Coordinating Board (2013) A Skilled and Educated Workforce available at <http://www.wsac.wa.gov/sites/default/files/2013.11.16.Skills.Report.pdf>

18. Health Care Authority enrollment data available at [http://www.hca.wa.gov/medicaid/reports/Documents/enrollment\\_totals.pdf](http://www.hca.wa.gov/medicaid/reports/Documents/enrollment_totals.pdf)

19. Budget & Policy Center analysis of American Community Survey data 2008-2013

20. Data for Table 7:

Number of Washingtonians enrolling in Medicaid or Exchange under the Affordable Care Act: Health Care Authority enrollment data; [http://www.hca.wa.gov/medicaid/reports/Documents/enrollment\\_totals.pdf](http://www.hca.wa.gov/medicaid/reports/Documents/enrollment_totals.pdf)

Percent of population with health coverage by age: Budget & Policy Center analysis of American Community Survey data 2008-2013

Percent of adults and children with access to a reliable network of comprehensive medical care: Kaiser Family Foundation data available at <http://kff.org/other/state-indicator/could-not-see-doctor-because-of-cost/?state=WA> and Child and Adolescent Health Measure Initiative, National Survey of Children's Health 2007/08, 2011/12 available at <http://www.childhealthdata.org/>

Percent of adults not seeing a doctor because of cost: Kaiser Family Foundation data available at <http://kff.org/other/state-indicator/could-not-see-doctor-because-of-cost/?state=WA>

Percent of children that had a dental visit in the last year: Child and Adolescent Health Measure Initiative, National Survey of Children's Health 2007/08, 2011/12 available at <http://www.childhealthdata.org/> Percent of adults that had a dental visit in the last year: Kaiser Family Foundation data available at <http://kff.org/other/state-indicator/could-not-see-doctor-because-of-cost/?state=WA>

21. *Franciscan Health Care Systems and Multicare Health System v. Department of Health and Social Services Pierce County* available at <http://washingtonacep.org/postings/opinion901104.pdf>

22. Data for Table 8:

Number of psychiatric beds: Washington State Institute for Public Policy (2015) Inpatient Psychiatric Capacity and Utilization in Washington State downloaded on March 10, 2015 at [http://www.wsipp.wa.gov/ReportFile/1585/Wsipp\\_Inpatient-Psychiatric-Capacity-and-Utilization-in-Washington-State\\_Report.pdf](http://www.wsipp.wa.gov/ReportFile/1585/Wsipp_Inpatient-Psychiatric-Capacity-and-Utilization-in-Washington-State_Report.pdf); Budget & Policy Center used population data from the 2000 Census and American Community Survey 2008-2013 for population estimates to derive rate per 100,000

Share of patients readmitted to a state or community hospital within 30 days of leaving: Department of Social & Health Services Behavioral Health and Service Integration Administration SCOPE (System for Communicating Outcomes, Performance & Evaluation) data portal downloaded on March 1, 2015

Rate of out-of-home-care placements: Partners for Our Children Data Portal downloaded on March 10, 2015

Share of children re-entering out-of-home care within two years: Partners for Our Children Data Portal downloaded on March 10, 2015

23. Data for Table 9:

Percent of days with low to moderate air quality: EPA's Air Quality Index (AQI) report data by state/county available at [http://www.epa.gov/airdata/ad\\_rep\\_aqi.html](http://www.epa.gov/airdata/ad_rep_aqi.html)

Percent decline in toxic chemicals released by manufacturers that pose significant risk to human health: Risk Screening Environmental Indicators Score available at [http://www.ecy.wa.gov/epcra/chemical\\_summary/by\\_county.html](http://www.ecy.wa.gov/epcra/chemical_summary/by_county.html)

Percent of people impacted by drinking-water-quality standards: Data provided by Office of Drinking Water, Environmental Public Health, Washington State Department of Health. Data represents System A Water Supply only, which serves the vast majority of the state population.

Percent of tested beaches meeting water-quality standards: Washington State Department of Ecology and Health, BEACH program

Percent of tested rivers and streams that have a water-quality index rating of "good": Washington State Department of Ecology, Environmental Assessment Program. Water Quality Index (WQI) score of 80 or higher is considered "good."

Percent of shellfish beds closed for harvesting because of pollution: Office of Shellfish & Water Protection Division of Environmental Health Washington State Department of Health

Percent of hazardous waste recycled by businesses or other facilities: Washington Department of Ecology, Beyond Waste Indicators available at [http://www.ecy.wa.gov/beyondwaste/bwprog\\_swGenRec.html](http://www.ecy.wa.gov/beyondwaste/bwprog_swGenRec.html)

Percent of solid waste recycled: Washington Department of Ecology, Beyond Waste Indicators available at [http://www.ecy.wa.gov/beyondwaste/bwprog\\_swGenRec.html](http://www.ecy.wa.gov/beyondwaste/bwprog_swGenRec.html)

24. Intergovernmental Panel on Climate Change (2013) Working Group I Report Climate Change 2013: The Physical Science Basis available at <http://www.ipcc.ch/report/ar5/wg1/>

25. Carbon Emissions Reduction Task Force (2014) Report to the Washington State Governor's Office available at [http://www.governor.wa.gov/sites/default/files/documents/CERT\\_Final\\_Report.pdf](http://www.governor.wa.gov/sites/default/files/documents/CERT_Final_Report.pdf)

26. Data for Table 10:  
Level of carbon emissions: Department of Ecology, Washington State Greenhouse Gas Emissions Inventory 2007-08 and Washington State Greenhouse Gas Emissions Inventory 2009-10

Dependence on fossil fuels/non-renewable resources: Sightline analysis of Energy Information Administration State Energy Data System 2012

Electricity consumption and production: U.S Energy Information Administration and Washington Department of Commerce State Energy Office's 2013 Electric Utility Fuel Mix Disclosure Report

27. Visit The Sentencing Project website at <http://www.sentencingproject.org/template/page.cfm?id=122> for a summary of information on racial disproportionality in the criminal justice system

28. The Sentencing Project; data for Washington state available at <http://www.sentencingproject.org/map/map.cfm>

29. Research Working Group of the Task Force on Race and the Criminal Justice System (2011-2012) Preliminary Report on Race and Washington's Criminal Justice System

30. Data for Table 11:  
Total crime rate per 1,000: Washington State Statistical Center (2014) Uniform Crime Report Query on total crime downloaded on December 21, 2014

Violent crime rate per 1,000: Washington State Statistical Center (2014) Uniform Crime Report Query on violent crime downloaded on December 21, 2014

Adults in prison: Carson, E. Ann and Mulako-Wangota, Joseph. Bureau of Justice Statistics. (Imprisonment rates of jurisdiction population – sentences greater than one year)

Juveniles in correctional facilities per 100,000 children: D. Sickmund, Melissa, Sladky, T.J., and Kang, Wei. (2005) Census of Juveniles in Residential Placement Databook. Online Author's analysis of OJJDP's Census of Juveniles in Residential Placement 1997, 1999, 2001, 2003, 2006, 2007, and 2010 [machine-readable data files] available at <http://www.ojjdp.gov/ojstatbb/ezacjrp/>

Percent of adults returning to prison within three years of release: Three Year Prison Recidivism Rates, data provided by Washington State Department of Corrections

31. Budget & Policy Center analysis of LEAP data

32. Data for Table 12:

Park attendance: Washington State Parks Department

Number of public art works: Washington State Arts Commission

33. Center for Women in Politics

34. Data for Table 13:  
Share of women in state Legislature: Center for Women in American Politics data downloaded on March 10, 2015 at [http://www.cawp.rutgers.edu/fast\\_facts/resources/state\\_fact\\_sheets/WA.php](http://www.cawp.rutgers.edu/fast_facts/resources/state_fact_sheets/WA.php)

Share of people of color in state Legislature: Budget & Policy Center analysis; data from Seattle Times and U.S. Census Bureau

35. Both the Washington State Auditor's Office and the Joint Legislative Audit and Review Committee (JLARC) were routinely peer reviewed between 2000 and 2014. Both agencies routinely received the highest scores available

36. See JLARC's annual report at <http://leg.wa.gov/JLARC/AnnualReport2013/default.htm#>

37. Budget & Policy Center calculations; data from JLARC. Findings from JLARC that did not require action on the part of the Legislature were excluded

38. Data for Table 14:  
Peer reviews of the State Auditor's Office and JLARC: Auditor's Office available at [www.sao.wa.gov/about/Pages/PeerReviews.aspx#VQCwk3I0zj0](http://www.sao.wa.gov/about/Pages/PeerReviews.aspx#VQCwk3I0zj0); peer reviews for JLARC available at <http://leg.wa.gov/JLARC/Documents/2014JLARCPeerReview.pdf>

Audits of tax breaks: Available on the Citizen Commission for Performance Measurement of Tax Preferences website at <http://www.citizentaxpref.wa.gov/>

Bond ratings: State Treasurer's Office, Debt Affordability Study, 2014, available online at <http://www.tre.wa.gov/documents/debtAffordStudy-2014.pdf>

Forecasting revenues and spending: Available at the Economic and Revenue Forecast Council website at <http://www.ercf.wa.gov/forecast/budgetOutlook.shtml>

Maintenance level budgeting: Office of Financial Management, A Guide to the Washington State Budget Process, 2014, available at <http://www.ofm.wa.gov/reports/budgetprocess.pdf>

Budget Stabilization Account info: National Association of State Budget Officers, Fiscal Survey of the States, various years, 2000-2013

39. Elizabeth McNichol, When and How States Should Strengthen Their Rainy Day Funds, 2014, Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/index.cfm?fa=view&id=4129>

40. Budget & Policy Center calculations; data from ERFC 4-year budget outlook available online at [http://www.ercf.wa.gov/forecast/documents/bo\\_201501\\_NovemberOutlookCorrected.pdf](http://www.ercf.wa.gov/forecast/documents/bo_201501_NovemberOutlookCorrected.pdf). Total reserves are projected to be negative in FY19 due to a structural imbalance

41. Bond ratings: State Treasurer's Office, Debt Affordability Study, 2014, available online at <http://www.tre.wa.gov/documents/debtAffordStudy-2014.pdf>

42. Data for Table 15:  
Publicly available budget information: Available online via [www.fiscal.wa.gov](http://www.fiscal.wa.gov)

Fiscal planning indicator data: Center on Budget and Policy Priorities, Budget for the Future: Fiscal Planning Tools Can Show the Way, 2014 Information on these tax breaks is available on the Department of Revenue's website at <https://fortress.wa.gov/dor/efile/MyAccount/TaxIncentivePublicDisclosure/>

Transparency indicator data: USPIRG, Follow the Money available at <http://www.uspirg.org/reports/usp/following-money-2014>

43. Legislative Evaluation and Program Committee (LEAP) website, <http://leap.leg.wa.gov/leap/default.asp>

44. So-called "title-only bills" are pieces of legislation that include only a title, but no body text. They are frequently used to circumvent rules requiring that policymakers and the public have at least 72 hours to review a proposed laws.

45. Information on these tax breaks is available on the Department of Revenue's website at <https://fortress.wa.gov/dor/efile/MyAccount/TaxIncentivePublicDisclosure/>

46. Economic Modeling Specialists (2012), The Number and Proportion of STEM Jobs by State available at <http://www.economicmodeling.com/2012/06/20/the-number-and-proportion-of-stem-jobs-by-state/>

47. Data for Table 16:

Share of jobs that pay enough for a family three to meet basic needs on one income (\$60,000): Budget & Policy Center analysis of Economic Security Department Occupational Employment and Wage Estimates downloaded on February 15, 2015 at <https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/occupational-employment-and-wage-estimates>

Unemployment rate: Employment Security Department (2015) Monthly Employment Report downloaded on March 10, 2015 at <https://fortress.wa.gov/esd/employmentdata/docs/economic-reports/current-monthly-employment-report>

Underemployment rate: Economic Policy Institute analysis of Current Population data

Percent of the labor force working part-time due to a lack of job opportunities: Economic Policy Institute analysis of Current Population Survey data

48. Estelle Sommeiller and Mark Price (2015) The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012 available at <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>

49. Data for Table 17:

Gross state product: EPI analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series

Labor productivity: EPI analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and costs program; employment data from Bureau of Labor Statistics, Local Area Unemployment Statistics; wage data from the Current Population Survey; and compensation data from the Bureau of Economic Analysis, State/National Income and Product Accounts public data series

Share of income held by the top 1 percent: Estelle Sommeiller and Mark Price (2015) The Increasingly Unequal States of America: Income Inequality by State, 1917 to 2012 available at <http://www.epi.org/publication/income-inequality-by-state-1917-to-2012/>

Median hourly wages of workers: Economic Policy Institute analysis of Current Population Survey data

Percent of employees (full-time and part-time) offered benefits from their employers: Employment Security Department (2014) Employee Benefits Report downloaded on March 10, 2015 at <https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/employee-benefits-survey-report>

50. Data for Table 18:

Number of child care providers: Child Care Aware 2014 Data Report downloaded on March 10, 2015 at <http://wa.childcareaware.org/about-us/data>

Median cost of child care: Child Care Aware 2014 Data Report downloaded on March 10, 2015 at <http://wa.childcareaware.org/about-us/data>

Percent of workers using public transportation: Budget & Policy Center analysis of 2000 Census, 2008-2013 American Community Survey data

Share of commuters spending more than 30 minutes to travel to work: Budget & Policy Center analysis of 2000 Census, 2008-2013 American Community Survey data

51. Elizabeth McNichol, When and How States Should Strengthen Their Rainy Day Funds, 2014, Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/index.cfm?fa=view&id=4129>

52. Budget & Policy Center analysis; data from ERFC, Four-Year Budget Outlook, November 2014

53. Data for Table 19:

Near-general fund state tax collections as a share of total Washington state personal income: Budget & Policy Center analysis of data from ERFC and BEA

54. Washington State Tax Structure Study Committee ("The Gates Commission"), Tax Alternatives For Washington State, A Report to the Legislature, November 2002, [http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/WAtaxstudy/Final\\_Report.htm](http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/WAtaxstudy/Final_Report.htm)

55. Data for Table 20:

Share of business taxpayers surveyed who agree with the statement "tax forms and instructions are easy to understand." Washington State Department of Revenue, Taxpayer Satisfaction Survey – History of Responses, 2014

Number of special-interest tax breaks: Budget & Policy Center calculations of tax preference data from the Joint Legislative Audit and Review Committee

56. Data for Table 21:

Taxes as a share of gross business income by industry type and size: The Office of Financial Management, Tax And Premium Statistics available at [http://www.ofm.wa.gov/economy/business\\_tax/tax\\_and\\_premium\\_statistics.pdf](http://www.ofm.wa.gov/economy/business_tax/tax_and_premium_statistics.pdf)

# APPENDIX A

## PROGRESS INDEX CATEGORIZATION OF STATE AGENCIES

### ECONOMIC SECURITY

Department of Labor and Industries  
Department of Services for the Blind  
Department of Social and Health Services

- *Economic Services Administration*
- *Vocational Rehabilitation*

Employment Security Department

### EDUCATION

Central Washington University  
Center for Childhood Deafness & Hearing Loss  
Community & Technical College System  
Department of Early Learning  
Eastern Washington University  
Office of Superintendent of Public Instruction  
State School for the Blind  
Student Achievement Council  
The Evergreen State College  
University of Washington  
Washington State University  
Western Washington University  
Workforce Training & Education Coordinating Board  
Washington Charter School Commission

### HEALTHY PEOPLE & ENVIRONMENT

Columbia River Gorge Commission  
Department of Agriculture  
Department of Ecology  
Department of Fish and Wildlife  
Department of Health  
Department of Natural Resources  
Department of Veterans Affairs  
Department of Social and Health Services

- *Alcohol & Substance Abuse*
- *Children's Administration*
- *Developmental Disabilities*
- *Long-term Care*
- *Medical Assistance Payments*
- *Mental Health*

Environment & Land Use Hearings Office  
Home Care Quality Authority  
Pollution Liability Insurance Agency  
Puget Sound Partnership  
Recreation and Conservation Funding Board

State Conservation Commission  
Washington State Health Care Authority

### COMMUNITY DEVELOPMENT & TRUST

Administrative Office of the Courts  
Archaeology & Historic Preservation  
Board of Tax Appeals  
Bond Retirement and Interest Caseload Forecast Council  
Commission on African American Affairs  
Commission on Asian Pacific American Affairs  
Commission on Judicial Conduct  
Contributions to Retirement Systems  
Court of Appeals  
Criminal Justice Training Commission  
Department of Commerce  
Department of Corrections  
Department of Enterprise Services  
Department of Financial Institutions  
Department of General Administration  
Department of Information Services  
Department of Licensing  
Department of Personnel  
Department of Retirement Systems  
Department of Revenue  
Department of Social and Health Services

- *Juvenile Rehabilitation*
- *Special Commitment Center*

Eastern Washington State Historical Society  
Economic & Revenue Forecast Council  
Governor's Office of Indian Affairs  
House of Representatives  
Human Rights Commission  
Indeterminate Sentence Review Board  
Innovate Washington  
Joint Legislative Audit & Review Committee  
Joint Legislative Systems Committee  
Legislative Evaluation & Accountability Program Committee  
Marine Employees Commission  
Military Department  
Minority & Women's Business Enterprise  
Office of Civil Legal Aid  
Office of Financial Management  
Office of Insurance Commissioner  
Office of Legislative Support Services  
Office of Public Defense  
Office of the Attorney General

Office of the Governor  
Office of the Lieutenant Governor  
Office of the Secretary of State  
Office of the State Actuary  
Office of the State Auditor  
Public Disclosure Commission  
Public Employment Relations Commission  
Redistricting Commission  
Senate  
Sentencing Guidelines Commission  
Spokane Intercollegiate Research & Technical Institute  
State Investment Board  
State Law Library  
State Parks and Recreation Commission  
Statute Law Committee  
Sundry Claims  
Supreme Court  
Utilities and Transportation Committee  
Washington Citizens' Commission on Salaries for Elected Officials  
Washington State Commission on Hispanic Affairs  
Washington State Traffic Safety Commission  
Washington State Arts Commission  
Washington State Historical Society  
Washington State Patrol

# APPENDIX B

## METHODOLOGY

### HISTORY OF THE PROGRESS INDEX

The Washington State Budget & Policy Center created the Progress Index in 2008 to outline a shared vision for building a just and prosperous future for all Washingtonians. In our first report, we introduced the Progress Index framework and highlighted specific goals for achieving this collective vision. We presented state budget data within this framework, launching a statewide, values-based dialogue about the public investments our state is making. Behind this work is our fundamental belief that smart public investments can ensure that opportunities for good health, economic prosperity, and personal fulfillment can be achieved by all Washingtonians.

### PROGRESS INDEX 2015: UPDATES TO STRATEGIC VISION

In the current version of the Progress Index, we elaborated on the original framework to reflect recent changes to the strategic vision of our organization. With an emphasis on the state budget as a primary tool for social change, our research shows that we can make progress on shared prosperity for all Washingtonians by investing in:

- **ECONOMIC SECURITY:** An economy in which all Washingtonians can meet their basic needs and have opportunities to remain stable during a personal crisis or economic downturn.
- **EDUCATION:** A world-class system for all students, with high-quality teachers, curriculum, and enrichment activities throughout early learning, K-12, and higher education.
- **HEALTHY PEOPLE AND ENVIRONMENT:** A society in which everyone has the opportunity to live a healthy and productive life, with affordable options for health care and the opportunity to live in an environment with clean air, water, and land.
- **COMMUNITY DEVELOPMENT AND TRUST:** A quality of life in which residents have the freedom to live, work, and play; and a state government that fosters trust by making decisions out in the open.
- **GOOD JOBS:** An abundance of high-quality, living-wage jobs that support a strong middle class and that attract the best talent and businesses to our state.
- **REVENUE:** A stable, dependable, and equitable tax system that ensures there are adequate resources to invest in equal opportunities for our children, families, businesses, and communities.

### MEASURING SHARED PROSPERITY

The 2015 Progress Index measures state investments and assesses whether we are making progress toward this vision. Throughout each of the Progress Index sections, we use the following measurement framework:

**TABLE B1:  
MEASURING SHARED PROSPERITY**



Each of these steps is discussed in detail below:

**1. Identify our shared values for Washington state.** The Progress Index value areas were selected based on the role of state government in the provision of public programs and services, polling results related to the issues that matter to the public, and stakeholder input from partners.

**2. Ask questions to assess whether we are achieving specific goals to live up to that value.** To identify goals in each value area, we ask a series of “kitchen table questions” that reflect areas that matter most to Washingtonians (Table B2).

**TABLE B2:**

**"KITCHEN TABLE QUESTIONS" ASKED TO IDENTIFY GOALS**

<b>ECONOMIC SECURITY</b>	<i>Do Washingtonians have equal opportunity to prosper? Are social programs working to reduce the impact of poverty?</i>
<b>EDUCATION</b>	<i>Are children entering kindergarten with the skills they need to succeed throughout school? Are K-12 students meeting key milestones for achievement and graduating on time? Can aspiring students access and afford higher education? Is our higher education system meeting employer demand?</i>
<b>HEALTHY PEOPLE &amp; ENVIRONMENT</b>	<i>Do Washingtonians have access to affordable, comprehensive health care? Does Washington state protect its most vulnerable residents? Is our water, air, and land safe and clean for use? Are we reducing Washington state's contribution to climate change?</i>
<b>COMMUNITY DEVELOPMENT &amp; TRUST</b>	<i>Do Washingtonians feel protected from crime and have confidence in the criminal justice system? Do communities have access to amenities that enhance quality of life? Is state government representative? Is spending on state investments farsighted and transparent?</i>
<b>GOOD JOBS</b>	<i>Are there enough good jobs to sustain a middle class? Is economic growth strong and shared with workers? Does our state support the needs of a 21st century workforce?</i>
<b>REVENUE</b>	<i>Is Washington state's tax system equitable? Is the state tax system dependable and stable? Is the state tax system simple and transparent? Is the tax system evenhanded for business?</i>

**3. Measure progress toward each goal by looking at key research indicators.** For four of the value areas – economic security; education; healthy people and environment; and community development and trust – we measure how much the state is investing by analyzing trends in state budget data. The investments we make in these four areas collectively influence the quality and quantity of jobs, which is why the “Good Jobs” section does not have a budget trends analysis. The revenue section analyzes trends in tax collections and whether they are keeping pace to make investments in the other five value areas.

**BUDGET ANALYSIS**

State budget data was provided by the Legislative Evaluation & Accountability Program (LEAP) Committee for the fiscal years 2002 to 2014. Data for years prior to 2002 was not made available due to difficulty in producing comparable data over time. The funds used for the analysis in this report include the Washington state Near General Fund (the principal state fund supporting state operations) and Opportunity Pathways (the lottery revenues used to fund education programs), as well as federal stimulus funding from the American Recovery and Reinvestment Act (ARRA).

Trends in state spending for Figures 2, 3, 6, 14, and 18 were calculated as follows: (1) aggregating spending for all agencies within each of the Progress Index value areas (see Appendix A for categorization of agencies); (2) estimating what spending would have been if it had kept pace with state need by applying an annual growth rate of 3.6 percent,

which is the product of compound average annual rate of growth between 2002 and 2008 plus average growth between 2008 and 2014, to each year after 2008; (3) adjusting the estimated spending for inflation using CPI-U in 2014. (Please note that throughout the Progress Index, an annotation of “\$2014” indicates inflation-adjusted spending using 2014 dollars). The difference between “actual spending” and “spending had it kept pace with state needs” represents the gap between the levels of our current investments compared to where they should be had the state consistently increased investments in proportion to rising costs and needs.

An alternative method for estimated spending was also calculated, conducted as follows: (1) calculating the compound annual average growth rate in inflation-adjusted spending between 2002 and 2008 (2.1 percent); and (2) applying the 2.1 percent growth rate to each year after 2008. The difference between actual spending and this estimate was extremely consistent with the calculation used in the report, lending confidence to the methodology.

**Note about budget trend data:** The analysis in this report uses a slightly different methodology from a previous report published in January 2014, titled “Four Important Budget Realities for the 2014 Legislative Session and Beyond.” Therefore, it has a different estimate for how current investments compare to where they should be had the state consistently increased investments in proportion to rising costs and needs.

**INDICATOR ANALYSIS**

We assess whether we are making progress on the questions in Table B1 by selecting a set of indicators for each area. Indicators were created using existing secondary data available from reliable, representative state-level data systems. Basic principles of measurement guided our selection of indicators:

- **Is it a valid indicator?** An indicator of progress is considered valid when it measures progress toward our goals accurately.
- **Is it a reliable indicator?** An indicator is considered reliable when the data collection methods used to measure it align with statistical principles of quality.
- **Is the indicator available on a consistent basis?** In order to measure progress over time an indicator needs to be available on a consistent, ongoing basis, preferably annually or more frequently.
- **Can we measure equity?** Ideally, each indicator can be disaggregated to analyze how important groups within the population are doing compared to one another.
- **Is there a degree of consensus?** There should be some level of agreement among key stakeholders that the indicators are the best available to track the issue.

**4. Analyze and summarize the status of each goal in the larger context of our shared values.** We use the following schema to indicate whether progress is being made:



Our assessment of whether progress is being made is based on several factors. First, we analyzed indicators for both direction and magnitude. Second, we considered the benefits and risks of a particular trend with regard to Washington state’s children, families, businesses, and communities. Third, we break down selected data by race and ethnicity to gauge whether all Washingtonians are making progress equitably, acknowledging that opportunity has not always been inclusive when it comes to measuring the state budget. Finally, we review the entire data set to tell a story of how we are performing overall in a particular area.

**5. Recommend the strategies our state must implement in order to progress in each shared value.** Strategies in the “Looking Ahead” sections are based on evidence from a wide range of research studies and the input from partners and stakeholders.

**LIMITATIONS & USE OF DATA**

The information in this report covers a wide range of topics, but is by no means exhaustive. By covering such a breadth of issues, we necessarily sacrifice some of the complexity needed to fully understand those issues. In addition, some of the data used in this report is subject to errors and bias inherent in survey methodology, sampling, and reporting. Tremendous effort was made to ensure the reliability and validity of the indicators chosen for each area.

We encourage users of this data to ask more questions and develop a deeper understanding of the role that state budget investments play in the lives of Washingtonians. Engaging in conversations with communities of color is especially important, as the data presented by race and ethnicity – while useful in highlighting the importance of racial equity in policymaking – provide a limited understanding of the people they represent. Working with communities of color to understand what the data mean for the diverse populations of Washington state should be a priority in public policy decision-making. We cannot say we’re truly making progress as a society until we have achieved equity.

Suggested citation:  
 Pfingst, L., Hernandez, E., Nicholas, A., & Justice, K. (2015). *The Progress Index: Measuring Shared Prosperity in Washington State*. Washington State Budget & Policy Center: Seattle, WA.

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*The information presented in this report can be used to inform decisions, shape policies, create conversations, mobilize communities, and inspire change. Armed with a better understanding of the work that needs to be done, we can all take steps to become a place where every single person can share in prosperity. And we can create a state where progress across the board is, quite simply, a given.*

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# THE PROGRESS INDEX

MEASURING SHARED PROSPERITY  
IN WASHINGTON STATE

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in Washington state, connect with us:*

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