

Dear Stakeholders, Partners, Community Leaders and Colleagues:

This morning, Governor Gregoire presented a series of budget and revenue proposals that reflect her commitment to the citizens and taxpayers of Washington and the values that I know so many of you share with her.

The governor met her constitutional responsibility by presenting a 2012 Supplemental Budget balanced by offering an additional \$2 billion in spending reductions in order to remain within existing revenue. But because she finds many of those reductions to be unconscionable, Governor Gregoire proposed several options for generating the additional revenue to prevent the most damaging reductions.

Governor Gregoire proposed asking state voters to approve a temporary half-cent increase in the state sales tax from 6.5 percent to 7 percent that would raise just over \$494 million. The revenue generated by the temporary sales tax increase would be used for specific purposes outlined in her proposed referendum to the people: \$411 million for education; \$42 million for long-term care and developmental disability services that help to keep people in their home and community; and \$41 million for public safety services such as providing community supervision and not releasing felons early.

Of specific interest to you and the people we serve together, the public's passage of the three-year half-cent sales tax increase would prevent 1,600 individuals from losing all personal care and other services and restore services for some of the most vulnerable clients whose care has been reduced over the past three years. It would restore nearly \$13 million in home care and residential provider rates. It would invest more than \$15 million in programs that keep people who are elderly and developmentally disabled in their own homes and with their families.

She also recommended \$59 million in revenue additions that the Legislature could achieve by a simple majority vote and \$282 million that would require a two-thirds majority to clear the Legislature. Should these revenue options be adopted by the Legislature they could be used in a targeted way to prevent some of the spending reductions identified in her budget proposal.

The revenue increases the Governor recommended to the Legislature could prevent the loss of chemical dependency services for nearly 5,000 low-income individuals. They could prevent reductions in services to 8,000 people living safely in their communities through crisis intervention, medication management and case management. The additional revenue could prevent further reductions in TANF/WorkFirst grants to low-income families. The additional revenue could avoid the loss of prevention and treatment services to victims of sexual assault and domestic violence. It could be used to prevent or mitigate reductions in parole treatment and services for youths.

You can see all the details of the Governor's proposals [here](#).

Please join me for a conference call to discuss the impacts on the Department and the people you serve on Monday, November 28, from 9:30-10:30 a.m. **The phone number is 360-407-3780. The PIN number is 966055#. The number of available lines is limited.**

The Governor has again shown the courage to make difficult decisions in difficult times and that those decisions have been guided by her principles and the values of the people who live in this great state.

The burden of tough decisions now moves to the Legislature, which begins its special session November 28. I trust that they and the voters of this state recognize the reductions that have already been made. We have already reduced spending by \$2.2 billion in this agency alone over the last two and a half years. We have consolidated regions and business functions. We continue to incorporate LEAN principles into our processes. We have streamlined processes and sought to increase efficiencies and expand the ways in which we leverage resources with other agencies and the community.

The Department employs 3,000 fewer people. We have flattened the management structure and reduced management ranks by 20 percent. We have reduced administrative support services by 29 percent. We have focused on and invested in the detection, prevention and prosecution of fraud and abuse.

We at DSHS have been good stewards of the taxpayers' money, while doing all we can to protect the most vulnerable among the people we serve.

I want to thank you for your attendance at our series of budget Town Hall Meetings we held across the state in September and October. As we have throughout this budget process, we will continue to keep you informed and invite your comments and questions. I encourage you to be personally engaged in the unfolding budget process.

Thank you for all you do every day for the people of Washington.

Susan N. Dreyfus
Secretary
Department of Social and Health Services