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collection of taxes. In return we expect to be taxed fairly and we expect our tax dollars to be spent wisely. It is politically popular to call for cuts in spending, elimination of waste and improved efficiency in government. Talking about it is one thing, making it happen is quite another, and we're making real progress. Step one has been to put the brakes on state spending. My recommended General Fund budget for fiscal year 1994 is \$4.3 million less than the 1993 budget, but Washington's heavy foot is still on our gas pedal. Almost 90 percent of increases in the next budget will be due to mandates and entitlement programs. Medicaid is but one example. The list is much longer, public assistance, special education, homestead exemptions, school choice transportation, wards of the court. Funding for these programs is currently a matter of entitlement not a matter of choice for policymakers, it's a blank check. The margin upon which we can have an impact on the budget, discretionary spending, is steadily becoming smaller. We have less and less to invest in new initiatives because these other worthwhile but expensive programs grow larger. This trend will continue unless entitlements and federal mandates are restrained. We have an opportunity to work with the new Congress and the new administration in Washington to address federal mandates. As a former Governor, President-elect Clinton is all too familiar with the impact of mandates on the states. Changes of this magnitude will take time and they will be difficult. State entitlements, such as special education, should also be carefully examined. Again, change will be difficult and time consuming. This Legislature took a strong step toward stability last year by cutting \$97 million from the budget. Your action was essential in framing the budget discussion for this session, but there is more to be done. We have limited options to balance the budget while maintaining necessary services. We can choose to make deeper cuts in discretionary spending, and I've made selected recommendations to do so. We can choose to improve the efficiency of government operations and there are several initiatives underway. We can choose to increase any number of user fees, costs for services paid directly by those who use them. And after careful consideration I've made selected recommendations in this area as well. And, yes, we can choose to raise sales and income taxes, but this is an option I've rejected in my budget, and I urge you to reject it as well. State and local governments are being required to do more with less. Improvements in productivity are essential. New ways of doing business are necessary. A new paradigm of government is in order. Government should be guided