



## The 3 Budgets of the Washington State Government

At the beginning of each legislative session, the plans for how the state government will raise and spend its money are laid out in three different budgets:

(1) Transportation, (2) Capital, and (3) Operating.<sup>i</sup>

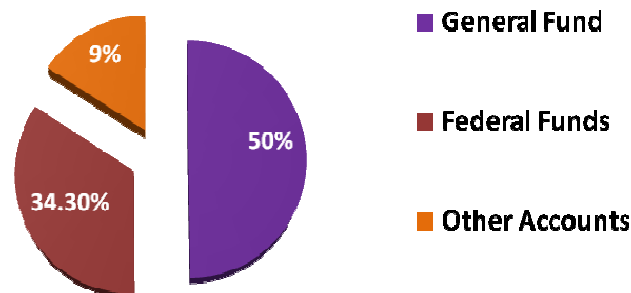
(1) Transportation: The \$4.5 billion Transportation Budget “covers the operations of transportation agencies as well as the building of highways and bridges.”<sup>ii</sup> About 25% of the funds used to cover transportation projects come from federal funds.<sup>iii</sup> Gas taxes are also “dedicated” to funding transportation purposes.<sup>iv</sup> This money can only be used for transportation purposes, and money cannot be taken from this budget and used for other purposes.

(2) Capital: “The \$7.5 billion Capital Budget is used to build and renovate new buildings and parks.”<sup>v</sup> Only state funds are included in the Capital budget.<sup>vi</sup>

(3) Operating: The \$57.2 billion Operating Budget is supported by

- “Federal grants dedicated to specific purposes”<sup>vii</sup> (34.3%): Most of these funds go to social services, education, and health care.<sup>viii</sup>
- “State accounts for specific purposes”<sup>ix</sup> (9%): State appropriations are contributed to some of the accounts deemed for certain purposes.<sup>x</sup>
- The State General Fund (50%): This is the state’s largest account and receives all of the state’s major tax revenues, including retail sales tax, business and occupations tax, property tax, real estate excise tax, public utility tax, and liquor and tobacco taxes.<sup>xi</sup> The State General Fund receives the most attention during the budget-building process,<sup>xii</sup> as the Governor and Legislature have “the greatest discretion over how these state revenues are spent.”<sup>xiii</sup>

### Operating Budget





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<sup>i</sup> League of Women Voters of Washington (LWVWA) Education Fund, *Washington State Tax Study Update*, Executive Summary, September 2004; and Washington Senate Ways and Means (WAM) staff, *A Citizen's Guide to the Washington State Budget*, 2008, p.2.

<sup>ii</sup> LWVWA Civic Engagement Project (CEP), *The State Tax System*, 2009, p. 3.

<sup>iii</sup> *Ibid.*

<sup>iv</sup> HB 1314 and SB 5352 present the Transportation budget being considered by the 2009 Washington legislature.

<sup>v</sup> LWVWA CEP, *op. cit.*

<sup>vi</sup> HB 1216 and SB 5222 present the Capital budget being considered 2009 Washington legislature.

<sup>vii</sup> LWVWA CEP, *op. cit.*

<sup>viii</sup> HB 1244 and SB 5600 present the Operating budget being considered by the Washington legislature. There were \$19.6 federal funds in the early April 2009 House draft.

<sup>ix</sup> LWVWA CEP, *op. cit.*

<sup>x</sup> State of Washington Office of Financial Management, Budget Division, *Washington State Budget Process*, June 2008, p.3.

<sup>xi</sup> Washington Senate WAM staff, *op. cit.*, p. 2, 10.

<sup>xii</sup> *Ibid.*, p. 12.

<sup>xiii</sup> State of Washington Office of Financial Management, Budget Division, *Washington State Budget Process*, June 2008, p.3.