



# RAINY DAY FUND

Governor Gregoire’s commitment is to the people of Washington – to make sure that we have safe streets and neighborhoods, affordable health care, world-class education and a thriving economy. By making savings for the future a top priority, we will be better prepared to keep our commitments to Washington students, seniors and families.

## STRATEGIC INVESTMENTS

Governor Gregoire proposes to better protect our savings in a new Rainy Day Fund so that we will be better prepared for the future. As a top priority, Governor Gregoire is making an initial deposit of \$262 million into this proposed Rainy Day Fund. This deposit is equal to one percent of projected revenue for fiscal years 2008 and 2009. We will then ask Washingtonians to amend the constitution to protect and build the Rainy Day Fund with future automatic deposits of one percent of state general revenue every year, about \$150 million annually.

For too long, government spending has been on a rollercoaster ride – funding programs when times are good, then drastically cutting those programs when times are bad, only to have the cycle begin again. The economy will continue to run in cycles, but our state budget does not have to mirror these booms and busts. Let’s make a change and stay off the rollercoaster.

In last year’s supplemental budget, Governor Gregoire kept her commitment to get the off the budget rollercoaster by setting aside \$947 million to help make future pension payments, pay for growing health costs for children and low income adults, and continue to reduce class sizes in public schools. This year, Governor Gregoire proposes to keep our savings secure with constitutional protection.



## SAVING FOR TOMORROW

The Rainy Day Fund will work just like your family savings account. We will build it up with automatic deposits when times are good, and we can feel secure knowing that money is available to meet basic needs if a disaster strikes or if times suddenly turn bad.

Governor Gregoire’s Rainy Day Fund will help stabilize state spending and keep us off the rollercoaster ride. If there is an economic downturn, the money saved will be available, on a simple majority vote of the Legislature, to maintain services to the people of Washington without any additional tax increases. During good economic times, a three-fifths majority will be needed to access the money. If there is a natural disaster and the Governor declares an emergency, the funds will be made available by a simple majority of the Legislature in order to address the emergency and keep Washingtonians safe.

## A CONSTITUTIONALLY PROTECTED RAINY DAY FUND

First Year Deposit:	
In the 2007 Supplemental Budget	\$128 million
Second Year Deposit:	
Upon Constitutional Amendment	\$134 million
<b>Total</b>	<b>\$262 million</b>