

On December 17th, Governor Jay Inslee released his final proposed [biennial budgets](#). In what may be his final press conference as Washington's Governor, Governor Inslee [laid out](#) the strategy behind his final budgets given the state's fiscal challenges.

Proposed New Revenue. Governor Inslee's budget includes a plan to adopt a wealth tax that would place a 1% tax on Washingtonians with assets over \$100 million. According to the Governor, this would impact approximately 3,400 individuals and would generate \$10.3B in revenue over four years (2025-2029). The Governor's budget also includes an assumed \$2.6B in revenue from increased Business and Occupations Tax Revenues, among other proposals. **In all, the Governor's released budget assumes \$12.9B in new revenue over the four-year (2025-2029).**

"Book One and Book Two Budgets." Our state's Governor is required to propose a balanced budget. Typically, during tough financial times, a "Book One" budget achieves that balance with an "all-cuts" approach and a "Book Two" budget typically contains proposed revenue to "buy back" some of the cuts. The budget released publicly is the "Book Two" budget in that it contains proposed revenue. Governor Inslee's "Book One" budget was not released publicly, so it is not clear what his proposed "all-cuts" budget would look like.

PROPOSED EARLY LEARNING INVESTMENTS IN GOVERNOR INSLEE'S BUDGET

Working Connections Child Care

- **Fund Working Connections Child Care Subsidy at the 85th Percentile of the 2024 Market Rate Survey** (\$272.81M for child care centers and \$183.54M to fund the Family Child Care Collective Bargaining Agreement for the 2025-27 biennium – for a total of \$456.35M)
- **Delay Expansion of Working Connections Child Care Eligibility to the 75% of State Median Income until State Fiscal Year 2031** (Savings of \$119.5M for the 2025-27 biennium).
- **Working Connections Child Care Outreach** (\$4.8M for the 2025-27 biennium).
- **Child Care and Development Fund Compliance** (\$67.49M State General Fund + \$20.53M Federal for the 2025-27 biennium – for a total of \$88.02M). Funding would support enrollment-based payments, prospective payments, 12 months of full eligibility, adding additional children during the eligibility period and restricting overpayments in certain circumstances.
- **Consolidation of Seasonal Child Care** (Savings of \$3.12M over the 2025-27 biennium). Program deemed longer needed because it has been absorbed into Working Connections Child Care.

Early Childhood Education and Assistance Program (ECEAP)

- **Delay Implementation of Entitlement Until the 2030-31 school year** (Savings of \$145.89M over the 2025-27 biennium).

- **Rate Increase of 18% for School-Day Programs Starting in State Fiscal Year 2026** (\$55.68M for the 2025-27 biennium).
- **Slot Conversion/Expansion – Convert 250 Part-Day Slots to School-Day and add 500 School-Day Slots** (\$9.39M over the 2025-27 biennium).

ECEAP Underspend – Sweep funding for 845 currently unfilled part-day slots (Savings of \$17.04M for the 2025-27 biennium).

Early Learning Facilities

- **\$50M for competitive grants through the Early Learning Facilities (ELF) Fund** – including \$45M for eligible organization grants and \$5M for health and safety minor renovations.
- **\$8.629M for 9 school district projects** recommended by the Department of Commerce.
- Additionally, the Department of Commerce’s Local Community Projects budget includes \$5M for Willard Early Learning Center (Tacoma) and the Department of Commerce’s Building Communities budget includes \$1.57M for Jefferson County Early Learning & Family Support Center (Sequim).

Additional Early Learning Investments

- **Home Visiting**
The proposed 2025 Supplemental Budget (the current fiscal year) presumes \$400,000 in savings from the Home Visiting Services Account underspend. This funding was originally appropriated for home visiting expansion.
 - **Transition to Kindergarten**
Funding to OSPI to distribute grants – in collaboration with DCYF – to support school districts in blending ECEAP and Transition to Kindergarten classrooms (\$2M for the 2025-27 biennium).
 - **Professional Development**
Funding for DCYF to continue contracting with an organization that provides “relationship-based professional development support” to child care providers in various settings to establish and support new child care programs. Funding to support the opening of approximately nine new child care businesses per year. (\$500,000 for the 2025-2027 biennium)
 - **Continue Pierce County Pilot**
Continued funding to support efforts in Pierce County to implement a countywide resource and referral linkage system and a voluntary newborn support program (\$2.5M for the 2025-27 biennium).
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