

# GOVERNOR FERGUSON – BUDGET REDUCTION EXERCISES



February 28, 2025

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On February 27, Governor Bob Ferguson held a [press availability](#) to preview a recommended \$4 billion in savings and efficiencies to help address the state’s budget crisis. His approach is summarized in this [press release](#). He proposes that these reductions be in addition to the approximately \$3 billion in savings included in Governor Inslee’s “Book Two” budget.

The actual amount of the four-year budget shortfall varies depending on who you ask. Governor Ferguson assumes a **\$15 billion shortfall over four years**.

Governor Ferguson’s recommendations are based on potential savings identified by state agencies. The Governor’s recommendations do not include every agency identified savings opportunity. Governor Ferguson said state agencies identified about \$1 billion more in potential savings that he is not advancing to the Legislature for their consideration.

The Department of Children, Youth, and Families’ (DCYF) full list of its recommended reductions can be found on [this Office of Financial Management website](#). Not every recommendation proposed by DCYF was included in Governor Ferguson’s [152-page document](#) detailing potential savings.

Related to early learning, the Governor proposes **a total of \$254.8 million** in savings for DCYF in the following areas:

Program	Detail	Savings
Reach Out and Read	Eliminate program	(\$.6K)
ECEAP Slots	Eliminate 1505 unfilled part-day slots	(\$30.35M)
Early ECEAP	Eliminate program	(\$9.3M)
Dual Language	Reduction	(\$4.7M)
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Trauma Informed Care	Reduction	(\$2.4M)
ECEAP Rate Increase	Reduce rate increase in Gov. Inslee budget from 18% to 10% (this is still a rate increase, but less of one)	(\$22.9M)
ECEAP Slot Conversion/Expansion	Eliminates slot conversion/expansion proposed in Gov. Inslee budget	(\$9.4M)

Working Connections Child Care Co-Payment Change	Increase co-payments to 7% of family income	(\$15.5M)
Professional Development	Reduction, including contracts that train providers through relationship-based supports	(\$4.3M)
Government efficiencies	Management, equipment and travel	(\$2.8M)
Home Visiting	Sweep underspend	(\$1.5M)
Working Connections Child Care Outreach	Remove funding provided in Governor Inslee budget	(\$2.4M)
Working Connections Child Care Center Rates	Phase-in rate increase to 85 <sup>th</sup> percentile of 2024 Market Rate Survey	(\$140.8M)
Working Connections Child Care “Hold Harmless” Provision	Remove provision that holds harmless the subset of providers that have a rate that exceeds the 85 <sup>th</sup> percentile of the Market Rate Survey	(\$7.9M)

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