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The state of Washington and the Port of Seattle show how to respond to the recession

Seattle Times editorial

THE Port of Seattle and the state of Washington are showing how to respond to a sharp recession.

At the state, Gov. Christine Gregoire has ordered \$260 million in cuts between now and June 30 in addition to the \$240 million in savings ordered in October and \$90 million in August.

This effort is necessary: The law says the budget has to balance. "We must act now to reduce our spending and put our budget back in the black without touching the rainy-day fund," Gregoire said.

She has decided not to use any of the rainy-day fund in this budget period because she will need it in the next. That is the right decision; she will need all of the \$700-million-plus in the fund to help balance the budget in the next period. Many more decisions are coming, most of them more difficult than this.

The public will get the measure of the problem — and of their governor — when she submits her proposed budget in a few weeks. Don't expect gifts from Olympia. It will be a budget of subtraction.

At the Port of Seattle, the issue was how much to raise the Port's share of the property tax. The proposal was 11 percent, in line with the raises of the past seven years. Advocates tried to make it sound like a decrease, because the tax *rate* would go down.

They omitted to say that the amount of money collected would be greater, because assessments (which lag the market) are still rising. The Municipal League poked commissioners in the ribs about that, and they responded. Commissioners Bill Bryant, John Creighton, Lloyd Hara and Gael Tarleton voted to reject the 11 percent increase and instead keep the dollar amount of tax revenue the same as in 2008. It was the right decision.

Many more such decisions are being made by counties, cities, taxing authorities and private organizations. They do it not because they want to, but because they have to.