Good morning.

Since January we have been focused on the twin task of creating jobs and funding quality education for the children of Washington. That's what this year's legislative session was to be about.

There's been an emphasis on education in part because the Supreme Court has said the state has failed to meet its obligation to fund basic education. We came here knowing that we need to do more for education.

I had fervently hoped that by today we would have a budget that would do that and that we would have a transportation plan that would put thousands of Washingtonians to work and help our economy grow. None of those two things has happened.

So earlier today I advised House and Senate leaders that I would be calling the Legislature back into its second special session beginning tomorrow at 9 am. Also tomorrow by necessity I will hold a special meeting of my cabinet to discuss contingency planning if the Legislature does not deliver a compromise budget by July 1. Chief of Staff Mary Alice Heuschel will lead this effort with David Schumacher and the Office of Financial Management.

There's been no final action on how to meet our constitutional duty to fund basic education for the children of the state of Washington. But, meanwhile, a new, and lucrative, millionaires' tax break will be created – with money meant for the Education Legacy Trust Fund -- if we don't see compromise within the next two days.

That compromise needs to come from all parties. The position we're in today is sadly the inevitable result of a lack of substantive compromise from the Senate majority. By continuing to refuse to compromise, the Republican majority in the Senate can stall until government can't operate while they also hand millionaires tax breaks while at the same time raiding the Education Legacy Trust Fund by just doing nothing.

It's unfortunate that the necessary compromise has not been shared on a balanced basis. The facts tell us that the two houses have behaved in two fundamentally different ways in the last month.

First, one chamber offered substantial compromise on revenue. One did not. Second, one chamber took its ideological policy bills off the table to focus on our paramount duty of funding the education of our children. One did not.

Let me first talk about revenue. Simply put, the House has made major, significant and meaningful concessions on revenue. The Senate Majority has not. As you know, during negotiations in the regular session, I was a strong advocate for the House position, which was closely aligned with my plan to fund education by closing tax loopholes.

The House, in a move I endorsed, compromised to the tune of \$771 million - -a major reduction in revenue they had hoped originally to include. The Senate, in contrast, has not moved at all on revenue except to say it would produce a modest amount if a list of ideological policy bills were adopted first.

Second, on policy, the House has compromised on its list of policy priorities. The Senate has not removed those from discussion. As we approached the special session I made it clear I would compromise and work to find common ground.

On the first day of the special session, I said clearly I would not push the DREAM Act, something I believe in, something the House believes in. I said I would not advocate the Reproductive Parity Act, something I believe in and the House believes in. I said we would not pursue closing the gun show loophole. Those are important to me, and these things are important to the people of Washington.

But the budget and funding education is our priority and our paramount duty and that's where our focus needs to be. That's why the House and the Democratic Party took these things off the table. I believe nothing should get in the way of meeting our constitutional and moral duty to fund education for our children.

On policy, the Senate went to the edges, not to the middle. They said they wouldn't fund education unless a list of unrelated policy bills was passed first. This should be a debate about education funding, not workers' compensation, tax breaks for millionaires, not anti-teacher bills, and certainly not about anything like payday lending.

When the Senate passed its budget Saturday, it was essentially what they passed 65 days before. The most noticeable difference was that it no longer was supported by members of the Democratic caucus. The Senate touted bipartisanship that melted away along with broken promises of compromise.

Here's what is clear to me today: The Senate majority is trying to leverage our obligation to Washington's school children in order to pass its ideological agenda. We have the time to avoid having to close government offices July 1.

But let's be clear: If there is no budget by July 1 the law doesn't allow us to keep government operating fully. This would have significant ramifications for the millions of citizens who depend on state services and it would cause great uncertainty for thousands of vendors, health care providers, teachers, students and state employees.

Going forward I urge lawmakers to keep ideology and policy wish lists out of this debate so that we can fulfill our paramount duty to fund the education of our children. And lawmakers should legislate, not delegate. They should pass bills and send them to my desk for signature, not punt them to the ballot.

Going forward in what I hope will be the next several days I will be guided by a set of principles that I hope will help us reach agreement:

I won't give up. I'm committed to finding a solution that is fair to all parties and meets our obligation to Washington school children.

My vision will not be clouded by ideology.

I take my responsibility to govern seriously and will work diligently to prevent us from getting to July 1 without a budget. But I will also plan responsibly in case that does happen for the first time in our state's history.

I will continue to insist on compromise from all parties. And I go forward with humility, understanding I certainly will not get all that I came here to do this session.

I can and will do that without compromising on the central obligation that we should all share to our children.

Thank you. I'll take your questions.