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# Conference Report

for

## ESSB 5092 (H-1633)

2021-23 Biennial and  
2021 Supplemental Operating Budgets

## Summary

April 24, 2021

Office of Program Research

# Summary

## Context

Since the Legislature adjourned in March 2020, much has changed. The COVID-19 pandemic continues to impact the lives of Washingtonians, the economy, and the state budget in different and, at times, unexpected ways. The 2020 supplemental budget was based on revenue estimates contained in the February 2020 revenue forecast.

## Revenue

Less than four months later, in June 2020, that original estimate of revenue collections (2019-21 biennium plus the 2021-23 biennium) was reduced by \$9.3 billion. After three positive revenue forecast updates, estimated revenues have almost returned to the levels forecasted a year ago. (For the 2019-21 biennium plus the 2021-23 biennium, estimated revenues, excluding the impact of legislation enacted between the February and June 2020 forecasts, are now projected to be \$396 million below the February 2020 estimate).

## Federal Actions (2020)

A number of COVID-19-related spending bills were enacted at the federal level in 2020.

- March 6: Coronavirus Preparedness and Response Supplemental Appropriations Act.
- March 18: Families First Coronavirus Response Act.
- March 27: Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- April 24: Paycheck Protection Program and Health Care Enhancement Act.

Under the statutory unanticipated receipt (UAR) process, when the state receives unanticipated federal grant moneys between legislative sessions, the Office of Financial Management (OFM) may approve expenditure of that funding after soliciting comment from the Legislature. Although approved UARs authorize expenditures outside of the appropriations process and do not appear in the omnibus appropriations act, they are part of the agency budget. The UAR process was generally used to allocate funding received in these first four acts.

On December 27, the federal Coronavirus Response and Relief Supplemental Appropriation (CRRSA) was enacted. A portion of that funding was included in Engrossed Substitute House Bill 1368 (Federal Funding/COVID-19), adopted by the Legislature in March while a portion is appropriated in this proposal.

As of February 2021, approximately \$50 billion in federal stimulus payments, grants, and loans have been provided to individuals, households, and businesses as well as to the state, local governments, institutions of higher education, and common schools. This included a temporary increase to the Federal Medical Assistance Percentage (FMAP), the share of Medicaid costs paid by the federal government. While some of these funds were administered by the state using the statutorily defined unanticipated receipt process (as the Legislature was not in session), others were administered directly by the federal government. Amounts processed using the unanticipated receipt process are reflected in

the agency detail document while those administered without state involvement are generally not reflected.

### Federal Actions (2021)

On March 11, the American Rescue Plan Act of 2021 (ARPA) was signed into law. At an estimated cost of \$1.9 trillion, ARPA contains numerous provisions primarily focused around economic stimulus, support to state and local governments, and COVID-19-related costs.

Individuals in Washington will receive payments of \$1,400 (subject to certain limits), unemployment insurance (UI) benefits are extended until September 6, 2021, and UI payments are tax exempt for 2020 (subject to certain limits). In addition, the child tax credit is increased to \$3,600 (subject to certain limits) and made fully refundable. Increased federal subsidies are provided to those purchasing health insurance from the Health Benefit Exchange. ARPA also includes small business and restaurant relief.

Washington will receive increased federal funding under ARPA that will go through the state budget for K-12 and higher education, vaccines, testing and tracing, childcare, rental assistance, transportation, and other programs and services. Many of these are reflected in this summary document and in the agency detail. Here are a few of the major funding streams and Washington's estimated share:

- Coronavirus State Fiscal Recovery Fund: \$4.253 billion. The funds must be used by December 31, 2024, and allowable uses are responding to the pandemic including economic impacts, providing premium pay, replacing lost revenue (compared to fiscal year 2019), and investments in water, sewer, and broadband infrastructure. These funds can't be used for pensions or to reduce taxes.
- Coronavirus Local Fiscal Recovery Fund: \$701 million for metro cities, \$483 million for other cities, and \$1.48 billion to counties. For counties and larger cities, the funding goes directly to the local jurisdiction. For smaller jurisdictions the funding passes through the state budget. Allowable uses are mostly similar to the Coronavirus State Fiscal Recovery Fund.
- Education Stabilization Fund: \$2.55 billion. This is divided as follows:
  - Elementary and Secondary School Emergency Relief Fund (public K-12): \$1.85 billion.
  - Emergency Assistance to Non-Public Schools (K-12): \$43.7 million.
  - Higher Education Emergency Relief Fund: \$655 million (directly to higher education institutions, both public and private).
- Child Care and Development Block Grants: \$244 million.
- Child Care Stabilization grants: \$391 million
- Emergency Rental, Housing, and Utility Assistance: \$404 million (a portion will go directly to local governments).

### State Actions

In February 2021, the Legislature passed Chapter 5, Laws of 2021 (Engrossed Substitute House Bill 1367 - Medicaid appropriations) and Chapter 3, Laws of 2021 (House Bill 1368 - Federal Funding/COVID-19). Taken together, these bills appropriate approximately \$2 billion (excluding double appropriations) in federal funding (primarily from CRRSA) as well as \$164 million from the state Budget Stabilization Account (BSA). Engrossed Substitute House Bill 1368 provided increased funding for rental assistance,

business assistance, common schools, childcare, COVID-19 response, and other purposes. These actions are reflected in the agency detail document as enacted appropriations in other legislation.

Approved UARs, primarily related to the first four COVID-19 federal fiscal bills, are reflected in the agency detail document. Although not formally processed as a UAR, the approved UAR figures include Higher Education Emergency Relief Fund amounts provided directly to colleges and universities. As noted above, UARs authorize expenditures outside of the appropriations process and do not appear in the omnibus appropriations act.

#### Revenue Forecast and Maintenance Level Changes Related to the Proposed Conference Report

Based on the March 2021 revenue forecast, revenues subject to the four-year budget outlook are projected to increase from \$52.3 billion in the 2019-21 biennium to \$56.6 billion in the 2021-23 biennium (both figures are before required transfers to the BSA). The cost to continue current programs and meet statutory obligations for the 2021-23 biennium is projected to increase from the currently enacted 2019-21 appropriations of \$53.7 billion to \$56.0 billion in 2021-23.

#### Description of Summary and Detail Documents for the Proposed Conference Report

Summary and detail documents related to the proposed conference report describe spending from Near General Fund-Outlook (NGF-O) accounts and Total Budgeted funds. NGF-O accounts are those subject to the four-year budget outlook and include General Fund-State, the Education Legacy Trust Account, Opportunity Pathways Account, and the Workforce Education Investment Account. Total Budgeted funds include expenditures from NGF-O accounts in addition to all other budgeted funds. The proposed conference report includes the 2021-23 biennial budget and makes supplemental changes to the 2019-21 biennial budget.

Given the unique circumstances caused by the pandemic, and the significant federal COVID-19-related funding, non-NGF-O spending plays a larger role in the state budget than is typical. For the same reasons, the 2021 supplemental operating budget which is included in this proposal is more substantial than a typical second supplemental budget. To provide the most complete picture, detail materials include both early action legislation and unanticipated receipts (discussed above) as additional context. Please note that these provisions exist outside of, and precede, the changes included in the proposed conference report. In addition to the summary table contained on pages 8 to 14, the table on pages 15 to 16 provides a summary of operating budget expenditures from the Coronavirus State Fiscal Recovery Fund (CSFRF).

### **Proposed Conference Report**

For the 2021-23 biennium, the conference proposal appropriates \$59.2 billion NGF-O and \$122.6 billion in Total Budgeted funds. NGF-O policy level changes are a net increase of \$3.2 billion. In Total Budgeted funds, policy level increases are a net \$18.5 billion. The conference proposal approves the collective bargaining agreements submitted to the Legislature.

For the 2019-21 biennium, NGF-O spending is reduced by a net of \$1.1 billion while Total Budgeted funds are increased by a net of \$1.1 billion, with much of that attributed to additional federal COVID-19-

related funding. In addition to the \$2.8 billion, UARs totaled another \$6.4 billion and early action bills (House Bill 1367 and Engrossed Substitute House Bill 1368) totaled an additional \$2.8 billion.

#### Expenditure Summary

This summary document includes a seven-page report that lists major spending items by category. Later in this summary is a short description of major expenditure items.

A separate agency detail document lists every policy item by agency and includes a brief description of each. That document also lists, by agency, unanticipated receipts and early action legislation. In some instances, amounts previously provided through the UAR process, or through early action legislation, are modified by the proposal.

#### Coronavirus State Fiscal Recovery Fund (CSFRF)

All federal moneys received by the state pursuant to the American Rescue Plan Act of 2021, state fiscal recovery fund, section 9901, are deposited into the newly created CSFRF. Of the \$4.253 billion deposited into the account:

- \$1.000 billion is assumed to be appropriated in the transportation budget;
- \$0.400 billion is assumed to be appropriated in the capital budget;
- \$2.044 billion is appropriated in this proposed conference report (including \$272 million in contingent appropriations); and
- \$0.809 billion is not appropriated at this time (this would increase to \$1.081 billion if the contingent appropriation described below is not triggered).

#### Washington Rescue Plan Transition Account (WRPTA)

The proposed conference report transfers \$1.0 billion from the state general fund into the newly created WRPTA. Allowable uses of the account include responding to the impacts of the COVID-19 pandemic including those related to education, human services, health care, and the economy. In addition, the Legislature may appropriate from the account to continue activities begun with, or augmented with, COVID-19 related federal funding.

The only appropriations made from this account are contingent in nature and described below.

#### Appropriations in Other Legislation

In addition to appropriations contained in the proposed conference report, additional appropriations are anticipated to be included in Engrossed Senate Bill 5476 (*State v. Blake* Decision). For the 2021-23 biennium, these appropriations are anticipated to total \$64.6 million NGF-O (\$68.5 million total budgeted). Engrossed Second Substitute Senate Bill 5160 (Landlord-Tenant Relations), as passed the Legislature, also included a \$7.5 million appropriation from the CSFRF.

If appropriations made in these or other pieces of legislation ultimately differ from the amounts assumed here, updated amounts will be reflected in future documents.

#### Contingent Appropriations

The proposed conference report contains two sets of contingent appropriations. From the CSFRF, \$500 million is appropriated to implement Engrossed Substitute Senate Bill 5478 (Unemployment Insurance). If the Director of the Office of Financial Management determines this is not a permissible use of the federal CSFRF funds, that appropriation is replaced with an appropriation of the same amount from the WRPTA.

The proposed conference report makes appropriations from accounts supported by additional revenues generated pursuant to Engrossed Second Substitute House Bill 1277 (Housing/Revenue Source). In the event that E2SHB 1277 is not enacted, those appropriations are replaced with one-time appropriations from CSFRF (\$272 million) and WRPTA (\$20 million).

#### Reappropriation of Funds

Some federal grant amounts appropriated in the 2019-21 biennium (typically in the early action legislation) are also appropriated in the 2021-23 biennium. While expenditures over the two biennia still may not exceed the federal grant amount, this approach provides agencies with flexibility to expend funds in either the 2019-21 biennium or the 2021-23 biennium. Examples include: \$1.2 billion in Elementary and Secondary School Emergency Relief Fund (ESSER) funding in public schools and \$259 million for various rental and housing assistance programs in the Department of Commerce. In addition, certain non-appropriated funds related to COVID-19 response and vaccine administration are also displayed in both biennia.

#### Prioritization of Federal Funds

Coronavirus Relief Funds (CRF) from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act must be spent by December 31, 2021. In the event there is available CRF in fiscal year 2022, the Office of Financial Management must reallocate other eligible agency spending to the CRF to maximize the use of this resource. Agencies receiving a CRF allocation are required to place an equal amount of funding (most likely CSFRF) in unallotted reserve status.

#### Selected NGF-O Balance Sheet Related Items

The NGF-O balance sheet associated with the proposed conference report includes the following assumptions for 2021-23:

- \$296 million in expenditure savings from reversions.
- \$415 million in capital gains tax revenue (assuming enactment of ESSB 5096).
- \$1.0 billion transfer from the state general fund to the Washington Rescue Plan Transition Account (WRPTA).
- \$1.8 billion transfer from the Budget Stabilization Account to the state general fund.

## **2021-23 NGF-O Ending Fund Balance and the Four-Year Outlook**

The proposed conference report, including related bills, leaves a projected ending fund balance for the 2021-23 biennium of \$662 million in NGF-O accounts and \$543 million in the Budget Stabilization Account (BSA).

Under the provisions of the four-year outlook (Chapter 8, Laws of 2012), the proposed conference report is projected to end the 2023-25 biennium with \$98 million in NGF-O ending fund balance and \$1.1 billion in the Budget Stabilization Account. This outlook uses the revenue forecast for 2023-25 and does not include additional revenue under the 4.5 percent outlook provision.

## **Revenue Legislation Impacting the Balance Sheet and Outlook**

The proposed conference report includes implementation of the Working Families Tax Credit (ESHB 1297) beginning in the 2021-23 biennium. This item appears in the expenditure section of these materials (\$242 million in 2021-23 and \$518 million in 2023-25, plus associated administrative costs).

A listing of legislation impacting revenues and the assumed impacts, as well as budget driven revenue and fund transfers, is included later in this document.

## Additional Information

This information is provided in explanation of the proposed conference report. The proposal is for the 2021-23 biennial budget and also makes supplemental changes to the 2019-21 biennial budget.

A complete set of materials produced by the House Office of Program Research (OPR) are available at [http://leap.leg.wa.gov/leap/archives/index\\_budgetsp.asp](http://leap.leg.wa.gov/leap/archives/index_budgetsp.asp) (under Operating Budget/House). In addition to this summary document, materials include:

- Text of Engrossed Substitute Senate Bill 5092 contained in the proposed conference report;
- Agency detail showing line item policy changes by agency (and program level in selected areas such the Department of Social and Health Services, Health Care Authority, Department of Children, Youth, and Families, as well as K-12 Public Schools);
- A detailed four-year budget outlook; and
- Various documents and schedules (commonly referred to as LEAP documents).

### **Additional Information About This Summary Document**

This summary document was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This summary document is not a part of the legislation nor does it constitute a statement of legislative intent.

This summary document includes:

- a brief summary;
- a summary grouping of expenditures by major category (NGF-O and Total Budgeted);
- a summary grouping of expenditures by major category (CSFRF only);
- a summary of larger items included in the proposal; and
- the four-year budget outlook including resource changes.

Note: It is possible for similar items to be summarized in slightly different ways. For example, the agency detail document lists items on an agency-by-agency basis. This summary document may total the same item from multiple agencies into a single description. It also may summarize multiple similar items into a single description. For that reason, it is possible that budget items might be grouped differently, even within a single document.

Finally, the proposed conference report includes several appropriations into dedicated accounts—with spending later occurring from those dedicated accounts. Fund transfers impacting NGF-O are displayed on the resources document while appropriations from NGF-O into dedicated accounts are most often included in special appropriations, agency 076.

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Funds Subject to Outlook  
(Dollars in Thousands)**

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
<b>Appropriations Into Other Accounts</b>					
COVID-19: Response & Vaccines	0	0	0	1,000,000	0
Indian Health Improvement Account	2,396	2,396	18,669	18,669	21,065
Unemployment Insurance Tax Relief	0	0	0	500,000	0
Public Health Workforce/ARPA	0	0	0	100,000	0
Developmental Disabilities Community Trust Acct	0	0	50,000	50,000	50,000
Health Care Affordability	0	0	50,000	50,000	125,000
Other Increases	4,315	4,315	49,591	49,591	79,740
Unemployment Insurance & Related	82,000	82,000	0	0	82,000
<b>Appropriations Into Other Accounts Total</b>	<b>88,711</b>	<b>88,711</b>	<b>168,260</b>	<b>1,768,260</b>	<b>357,805</b>
<b>State Employee Compensation (Excl. Higher Ed.)</b>					
Employee Salary & Wages (Rep.)	0	0	-98,925	-230,470	-98,186
Furlough Savings	-26,409	-59,522	0	0	-26,409
COLA Savings (Certain Employees)	-10,661	-21,582	0	0	-10,661
Discontinue Furloughs	0	0	99,640	233,249	99,640
Employee Health Benefits	0	0	9,371	5,345	79,855
Juneteenth State Holiday	0	0	5,698	6,506	11,416
Other Increases	0	0	0	15,150	0
Other Savings	0	0	0	-202	0
<b>State Employee Compensation (Excl. Higher Ed.) Total</b>	<b>-37,070</b>	<b>-81,104</b>	<b>15,784</b>	<b>29,578</b>	<b>55,655</b>
<b>K-12 Education</b>					
SEBB Rate	0	0	-10,503	-10,503	86,072
Non-Public Schools Assistance	0	0	0	43,708	0
Enrollment/Transportation Stabilization	216,282	219,282	78,045	78,045	294,327
School Lunch Copays	0	0	8,874	8,874	17,748
School Nurse Corps	0	0	11,087	11,087	22,501
Educational Technology	0	0	47,469	47,469	114,107
ESSER Reappropriations	0	0	0	1,200,252	0
Learning Recovery (Including ESSER)	0	333,450	27,375	237,050	27,375
Federal ESSER (All Other)	0	76,722	0	1,381,317	0
Counselors/High Poverty Schools	0	0	51,568	51,568	188,575
Other Increases	908	908	41,619	67,776	68,013
Paraeducator Training	0	0	14,838	14,838	46,990
Special Education	0	0	29,000	93,115	29,000
Transfers	0	0	0	0	0

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)**

**Funds Subject to Outlook**

(Dollars in Thousands)

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
TRS 1 Unfunded Actuarial Accrued Liability	0	0	800,000	800,000	320,000
<b>K-12 Education Total</b>	<b>217,190</b>	<b>630,362</b>	<b>1,099,372</b>	<b>4,024,596</b>	<b>1,214,708</b>
<b>Higher Education</b>					
UW: Support for UW Medical & Dental	0	35,000	42,000	42,000	44,021
Fund Source Change	-250	0	0	0	-250
Passport to Careers	3,640	3,640	8,480	8,480	20,688
CTCs: Job Skills	0	0	10,000	10,000	20,104
Guided Pathways	0	0	15,876	15,876	36,084
Emergency Assistance Grants	0	0	8,000	8,000	16,083
Equity & Access/Higher Education	0	0	16,123	16,123	38,015
Medical Schools (UW & WSU)	0	0	5,891	8,209	15,224
Other Increases	2,200	2,200	46,658	49,658	83,728
Transfers	0	0	0	0	0
<b>Higher Education Total</b>	<b>5,590</b>	<b>40,840</b>	<b>153,028</b>	<b>158,346</b>	<b>273,696</b>
<b>Higher Education Employee Compensation</b>					
COLA Savings (Certain Employees)	-16,498	-34,199	0	0	-16,498
Employee Health Benefits	0	0	8,447	26,382	49,211
<b>Higher Education Employee Compensation Total</b>	<b>-16,498</b>	<b>-34,199</b>	<b>8,447</b>	<b>26,382</b>	<b>32,713</b>
<b>Public Health</b>					
ARPA COVID-19 Public Health	0	0	0	1,100,000	0
Reapprop: COVID-19 Public Health	0	0	0	437,557	0
Foundational Public Health	0	0	149,472	149,472	449,944
Other Increases	0	0	17,249	39,322	28,267
<b>Public Health Total</b>	<b>0</b>	<b>0</b>	<b>166,721</b>	<b>1,726,351</b>	<b>478,211</b>
<b>Temporary FMAP Rate Changes</b>					
COVID FMAP Increase	-546,775	-173,869	-290,166	0	-836,941
ARPA HCBS Enhanced FMAP	-103,493	0	-312,322	0	-415,815
ARPA UIHP Enhanced FMAP	-2,395	0	-18,671	0	-21,066
<b>Temporary FMAP Rate Changes Total</b>	<b>-652,663</b>	<b>-173,869</b>	<b>-621,159</b>	<b>0</b>	<b>-1,273,822</b>
<b>Behavioral Health</b>					
Underspends & Delays	-3,973	-11,108	0	0	-3,973
Suicide Prevention	0	0	6,302	6,302	11,730
Civil Ward Reductions	-3,562	-4,622	-56,052	-56,052	-198,753
Long-Term Housing Subsidies	0	0	19,728	19,728	39,456
PAL and PCL Funding Model	0	0	-3,646	3,262	-7,563
Provider Grants & Rate Increases	1,743	14,119	31,598	127,761	67,925

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)**

**Funds Subject to Outlook**

(Dollars in Thousands)

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Trueblood Settlement/Forensic Mental Health	107	107	56,595	60,126	139,247
Community Civil Involuntary Treatment Beds	0	0	43,533	80,393	167,337
Behavioral Health Treatment/Supports	1,000	1,000	35,195	110,769	63,076
Blake Decision: Outreach & Stabilization	0	0	37,500	37,500	84,449
Blake Decision: All Other BH Items	0	0	22,267	26,157	44,411
Adult & Youth Mobile Crisis Teams	0	0	25,848	38,579	51,877
Behavioral Health Personal Care	7,071	7,071	25,844	26,296	64,769
DSH Delay	0	0	0	0	-79,344
Other Increases	235	3,644	28,545	43,479	52,060
Other Savings	-243	-761	-3,402	-3,438	-7,850
Transfers	0	0	0	0	0
<b>Behavioral Health Total</b>	<b>2,378</b>	<b>9,450</b>	<b>269,855</b>	<b>520,862</b>	<b>488,852</b>
<b>Health Care</b>					
Medicaid Fraud Penalty Account	10,718	0	20,516	0	52,610
Restore Program Integrity Savings	71,000	230,000	142,000	460,000	213,000
Medicaid Waiver	395	64,697	0	557,641	395
Maintain Hospital Safety Net	0	0	0	0	-292,000
Uninsured & Underinsured Care	0	0	0	35,000	0
Family Planning Clinic Rates	300	300	5,210	16,081	11,722
Primary Care Provider Rate	0	0	45,882	123,878	100,589
Indian Health Improvement Reinvestment	0	2,396	0	18,669	0
Dental Rate Increase	0	0	21,390	76,046	43,706
Cascade Care (Incl. State Premium Subsidy)	0	0	289	58,304	581
DSH Delay	0	0	0	0	-56,740
Healthier WA Savings Restoration	30,792	71,216	61,584	142,432	156,627
Low Income Health Care/I-502	-65,488	0	-79,166	0	-265,778
Other Increases	1,435	15,044	23,978	89,697	41,884
Other Savings	-2,802	-3,002	-6,206	-10,100	-11,151
<b>Health Care Total</b>	<b>46,350</b>	<b>380,651</b>	<b>235,477</b>	<b>1,567,648</b>	<b>-4,555</b>
<b>Long Term Care &amp; DD</b>					
Shared Benefit Rule	3,329	11,562	110,667	279,445	256,854
Long-Term Services & Supports	0	0	0	41,199	0
Rental Subsidies	-747	-1,734	-9,852	-22,492	-22,891
Children's SOLA	0	0	4,630	9,727	12,074
Adult Family Home Award/Agreement	0	0	10,339	24,200	23,826
Agency Provider Agreement-Parity	0	0	9,663	23,571	27,223

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Funds Subject to Outlook  
(Dollars in Thousands)**

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
In-Home Care Provider Agreement	0	0	37,506	91,332	105,617
High School Transition Students	0	0	4,187	7,875	12,494
Nursing Home Rate Methodology	0	0	26,753	54,887	40,016
COVID Testing for Nursing Homes	17,160	26,400	0	0	17,160
HCBS Enhancements	0	0	142,775	142,775	142,775
Increase DD Waiver Capacity	4,268	8,811	34,955	75,448	81,103
Other Rate Increases	0	0	21,803	46,459	63,494
Community Residential Placements	0	0	4,813	10,340	13,567
COVID Temporary Rate Increases	90,679	93,438	59,850	207,907	150,529
Dan Thompson Community Investments	0	0	0	50,000	0
Hospital Transitions	1,537	2,042	14,341	20,818	32,783
Other Increases	6,281	17,473	23,035	109,533	37,357
Other Savings	-3,011	-5,502	-8,258	-14,645	-19,933
Transitional Care Center of Seattle	5,520	9,570	22,274	46,220	27,794
<b>Long Term Care &amp; DD Total</b>	<b>125,016</b>	<b>162,060</b>	<b>509,481</b>	<b>1,204,599</b>	<b>1,001,841</b>
<b>Children, Youth, &amp; Families</b>					
Underspend & Delays	-16,683	-20,169	0	0	-16,683
Fund Source Change	0	0	-18,139	0	-32,696
Child Care Income Eligibility	0	0	0	17,359	54,992
Child Care CBA (Family Child Care Providers)	0	0	6,390	6,390	17,202
ECEAP Entitlement Delay	0	0	-56,919	-56,919	-193,527
Child Care Premium Assistance	0	87	0	30,306	0
Case Worker Caseload Ratios	0	0	9,631	11,461	27,844
JR Behavioral Health	0	0	6,940	6,940	13,676
ECEAP Expansion	0	0	14,335	24,898	50,926
ECEAP Rate Increase	0	0	14,930	29,819	54,689
WCCC: Provider Rate Increase	0	0	0	116,805	106,109
WCCC: Student Parents	0	0	0	8,833	23,095
Early Learning Provider Supports	0	0	11,782	34,107	52,564
Child Care Stabilization Grants	0	0	0	400,000	0
Excess Federal Authority	0	-68,150	0	0	0
JR Community Re-Entry	0	0	12,533	12,533	24,987
Other Increases	13,286	36,297	57,929	118,888	135,774
Other Savings	-3,280	-4,730	-10,584	-11,367	-22,710

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)**

**Funds Subject to Outlook**

(Dollars in Thousands)

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
WCCC Co-Pay Reduction	0	0	0	76,731	115,519
<b>Children, Youth, &amp; Families Total</b>	<b>-6,677</b>	<b>-56,665</b>	<b>48,828</b>	<b>826,784</b>	<b>411,761</b>
<b>Housing &amp; Homelessness</b>					
Rental Assistance	0	0	0	658,000	0
Shelter Capacity	0	-35,000	0	35,000	0
ARPA/Homeowner Assistance Fund	0	0	0	187,000	0
ARPA/HOME IPP	0	0	0	23,000	0
ARPA/LIHEAP	0	0	0	80,420	0
Housing, Rental, and Related Svcs (HB 1277)	0	0	0	292,000	0
Low-Income Water & Wastewater	0	0	0	20,000	0
Reapprop. Projected Reversions From Early Action	0	0	0	259,255	0
Housing and Essential Needs	0	0	23,910	26,520	23,910
Landlord-Tenant Relations	0	0	31,260	38,760	63,908
Other Increases	4,080	4,175	27,661	68,517	46,901
Other Savings	-568	-568	0	-5,164	-568
Shift Housing Trust Fund Projects	0	-47,441	0	0	0
<b>Housing &amp; Homelessness Total</b>	<b>3,512</b>	<b>-78,834</b>	<b>82,831</b>	<b>1,683,308</b>	<b>134,151</b>
<b>Corrections and Other Criminal Justice</b>					
Underspend & Delays	-10,547	-10,547	0	0	-10,547
Fund Source Change	3,516	0	1,313	0	5,867
DOC Health Care	2,662	2,662	12,709	12,709	28,260
DOC Sentencing/Policy Changes	0	0	-71,233	-71,233	-153,029
DOC Re-Entry & Family Involvement	3,903	3,903	44,921	45,724	122,023
Maple Lane Expansion	0	0	-23,154	-23,154	-46,842
Office of Independent Investigation	0	0	22,135	22,135	49,961
Blake Decision: Criminal Justice Costs	1,300	1,300	88,300	88,300	89,900
Crime Victim Assistance	0	0	15,000	15,000	15,000
Coronavirus (COVID-19) Response	0	42,193	0	0	0
Crime Victim Compensation	0	0	2,153	2,153	2,153
Custody Staff	15,230	15,230	34,395	34,395	87,867
Other Increases	9,206	9,206	53,062	55,135	96,695
Other Savings	-3,381	-3,381	-3,976	-4,976	-11,419
<b>Corrections and Other Criminal Justice Total</b>	<b>21,889</b>	<b>60,566</b>	<b>175,625</b>	<b>176,188</b>	<b>275,888</b>
<b>Other Human Services</b>					
Underspend & Delays	-25,036	-30,132	0	0	-25,036
Fund Source Change	-15,207	0	0	0	-15,207

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Funds Subject to Outlook  
(Dollars in Thousands)**

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Food Assistance & Related	342	43,063	3,989	124,341	12,150
Worker Compensation System Replacement	0	-63,970	0	17,102	0
TANF Time Limit	0	0	14,130	27,158	17,302
Paid Leave Coverage	0	0	2,671	172,395	3,155
UI Customer Svcs & Fraud Prevention	0	38,792	0	70,033	0
Emergency Cash Assistance	377	377	5,958	28,593	7,127
TANF Grant Increases	0	0	25,018	52,244	80,485
Reapprop: Food Assistance	0	0	0	2,000	0
Immigrant Relief Fund	0	0	0	340,000	0
Other Increases	5,230	13,025	28,406	83,036	47,828
Other Savings	-10,203	-22,823	-11,875	-16,891	-23,985
<b>Other Human Services Total</b>	<b>-44,497</b>	<b>-21,668</b>	<b>68,297</b>	<b>900,011</b>	<b>103,818</b>
<b>Natural Resources</b>					
Wildfire & Related Items	42,991	71,633	3,000	3,000	45,991
Fund Source Change	-1,656	0	-8,571	0	-14,077
State Parks: Operations & Maintenance	437	437	18,216	18,554	36,215
Climate Commitment Act	0	0	21,940	27,386	29,281
Food Supply/Infrastructure	0	0	340	17,440	680
Hatcheries & Fish Production	0	0	5,564	5,564	10,128
Long Term Forest Health	0	0	130,507	130,507	225,591
Other Increases	668	915	80,723	160,643	128,089
Other Savings	-6,510	-7,313	-6,705	-30,606	-18,129
Water Banking Grants	0	0	10,000	10,000	10,000
<b>Natural Resources Total</b>	<b>35,930</b>	<b>65,672</b>	<b>255,014</b>	<b>342,488</b>	<b>453,770</b>
<b>All Other Policy Changes</b>					
Central Services: Self Insurance	0	0	57,106	77,693	57,136
Fund Source Change	0	0	-492	0	6,116
Judicial: Legal Aid Services	0	0	12,678	13,057	25,148
Capital Gains Tax	0	0	6,678	6,800	13,461
Disaster Response Account	0	-614	0	904,759	0
IT Pool Funding	0	0	13,543	31,823	13,543
Working Families Tax Credit	0	0	260,980	260,980	806,109
Personal Protective Equipment	0	11,092	0	49,847	0
Unemployment Insurance Tax Relief	0	0	0	500,000	0
Local Government Assistance	0	0	50,000	50,000	50,000
Pass Thru Federal ARPA Funds To Smaller Cities	0	483,400	0	0	0

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest

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**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Funds Subject to Outlook  
(Dollars in Thousands)**

	2021 Supp		2021-23		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Business Assistance	0	0	0	71,676	0
Conditional Appropriations	0	0	0	792,000	0
Federal Funding Reallocation	0	0	0	280,000	0
Central Services: All Other	0	0	54,333	86,463	52,903
Debt Service on New Projects	0	0	37,184	37,184	423,089
Judicial: All Other Increases	80	80	24,066	47,580	37,980
OneWashington	0	0	0	62,790	0
Other Increases	9,617	14,859	68,734	175,083	105,742
Other Savings	-9,118	-35,033	-7,165	-25,451	-21,905
Small Business Credit Initiative	0	0	0	138,000	0
<b>All Other Policy Changes Total</b>	<b>579</b>	<b>473,784</b>	<b>577,645</b>	<b>3,560,284</b>	<b>1,569,322</b>
<b>Grand Total</b>	<b>-210,260</b>	<b>1,465,757</b>	<b>3,213,506</b>	<b>18,515,685</b>	<b>5,573,813</b>

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Coronavirus State Fiscal Recovery Fund  
(Dollars in Thousands)**

	2021 Supp	2021-23	5-Year Total
<b>Appropriations Into Other Accounts</b>			
Unemployment Insurance Tax Relief	0	500,000	500,000
<b>Appropriations Into Other Accounts Total</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>
<b>Higher Education</b>			
UW: Support for UW Medical & Dental	35,000	0	35,000
<b>Higher Education Total</b>	<b>35,000</b>	<b>0</b>	<b>35,000</b>
<b>Behavioral Health</b>			
Provider Grants & Rate Increases	0	31,000	31,000
Other Increases	0	250	250
<b>Behavioral Health Total</b>	<b>0</b>	<b>31,250</b>	<b>31,250</b>
<b>Health Care</b>			
Uninsured & Underinsured Care	0	35,000	35,000
<b>Health Care Total</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>
<b>Children, Youth, &amp; Families</b>			
Other Increases	0	5,500	5,500
<b>Children, Youth, &amp; Families Total</b>	<b>0</b>	<b>5,500</b>	<b>5,500</b>
<b>Housing &amp; Homelessness</b>			
Rental Assistance	0	403,000	403,000
Housing and Essential Needs	0	2,610	2,610
Landlord-Tenant Relations	0	7,500	7,500
<b>Housing &amp; Homelessness Total</b>	<b>0</b>	<b>413,110</b>	<b>413,110</b>
<b>Corrections and Other Criminal Justice</b>			
Coronavirus (COVID-19) Response	42,193	0	42,193
<b>Corrections and Other Criminal Justice Total</b>	<b>42,193</b>	<b>0</b>	<b>42,193</b>
<b>Other Human Services</b>			
Food Assistance & Related	25,399	78,399	114,073
Paid Leave Coverage	0	168,745	168,745
Immigrant Relief Fund	0	340,000	340,000
<b>Other Human Services Total</b>	<b>25,399</b>	<b>587,144</b>	<b>622,818</b>
<b>Natural Resources</b>			
Food Supply/Infrastructure	0	17,000	17,000
<b>Natural Resources Total</b>	<b>0</b>	<b>17,000</b>	<b>17,000</b>
<b>All Other Policy Changes</b>			
Business Assistance	0	67,000	67,000
Conditional Appropriations	0	272,000	272,000

**2021-23 Omnibus Operating Budget  
Conference Proposal (H-1633)  
Coronavirus State Fiscal Recovery Fund  
(Dollars in Thousands)**

	2021 Supp	2021-23	5-Year Total
Other Increases	0	3,560	3,560
<b><i>All Other Policy Changes Total</i></b>	<b>0</b>	<b>342,560</b>	<b>342,560</b>
<b>Grand Total</b>	<b><u>102,592</u></b>	<b><u>1,931,564</u></b>	<b><u>2,044,431</u></b>

# K-12 EDUCATION

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## *Increases*

The 2021 supplemental and 2021-23 biennial budgets appropriate \$2.1 billion in new federal funding from the Elementary and Secondary School Emergency Relief (ESSER) Fund and other federal sources. These amounts are in addition to federal amounts approved as unanticipated receipts or appropriated in early action legislation, Chapter 3, Laws of 2021 (ESHB 1368). Federal and state funded policy enhancements are listed below.

### **Federal Subgrants to Local Education Agencies (\$1.74 billion Federal)**

Federal funding from the Elementary and Secondary School Emergency Relief (ESSER) Fund is provided as subgrants to local education agencies to assist schools and students in recovering from the COVID-19 pandemic. Subgrants are allocated based on federal Title I, Part A formulas. The allowable uses of the subgrants are defined in federal law, and at least \$333.5 million of the subgrants must be used to address learning loss. In addition to the amounts shown above, \$1.2 billion in FY 2021 subgrants approved as unanticipated receipts or appropriated in either the 2021 Supplemental Budget or Chapter 3, Laws of 2021 (ESHB 1368) are appropriated again in the biennial budget.

### **Learning Recovery (\$27.4 million NGF-O; \$209.7 million Federal; \$27.4 million 5-year NGF-O total)**

A portion of ESSER amounts not provided as subgrants and state funds are appropriated to the Office of the Superintendent of Public Instruction (OSPI) to address learning loss, and support summer enrichment and afterschool programs.

### **Guidance Counselors for High Poverty Schools (\$51.6 million NGF-O; \$188.6 million 5-year NGF-O total)**

Funding is provided to add 0.5 FTE guidance counselors per high poverty school for each prototypical school level (elementary, middle school, and high school) beginning in the 2022-23 school year.

### **Transportation Emergency Funding (\$151.1 million NGF-O; \$151.1 million 5-year NGF-O total)**

One-time funding is provided for one-time pupil transportation payments to school districts to address lower pupil transportation payments for the 2020-21 school year.

### **Enrollment Stabilization (\$123.7 million NGF-O; \$3 million Federal; \$123.7 million 5-year NGF-O total)**

Funding is provided as enrollment stabilization to local education agencies that do not receive funding through the second round of ESSER subgrants sufficient to offset the revenue reductions due to lower enrollment during COVID-19. Districts are stabilized to 2019-20 enrollments across multiple programs if 2020-21 or 2021-22 enrollments are lower.

### **Educational Technology: Learning Devices and Connectivity (\$47.5 million NGF-O; \$114.1 million 5-year NGF-O total)**

Funding is provided to the Office of the Superintendent of Public Instruction (OSPI) for grants to assist districts in acquiring and supporting learning devices and to Educational Service Districts (ESDs) to provide technology procurement, training, and consultation, as described in Engrossed Second Substitute House Bill 1365 (schools/computers & devices). Also, a \$25 per student

increase to the material, supplies, and operating (MSOC) cost rate for technology is provided beginning in the 2022-23 school year to support broadband connectivity.

### **School Employees Benefits Board Rate Adjustments (-\$10.5 million NGF-O; \$86.1 million 5-year NGF-O total)**

Funding is adjusted for changes in the School Employees Benefits Board insurance funding rate. The per employee per month rate of \$1,000 in the 2020-21 school year is decreased to \$968 in the 2021-22 school year and increased to \$1,032 in the 2022-23 school year.

### **Special Education Supports (\$29 million NGF-O; \$64.1 million Federal; \$29 million 5-year NGF-O total)**

Funding is provided for special education supports, including extended transition supports for students with disabilities that turned 21 in the 2019-20 or 2020-21 school years and did not graduate with a regular diploma, for special education services in addition to regularly provided federal IDEA funding, and for professional development for inclusive practices.

### **ESSER State Amounts - Other (\$48.1 million Federal)**

A portion of ESSER amounts not provided as subgrants is appropriated to the Office of the Superintendent of Public Instruction (OSPI) for grants for community-based organizations, dual language programs, career and technical education, residential outdoor school, OSPI administration, and other items.

### **Professional Development for Paraeducators (\$14.8 million NGF-O; \$44.0 million 5-year NGF-O total)**

Funding is provided for two days of training in the Paraeducator Certificate Program per year, ongoing, beginning in fiscal year 2023. Funding is also provided to create online training for paraeducators on community, family, and student engagement.

### **Non-public School Assistance (\$43.7 million Federal)**

Federal funding is provided to support non-public schools to address impacts from the COVID-19 pandemic.

### **Educational Service District Nurse Corps and Safety Staff, and Stabilization Funding (\$16.9 million NGF-O; \$31 million 5-year NGF-O total)**

Additional staff is provided to ESDs for the School Nurse Corps to support one day a week of support for all school districts with less than 2,000 students enrolled (second-class districts). Staffing at regional school safety centers is increased to 3 FTEs per ESD. Also, stabilization funding in fiscal year 2021 is provided to address COVID-19 impacts.

### **Eliminating School Lunch Copays (\$8.9 million NGF-O; \$17.7 million 5-year NGF-O total)**

School lunch copays are eliminated for students in prekindergarten through twelfth grades eligible for reduced-price lunches, expanding beyond the current coverage for grades kindergarten through third.

### **School Funding Stabilization (\$16.2 million NGF-O; \$16.2 million 5-year NGF-O total)**

One-time funding is provided to ensure school districts receive at least \$500 per pupil for COVID-19 relief funding when combined with federal relief dollars.

### **Emergency Food Reimbursements (\$14.2 million Federal)**

Appropriations are provided for federal reimbursements for emergency costs in child nutrition programs.

### **Supports for Children Experiencing Homelessness (\$12.0 million Federal)**

One-time funding is provided for the purpose of identifying children and youth experiencing homelessness and providing them with wraparound services due to the challenges of COVID-19. Funding may also be used to assist or enable children experiencing homelessness to attend school and participate in school activities.

### **Institutional Education Enhancements (\$4.5 million NGF-O; \$9.3 million 5-year NGF-O total)**

Differentiated instruction to meet unique student needs is expanded to 45 percent of enrollment and includes instruction for students with individualized development plans. Allocations for one Educational Advocate (EA) are provided to each institutional education program with more than 40 students enrolled in addition to federally funded EA positions. MSOC and professional learning allocations are increased. Funding is also provided for implementation of reforms required in Engrossed Second Substitute House Bill 1295 (Institutional ed./release).

# HIGHER EDUCATION

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## *Financial Aid*

### **Washington College Grant (WCG)**

Funding is included in the base budget (maintenance level) reflecting forecasted caseload growth in both and the WCG and WCG-Apprenticeship programs. The WCG program provides full or partial tuition and fees for income-eligible students enrolled in Washington state colleges or universities. The WCG-Apprenticeship program supports income-eligible apprentices enrolled in approved registered apprenticeship programs. Together, these increases totaled \$1.3 million NGF-O (and \$69.5 million 5-Year NGF-O total).

### **Passport to Careers Caseload (\$12.1 million NGF-O; \$20.7 million 5-year NGF-O total)**

Funding is provided for the Passport to Careers (PTC) financial aid program for students in foster care or who have experienced homelessness. The additional funding will serve all eligible students.

## *Student Supports*

### **Equity and Access in Higher Education (\$16.1 million NGF-O; \$38.0 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Second Substitute Senate Bill 5194 (equity & access in higher education). Funding provided for the community and technical colleges establishes a pilot program to increase student access to mental health counseling services, and develops diversity, equity, and inclusion strategic plans.

### **Diversity, Equity, and Inclusion (\$5.1 million NGF-O; \$14.4 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Second Substitute Senate Bill 5227 (diversity, etc./Higher Education). Funding is included for public higher education institutions to provide diversity, equity, inclusion, and antiracism training for faculty, staff and students. Higher education institutions are required to conduct campus climate assessments to understand the current state of diversity, equity, and inclusion on campuses for students, faculty, and staff.

### **Job Skills Program (\$10.0 million NGF-O; \$20.1 million 5-year NGF-O total)**

Funding is provided for the Washington Job Skills Program within the Washington State Board for Community and Technical Colleges which provides training for prospective employees anticipating industry expansion and incumbent workers, including retraining and training required for promotion.

### **Emergency Assistance Grants (\$8.0 million NGF-O; \$16.1 million 5-year NGF-O total)**

Funding is provided for students of community and technical colleges to receive monetary aid to assist students experiencing unforeseen emergencies or situations that affect the student's ability to attend class.

### **Guided Pathways (\$15.9 million NGF-O; \$36.1 million 5-year NGF-O total)**

Funding is provided to continue implementation of the Guided Pathways program at the community and technical colleges. Guided Pathways is a program designed to improve student success, redesign academic programs, and expand academic advising and support services.

## ***Other Increases***

### **University of Washington Medical and Dental Support (\$42.0 million NGF-O; \$35.0 million Federal; \$44.0 million 5-year NGF-O total)**

One-time funding is provided to support the operations and teaching mission of the Harborview Medical Center and the University of Washington Medical Center. Funding is also provided to the University of Washington School of Dentistry to support operations.

### **Additional Federal Funds**

In addition to the amounts appropriated in the budget, federal funds have been provided directly to institutions. Higher Education Emergency Relief Funds (HEERF) have been provided in CARES, CRRSAA, and ARPA, and referred to as HEERF 1, HEERF 2, and HEERF 3 respectively.

Each HEERF allocation was provided with a specific amount for emergency student grants and an amount for institutional aid with flexible uses.

Allowable uses for the flexible portion of HEERF include costs associated with significant changes to the delivery of instruction due to the coronavirus.

HEERF 1 provided \$234.1 million to Washington institutions. HEERF 1 allocations to Washington public institutions provided \$92.7 million in flexible funds and \$92.7 million for students grants. HEERF 2 provided \$378.8 million to Washington institutions. HEERF 2 allocations to Washington public institutions provided \$236.8 million in flexible funds and \$92.7 million for student grants. HEERF 3 is estimated to provide \$665.4 million to Washington institutions. HEERF 3 projected allocations to public institutions are \$290.2 million in flexible funds and \$290.2 million for student grants.

Additionally, higher education received the Governor's Emergency Education Relief (GEER) Fund within CARES. The GEER funding was allocated under the unanticipated receipt process and provided \$56.8 million to the public higher education institutions, of which \$44.0 million went to the community and technical colleges.

# HEALTH CARE

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## *Increases*

### **Provider Rate Increases (\$79.0 million NGF-O; \$154.5 million Federal; \$170.0 million 5-year NGF-O total)**

Funding is provided to maintain and increase access for behavioral health, primary care, family planning, and adult dental services for Medicaid-enrolled patients through increased provider rates. The rates for certain behavioral health services for adults and children are increased by up to 15 percent in accordance with the process established in Chapter 285, Laws of 2020 (EHB 2584). Funding is provided to increase evaluation and management (E&M) codes for adult primary care providers by 15 percent. The E&M codes for pediatric primary care providers, neonatal intensive providers, and critical care providers are increased by 21 percent. A set of family planning clinic rates for Department of Health Sexual and Reproductive Health Program family planning clinics are increased to the Medicare rate. Funding is provided to increase rates for adult dental services by 100 percent beginning July 1, 2021.

### **Cascade Care (\$50.0 million NGF-O; \$50.0 million Health Care Affordability Account-State; \$125.0 million 5-year NGF-O total)**

Pursuant to Engrossed Second Substitute Senate Bill No. 5377 (standardized health plans), \$50 million in state general funds is transferred to the newly created Health Care Affordability Account-State for premium assistance for individuals up to 250 percent of the federal poverty level enrolled in a qualified health plan through the Health Benefit Exchange.

### **Uninsured and Underinsured Care (\$35.0 million Federal)**

Federal funding of \$35.0 million is provided for one-time grants for rural health centers, federally qualified health centers, public hospital districts, behavioral health providers or facilities, behavioral health administrative service organizations, or free clinics to provide health care, behavioral health, and dental services for uninsured and underinsured patients, regardless of immigration status. An additional \$6.0 million was also provided for uninsured and underinsured care related to Covid-19 pursuant to Chapter 3, Laws of 2021 (ESHB 1368).

### **Medicaid Transformation Project (\$233.0 million Local; \$410.8 million Federal)**

The Section 1115 Medicaid demonstration waiver, called the Medicaid Transformation Project (MTP), is a five-year agreement with the Centers for Medicare and Medicaid Services (CMS) through December 2021. MTP is extended for one year through December 2022 and funded through the Medicaid Quality Improvement Program (MQIP). Appropriation authority is aligned with anticipated MTP spending to extend Initiative 1 (Accountable Communities of Health), Initiative 2 (Long-Term Supports), and Initiative 3 (Foundational Community Supports) for an additional year. Apple Health managed care organizations and their partnering providers will receive MQIP program payments as they meet designated milestones.

### **Saving Restorations (\$305.4 million NGF-O; \$598.3 million Federal; \$369.6 million 5-year NGF-O total)**

Funding is provided to restore assumed savings that will not be realized at the levels or within the timeframes originally anticipated. This includes \$92.4 million NGF-O for the Healthier Washington Initiative and \$213.0 million NGF-O for program integrity activities.

## **Savings**

### **Disproportionate Share Hospital Funding Delay (-\$136.1 million 5-year NGF-O total)**

Under the Affordable Care Act, disproportionate share hospital (DSH) funding was scheduled to be reduced beginning in 2014. The federal government has repeatedly extended this reduction (most recently until federal FY 2024). Funding is adjusted for both the certified public expenditure hold harmless payment and federal DSH appropriation in anticipation of another federal extension. These figures include savings assumed in both the Health Care Authority and the Department of Social and Health Services.

### **I-502 Revenue (-\$144.7 million NGF-O; -\$265.8 million 5-year NGF-O total)**

Initiative 502, passed by voters in 2012, authorizes the regulation, sale, and taxation of marijuana for adults over the age of 21. The initiative directed a portion of the tax revenue to fund primary, dental, migrant, and maternity health care services through contracts with community health centers. It also directed a portion of revenue to the Basic Health Plan Trust Account. The Basic Health Plan was eliminated on January 1, 2014, and replaced by the Medicaid expansion and subsidized coverage sold through the Health Benefit Exchange. As in past budgets, these funds are used to support the provision of services to Medicaid clients.

### **Hospital Safety Net Assessment (-\$292.0 million 5-year NGF-O total)**

The Hospital Safety Net Assessment program (HSNA) allows the Health Care Authority (HCA) to collect assessments from Washington State hospitals and use the proceeds for payments to hospitals. The HSNA program is set to expire on June 30, 2023. Pursuant to House Bill 1316 (hospital safety net assessment), funding is adjusted to maintain the HSNA.

# BEHAVIORAL HEALTH

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## *Increases*

### **Adult and Youth Mobile Crisis Response (\$25.8 million NGF-O; \$19.7 million Federal; \$51.9 million 5-year NGF-O total)**

Funding is provided for increasing local behavioral health mobile crisis response team capacity. In prioritizing this funding, the health care authority shall assure that a minimum of six new children and youth mobile crisis teams are created and that there is one children and youth mobile crisis team in each region by the end of fiscal year 2022.

### **Behavioral Health Treatment and Supports (\$40.7 million NGF-O; \$56.7 million Federal; \$61.8 million 5-year NGF-O total)**

Funding is provided for expansion of community mental health and substance use disorder services including prevention, outreach, treatment, and recovery support services. This includes funding for short-term housing vouchers for individuals with behavioral health issues and funding to provide opioid use disorder medications for individuals in jails. Additional funds are provided for meeting exceptional personal care needs required by individuals with significant behavioral health disorders.

### **Community Civil Involuntary Treatment Beds (\$40.2 million NGF-O; \$33.8 million Federal; \$157.7 million 5-year NGF-O total)**

The Legislature began funding contracted community civil long-term involuntary inpatient bed capacity in the 2017-19 biennium. These beds provide community alternatives to services historically provided at the state hospitals. There are 167 beds funded through the end of the 2019-21 biennium. Additional investments are made to increase the funded capacity to 273 beds by the end of fiscal year 2023. The budget outlook assumes that a total of 369 community beds are funded by the end of fiscal year 2025. Funding is also included for 64 mixed use facility beds during fiscal year 2023 and the budget outlook assumes funding for 100 psychiatric beds at a new University of Washington behavioral health teaching hospital. Beds are reduced at the state hospitals as described below.

### **Behavioral Health Provider Rate Increases (\$26.8 million NGF-O; \$59.6 million Federal; \$53.7 million 5-year NGF-O total)**

Funding is provided for a 2 percent rate increase for a variety of community behavioral health providers. The funding shall be included in capitation rates for managed care organizations and in grants to behavioral health administrative services organizations. The Health Care Authority shall employ mechanisms such as directed payment to ensure the funding is used by these entities to increase provider rates.

### **Behavioral Health Provider Relief (\$31.0 million Federal)**

Funding is provided on a one-time basis solely for the Health Care Authority to provide assistance payments to behavioral health providers that serve Medicaid and state-funded clients and have experienced revenue loss or increased expenses as a result of the COVID-19 pandemic.

### **Trueblood Settlement and other Forensic Mental Health Investments (\$52.6 million NGF-O; \$3.5 Other; \$131.0 million 5-year NGF-O total)**

Funding is provided to continue implementation of the Trueblood, et. al. v. DSHS settlement. This includes funding for forensic navigators, outpatient competency restoration, housing, crisis, and other community support services required under the settlement agreement. Pursuant to the agreement, these services are to be implemented in the phase II region (King County) during

the 2021-23 biennium. Two new forensic wards are phased in at Western State Hospital and a new 30 bed facility for patients acquitted as not guilty by reason of insanity is funded at Maple Lane.

### **Savings**

#### **State Hospital Civil Ward Reductions (-\$59.6 million NGF-O; -\$198.7 million 5-year NGF-O total)**

The Legislature began providing funding for community civil long-term involuntary inpatient bed capacity in the 2017-19 biennium. These beds provide community alternatives to services historically provided at the state hospitals. This item reflects savings from the closure of 180 beds at Western State Hospital during the 2021-23 biennium. The budget outlook assumes an additional 120 WSH beds are shifted to the community in the 2023-25 biennium. Investments in community beds are described above.

## **APPROPRIATIONS IN ENGROSSED SENATE BILL NO. 5476 (STATE V. BLAKE DECISION)**

#### **Appropriations Assumed in ESB 5476 ( \$64.6 NGF-O; \$3.9 million Federal; \$134.0 million 5-year NGF-O total)**

Engrossed Senate Bill 5476 (State v. Blake decision) amends provisions relating to criminal justice and substance use disorder treatment in response to the State v. Blake decision. It is assumed that the bill will be enacted with a variety of appropriations including funding for the following purposes: (1) implementation of a statewide recovery navigator program; (2) implementation of Clubhouse services in every region of the state; (3) implementation of Homeless Outreach Stabilization Teams; (4) expansion of efforts to provide opioid use disorder medication in city, county, regional, and tribal jails; (5) expansion of opioid treatment network programs for people with co-occurring opioid and stimulant use disorder; (6) development of regional recovery navigator program plans; (7) assistance to improve quality in recovery housing and recovery residences; (8) provision of short-term housing vouchers for individuals with substance use disorders; (9) support for substance use disorder family navigator services; (10) establishment and support for a Recovery Oversight Committee; (11) development and implementation of a recovery services plan (12) establishment of therapeutic courts operated by municipalities and district courts; (13) provision of grants for the operational costs of new staffed recovery residences; and (14) training for law enforcement related to interactions with persons with a substance use disorder.

# DEPARTMENT OF SOCIAL & HEALTH SERVICES

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## LONG TERM CARE & DEVELOPMENTAL DISABILITIES

### *Increases*

#### **Collective-Bargaining Agreements (\$57.5 million NGF-O; \$81.6 million Federal; \$156.7 million 5-year NGF-O total)**

Funding is provided to implement the 2021-23 collective-bargaining agreements for Individual Providers (IPs) of home care services and for adult family homes (AFHs). Additionally, rate parity is funded for Agency Providers (APs) of home care services with the IP collective-bargaining agreement.

#### **Temporary COVID-19 Rate Add-Ons (\$150.5 million NGF-O; \$150.8 million Federal; \$150.5 million 5-year NGF-O total)**

Funding is provided to continue temporary rate add-ons for contracted long-term care and developmental disabilities services providers through the end of calendar year 2021 to address the increased costs associated with serving clients during the COVID-19 pandemic.

#### **Other Provider Rate Increases (\$55.1 million NGF-O; \$60.3 million Federal; \$118.3 million 5-year NGF-O total)**

A number of rate increases are funded in addition to the temporary COVID-19 rate add-ons and those agreed to through collective-bargaining agreements. Provider rates are increased for nursing homes, supported living, assisted living facilities, specialized dementia care, and home care agency administration. Additionally, an administrative rate reduction made in the 2020 Supplemental budget to the Consumer-Directed Employer (CDE) vendor is restored, and a variety of rate incentives are funded for contracted providers who accept clients discharged from acute care hospitals.

In addition to the dollar amounts shown in this summary, the base budget (maintenance level) provides funding for statutorily-required rebases of nursing home and assisted living facility rates in FY 2023, and for continuation of the inflation adjustment rate add-on for nursing homes.

#### **Shared Benefit Adjustment (\$114.0 million NGF-O; \$177.0 million Federal; \$256.9 million 5-year NGF-O total)**

Funding is provided for an anticipated increase in the number of in-home personal care hours provided to Department clients due to a recent rule change regarding how client care hours are assessed.

#### **Other Nursing Home Increases (\$48.1 million NGF-O; \$44.7 million Federal; \$48.1 million 5-year NGF-O total)**

Funding is provided to continue contracts with nursing homes dedicated to serving COVID-19 positive clients through FY 2021; to serve high-needs clients at the Transitional Care Center of Seattle, a state-owned nursing home; and to authorize a federal grant for skilled nursing facility quality improvement.

#### **Behavioral Health Increases (\$25.2 million NGF-O; \$3.4 million Federal; \$67.9 million 5-year NGF-O total)**

Funding is provided to transition clients with long-term care needs from the state psychiatric hospitals to community settings; to streamline personal care services for individuals whose

personal care need is primarily due to behavioral health; and to add four new Children's State-Operated Living Alternative (SOLA) homes for children who have both a developmental disability and behavioral health challenges.

#### **Services for Non-Citizens (\$9.1 million NGF-O; \$17.5 million 5-year NGF-O total)**

State-only funding is provided to serve approximately 50 individuals who are ineligible for Medicaid due to citizenship status in nursing homes, community settings, or in their own homes.

#### **Waiver Expansions & Community Placements (\$48.2 million NGF-O; \$54.3 million Federal; \$107.2 million 5-year NGF-O total)**

Funding is provided to expand Developmental Disabilities Administrations waivers including the Basic Plus waiver, the Individual & Family Services waiver, the Core waiver, the Community Protection waiver, and the Children's Intensive In-Home Behavioral Support (CIIBS) waiver. Additionally, funding is provided to expand the number of placements available in adult SOLA homes, adult family homes, and supported living settings.

#### **Dan Thompson Developmental Disabilities Community Services Account (\$50.0 million NGF-O; \$50.0 million 5-year NGF-O total)**

State funding is transferred to the Dan Thompson Developmental Disabilities Community Services Account to provide supports in community settings for eligible individuals with developmental disabilities.

### ***Savings***

#### **Rental Subsidies, Staff Vacancies, and Program Underexpenditure (-\$22.3 million NGF-O; -\$6.4 Federal; -\$43.4 million 5-year NGF-O total)**

Savings are achieved through the creation of a state-funded rental subsidy program for clients who are ready to discharge from a nursing home to their own homes. By providing rental subsidies, the state expects to serve certain clients in an in-home setting rather than in a nursing home. The difference in the cost of serving clients in an in-home setting (including the cost of the rental subsidy) compared to nursing homes is expected to result in a net state savings. Additionally, underexpenditures are recognized for vacant staff FTE positions, areas where expenditures are historically below allotments, and from the delay in Consumer-Directed Employer (CDE) implementation.

## **ECONOMIC SERVICES ADMINISTRATION**

### ***Increases***

#### **Extension of 60-Month Time Limit (\$6.4 million NGF-O; \$17.3 million Federal; \$6.4 million 5-year NGF-O total)**

Funding is provided for an increased caseload resulting from the suspension of the 60-month time limit and the waiver of sanctions for nonparticipation in work activities. In addition to the amounts referenced above, Chapter 3, Laws of 2021 (ESHB 1368, Federal Funding/COVID) provided \$9 million of additional funding for this purpose. Also, additional funding for this purpose was provided in calendar year 2020 through the statutory unanticipated receipt process. Please see the agency detail document for additional information.

**Grant Increase for Recipients of Temporary Assistance to Needy Families (\$52.2 million NGF-O; \$80.5 million 5-year NGF-O total)**

Funding is provided to increase the grant for recipients of Temporary Assistance to Needy Families (TANF) by 15 percent.

**Pandemic Emergency Assistance (\$22.7 million Federal)**

Funding is provided for a one-time cash benefit for recipients of TANF and SNAP (Supplemental Nutrition Assistance Program) with children. In addition to the amount referenced above, Chapter 3, Laws of 2021 (ESHB 1368, Federal Funding/COVID) provided \$12 million of additional funding for this purpose.

**Immigrant Relief Fund (\$340.0 million Federal)**

Funding is provided for persons ineligible for stimulus payments or unemployment insurance who have been significantly affected by the coronavirus pandemic, such as loss of employment or significant reduction in work hours, contracting the coronavirus and having to self-quarantine, caring for a family member who contracted the coronavirus, or being unable to access childcare for children impacted by school or childcare closures. In addition to the amount referenced above, Chapter 3, Laws of 2021 (ESHB 1368) provided \$65 million of additional funding for this purpose.

# OTHER HUMAN SERVICES

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## DEPARTMENT OF HEALTH

### *Increases*

#### **Public Health Response to COVID-19 (\$12.0 million NGF-O; \$1.1 billion Federal; \$12.0 million 5-year NGF-O total)**

Funding is provided to state agencies, local health jurisdictions, and tribes for testing, contact tracing, mitigation activities, vaccine administration and distribution, and other allowable uses to respond to the COVID-19 pandemic. Of the amounts above, \$145 million is provided to support the public health workforce for the state, local health jurisdictions, and tribes to prevent, prepare for, and respond to COVID-19.

#### **Foundational Public Health Services (\$150.0 million NGF-O; \$450.0 million 5-year NGF-O total)**

Funding is provided to state agencies, local health jurisdictions, and tribes for foundational public health services, which include communicable disease control, prevention of injury and chronic disease, and maternal and child health.

#### **Public Health Data (\$4.2 million NGF-O; \$18.2 million Federal; \$8.5 5-year NGF-O total)**

Funding is provided for the maintenance and operation costs for four public health information systems. The systems include the Washington Disease Reporting System, which is the main tool for case management and outbreak response for infectious and non-infectious diseases; the Rapid Health Information Network, which analyzes and distributes data at the Department; the Washington Immunization Information System, which stores patient immunization data; and the Data Exchange Services, by which the Department submits and receives healthcare data. Additional funding is provided for maintenance and operation of the Prescription Monitoring Program.

#### **Women, Infants, and Children Program (\$19.4 million other funds)**

Funding is provided for the Women, Infants, and Children program (WIC), which will provide more access to nutritious food. In addition to the amount above \$3 million is provided for low-income families to purchase fresh produce.

#### **Supporting HIV Clients (\$26.9 million other funds)**

Funding is provided to support HIV/AIDS clients during the pandemic. The funding will provide for the expansion of services to people living with HIV who have lost access to care as a result of the COVID-19 pandemic.

## EARLY LEARNING & CHILD CARE

### *Increases*

#### **Child Care Stabilization Grants (\$400.0 million Federal)**

One-time funding is provided for the Department of Children, Youth, and Families (DCYF) to administer grants to eligible child care providers to stabilize the child care industry as part of the state's response to the COVID-19 public health emergency. Child care providers are eligible for grants if they are eligible for child care development fund moneys or if they are licensed, regulated, or registered within the state. Additional funding for this purpose was included in

Chapter 3, Laws of 2021 (ESHB 1368). Please see the agency detail document for additional information.

### **Working Connections Copayments, Income Eligibility, and Student Parents (\$127.6 million Federal; \$193.6 million 5-year NGF-O total)**

Funding is provided to increase the income eligibility for Working Connections Child Care (WCCC) from 200 percent of the federal poverty level, approximately 50 percent of the state median income (SMI), to 60 percent SMI beginning October 1, 2021. Funding is provided to change the WCCC copayment structure beginning July 1, 2021 to match the new structure provided in Engrossed Second Substitute Senate Bill 5237 (Child care & early dev. exp.). In addition, copayments are capped at \$115 through July 1, 2023. Additional funding for this purpose was provided in calendar year 2020 through the statutory unanticipated receipt process. Please see the agency detail document for additional information. Funding is also provided to expand WCCC eligibility for student parents.

### **WCCC and ECEAP Provider Rate Increases (\$14.9 million NGF-O; \$131.7 million Federal; \$145.9 million 5-year NGF-O total)**

Funding is provided to increase provider rates for WCCC and Early Childhood Education and Assistance Program (ECEAP) providers as provided in Engrossed Second Substitute Senate Bill 5237 (Child care & early dev. exp.). Beginning July 1, 2021, WCCC provider rates are increased to the 85th percentile of market rates and ECEAP provider rates are increased by 10 percent.

### **Fair Start for Kids Act (\$30.0 million NGF-O; \$34.3 million Federal; \$114.3 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Second Substitute Senate Bill 5237 (Child care & early dev. exp.). Funding includes the expansion of home visiting slots and the Early Childhood Intervention and Prevention Services (ECLIPSE) program, complex needs funds for providers serving children with complex needs, mental health consultation services, rate enhancements for providers that accept infants or provider dual language services, and additional provider supports such as professional development opportunities, equity grants, and trauma-informed care supports.

### **Child Care Employees Health Care Premium Assistance (\$31.1 million Federal)**

Funding is provided for the Health Benefits Exchange (HBE) to implement a health care insurance premium assistance program for eligible employees who work in licensed child care facilities. Subject to appropriations, the HBE will pay the premium cost for a qualified health plan for eligible individuals. The DCYF will collaborate with HBE and establish a process for informing employees of licensed family homes, center-based, and outdoor nature-based childcares about available financial supports and options for accessing health coverage. Funding is also provided for one or more lead navigator organizations to promote access to health services through outreach and insurance plan enrollment assistance for employees working in a licensed child care facility.

### **ECEAP Expansion (\$14.3 million NGF-O; \$10.6 million Federal; \$36.6 million 5-year NGF-O total)**

Funding is provided to add 500 new ECEAP slots during the 2021-22 school year and 750 new slots during the 2022-23 school year, for a total of 1,250 new slots by the end of the 2022-23 school year. Eighty percent of the new slots are the length of a school day, and twenty percent are the length of a working day.

**Information Technology Upgrades (\$13.9 million NGF-O; \$6.1 million Federal; \$13.9 million 5-year NGF-O total)**

One-time funding is provided for DCYF to migrate the Social Service Payments System (SSPS) to a cloud-based payment system in order to implement child care stabilization grants, child care subsidy rate enhancements, and other payments intended to support child care providers during and after the COVID-19 public health emergency.

**Family Child Care Collective Bargaining Agreement (\$6.4 million NGF-O; \$17.2 million 5-year NGF-O total)**

Funding is provided to implement the collective bargaining agreement for family child care providers. The agreement includes a 17.6 percent increase in the licensed family home provider non-standard hour bonus rate, a two percent tiered reimbursement increase for level 3.5, and a \$0.35 per hour per child rate increase for Family, Friend, and Neighbor (FFN) providers.

**Savings**

**ECEAP Entitlement Delay (-\$57.9 million NGF-O; -\$194.5 million 5-year NGF-O total)**

Savings are achieved by delaying the ECEAP entitlement date from the 2022-23 school year to the 2026-27 school year.

**Child Care Development Fund (CCDF) Fund Shift (-\$11.9 million NGF-O; -\$11.9 million 5-year NGF-O total)**

Federal Child Care Development Fund (CCDF) funding available under the American Rescue Plan Act of 2021 is used to support the WCCC program for families during fiscal year 2023.

**WELFARE OF CHILDREN**

**Increases**

**Case Worker Staffing (\$20.9 million NGF-O; \$3.1 million Federal; \$39.1 million 5-year NGF-O total)**

Funding is provided to phase in 119 full-time equivalent (FTE) staff, including both case workers and supporting staff. Additionally, funding is provided to restore Child Protective Services (CPS) FTEs that would otherwise be reduced due to a decline in forecasted CPS intakes during the COVID-19 pandemic.

**Concrete Goods & Services (\$4.0 million NGF-O; \$5.5 million Federal; \$8.0 million 5-year NGF-O)**

Funding is provided for ongoing grants of concrete goods or services to families to help keep homes safe for children, and one-time \$250 per-child grants for children at risk of child welfare system involvement to help address the economic impacts of the COVID-19 pandemic.

**Transitions to Adulthood (\$2.6 million NGF-O; \$0.5 million Federal; \$2.6 million 5-year NGF-O total)**

One-time funding is provided for staff to develop a new approach to transition planning for youth preparing to exit foster care and other state systems of care. One-time funding is also provided for the Department to contract with an organization that provides intensive case management under the LifeSet model for youth who have exited or are preparing to exit state systems of care.

### **COVID-19 Relief Efforts (\$25.2 million Federal)**

Funding is provided to backfill emergency grants for foster families and retainer payments for contracted providers that the Department offered in FY 2021 to address the impacts of the COVID-19 pandemic. Additionally, federal appropriation authority is provided for COVID-19 relief funding awarded to the Department through ARPA.

### **Child Placing Agency Rate Increase (\$0.8 million NGF-O; \$0.1 million Federal; \$1.6 million 5-year NGF-O total)**

Funding is provided to increase all fees paid to Child Placing Agencies by 7.5 percent, effective July 1, 2021.

### ***Savings***

#### **Underexpenditures and Fund Shift (-\$14.6 million NGF-O; -\$3.2 million Federal; -\$29.8 million 5-year NGF-O total)**

Savings are assumed from one-time underexpenditure in FY 2021 and from reductions to staff goods, services, and travel for non-case carrying Department staff. Additionally, prevention and early intervention services eligible for federal Title IV-E reimbursement under the Families First Preservation Services (FFPSA) Act are shifted from the General Fund-State to federal Title IV-E as informed by the Department's FFPSA implementation plan.

## **DEPARTMENT OF LABOR AND INDUSTRIES**

### ***Savings***

#### **Workers' Compensation System Modernization (-\$46.9 million other funds)**

Savings are achieved to reflect new projected costs and timeframes for replacing Washington's workers' compensation computer system.

# TEMPORARY FMAP INCREASES

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## **COVID-19 FMAP Enhancement (-\$836.9 million NGF-O; \$836.9 million Federal; -\$836.9 million 5-year NGF-O total)**

The Families First Coronavirus Response Act was enacted March 18, 2020, and authorizes a 6.2 percentage point increase in the federal Medicaid assistance percentage (FMAP) match to help states respond to the COVID-19 pandemic. The additional funds are available to states from January 1, 2020 through the quarter in which the public health emergency (PHE) period ends, provided states meet certain conditions. On January 21, 2021, the PHE was extended an additional 90 days and a letter sent to governors indicating their intent to continually renew the PHE throughout calendar year 2021. The FMAP enhancement is assumed to end December 31, 2021. The federal Health and Human Services (HHS) will provide states with 60 days' notice prior to its expiration.

## **Home and Community-Based Services (-\$415.8 million NGF-O; \$415.8 million Federal; -\$415.8 million 5-year NGF-O total)**

The American Rescue Plan Act (ARPA) of 2021 increases the Federal Medical Assistance Percentage (FMAP) by 10.0 percentage points for Medicaid Home and Community-Based Services (HCBS) for the period of April 1, 2021 through March 30, 2022, provided that states fulfill certain conditions. The state must use the federal funds attributable to the increase to supplement, not supplant, the level of state funds expended for HCBS for eligible individuals through programs in effect as of April 1, 2021. The state must also implement, or supplement the implementation of, one or more activities to enhance, expand, or strengthen HCBS. All funds resulting from the HCBS increased FMAP are reinvested into HCBS, consistent with the ARPA, as listed in LEAP Omnibus Document HCBS - 2021.

## **Urban Indian Health Program Enhancements (-\$21.1 million NGF-O; \$21.1 million Federal; -\$21.1 million 5-year NGF-O total)**

As a result of section 9815 of the American Rescue Plan Act of 2021, the FMAP is increased for Medicaid Urban Indian Health Organization and Native Hawaiian Health Care System services to 100 percent for eight quarters. This increase is in effect from April 1, 2021 through March 31, 2023.

# PUBLIC SAFETY AND THE JUDICIARY

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## CRIMINAL JUSTICE TRAINING COMMISSION

### *Increases*

#### **Mental Health Field Response and Arrest & Jail Alternatives (\$5.0 million NGF-O; \$9.0 million 5-year NGF-O total)**

Funding is provided to expand the Mental Health Field Response Teams Program that encourages law enforcement agencies to use mental health professionals when responding to situations involving persons with mental health issues. Funding is also provided to continue a local Arrest and Jail Alternatives grant program that diverts individuals to therapeutic interventions and other services, who may have become involved in the criminal justice system and who may have a substance use disorder and other behavioral health needs.

#### **Law Enforcement Officer Training (\$3.0 million NGF-O; \$1.0 million other funds; \$6.0 million 5-year NGF-O total)**

Funding is provided for five additional Basic Law Enforcement Academy classes each fiscal year, increasing the total number of classes from 20 to 30 over the biennium. This will provide training to 150 additional students annually.

#### **Use of Force (\$6.5 million NGF-O; \$11.6 million 5-year NGF-O total)**

Funding is provided for grants to local law enforcement agencies to support equipment purchase and video storage costs for body camera programs. In addition, funding is provided to implement Engrossed Substitute House Bill 1054 (peace officer tactics and equipment), Substitute House Bill 1088 (impeachment disclosures), Engrossed Substitute House Bill 1267 (police use of force), Engrossed Second Substitute House Bill 1310 (use of force), Engrossed Second Substitute Senate Bill 5051 (peace & corrections officers), and Substitute Senate Bill 5066 (officer duty to intervene). These bills establish standards for police use of force, require an agency to inquire as to whether an officer has been subject to potential impeachment disclosure prior to hiring such officer, require a peace officer to intervene when witnessing another officer engaging in the use of excessive force, change the makeup of the Criminal Justice Training Commission, and establish an Office of Independent Investigations. Funding is also provided to implement House Bill 1001 (law enforcement professional development) that establishes a law enforcement professional development outreach grant program to encourage a broader diversity of candidates to seek careers in law enforcement.

## DEPARTMENT OF CORRECTIONS

### *Increases*

#### **Custody Staffing (\$53.8 million NGF-O; \$94.5 million 5-year NGF-O total)**

Funding is provided: (1) to increase the officer duty relief factor for correctional facility and health care custody staff in the Department's prison staffing model; and (2) for contraband management within one of the correctional facilities that house female offenders.

Funding is also provided for a comprehensive review of the Department's community corrections staffing model and for developing an updated staffing model for use by the Department of Corrections.

### **Emergency Response to COVID-19 (\$42.2 million NGF-O; \$42.2 million 5-year NGF-O total)**

Funding is provided for costs incurred as a result of the Department of Corrections' emergency response to the COVID-19 pandemic. This level of funding accounts for expected FY 2021 expenditures less the federal relief funds already received by the agency and estimated Federal Emergency Management Agency reimbursement.

### **Offender Reentry (\$20.1 million NGF-O; \$59.5 million 5-year NGF-O total)**

Funding is provided for expanded reentry services for offenders released from correctional facilities that includes funding for community partnership programs, housing subsidies, offender health care coordination upon community reentry, pre-apprenticeship programming, implementation of the iCOACH (intensive supervision) model, and reentry programming services for incarcerated parents. Funding is also provided for a contract with the Washington Institute for Public Policy to evaluate reentry programs.

### **Health Care Delivery (\$15.4 million NGF-O; \$28.3 million 5-year NGF-O total)**

Funding is provided to increase the nursing relief factor and for quality assurance nurses and health care navigation staff to expand patient healthcare services within correctional facilities. Funding is also provided to increase the amount of Hepatitis C treatments administered to incarcerated individuals.

### **Incarcerated Individual Betterment Fund (\$8.4 million NGF-O; \$14.1 million 5-year NGF-O total)**

Funding is provided to shift the salaries of custody staff from the Incarcerated Individual Betterment Fund (also known as the Offender Betterment Account) to General Fund-State funding allowing those funds to be used to expand family services within correctional facilities.

### **Offender Education ( \$3.3 million NGF-O; \$6.3 million 5-year NGF-O total)**

Funding is provided to: (1) increase access to educational opportunities for incarcerated individuals through continued expansion of the secure internet program at correctional facilities; and (2) employ specialists to address the needs of incarcerated individuals with learning disabilities. Funding is also provided to implement Second Substitute House Bill 1044 (prison to postsecondary education) that implements postsecondary education certificate and degree programs at state correctional institutions.

## **JUVENILE REHABILITATION ADMINISTRATION**

### ***Increases***

#### **Community Reentry (\$12.8 million NGF-O; \$25.3 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Second Substitute House Bill 1186 (juvenile rehabilitation) that creates a community transition services program within the Department of Children, Youth, and Families - Juvenile Rehabilitation Administration program, and for Engrossed Substitute Senate Bill 5118 (supporting successful reentry) and Engrossed Second Substitute Senate Bill 5304 (reentry services) that provide reentry services to persons releasing from state and local institutions. Funding is also provided for establishing a program that uses less restrictive settings and utilizes enhanced case management and community support services. The additional community transition services include risk validation tools, increased staffing at community facilities, equipment and staffing to support electronic home monitoring,

increased legal advocacy, and additional support programs and staff to connect youth to community-based services.

**JR Behavioral Health (\$5.6 million NGF-O; \$11.1 million 5-year NGF-O total)**

Funding is provided for substance use dependency professionals and dialectical behavioral therapy specialists to implement the dialectical behavioral therapy and substance use treatment components of the department's Integrated Treatment Model.

**JR to 25 (\$3.3 million NGF-O; \$6.5 million 5-year NGF-O total)**

In 2019, legislation was enacted that requires individuals convicted of a crime in adult court that were committed while under age 18 to remain in the custody of the Juvenile Rehabilitation Administration until the individual reaches age 25. Additional funding is provided for staffing, programming, evaluation of placement, and legal sentence reviews. Programming services include post-secondary education, pre-apprenticeship training, trades exploration, and independent living skills.

## WASHINGTON STATE PATROL

### *Increases*

**Fire Mobilization (\$11.0 million NGF-O; \$11.0 million 5-year NGF-O total)**

Funding is provided for fire mobilization costs exceeding the amount provided in the Disaster Response Account. Funding is also provided for a pilot program that allows for early deployment or repositioning of fire services resources in advance of an expected mobilization event.

**Missing and Exploited Children's Task Force (\$1.3 million NGF-O; \$2.6 million 5-year NGF-O total)**

Funding is provided to expand the operations of the Missing and Exploited Children's Task Force that assists local law enforcement agencies with child abductions and child sexual exploitation investigations that involve using the internet.

## ADMINISTRATIVE OFFICE OF THE COURTS

### *Increases*

**State v. Blake Decision (\$72.5 million NGF-O; \$72.5 million 5-year NGF-O total)**

Funding is provided to assist counties with costs for resentencing and vacating the sentences of defendants whose convictions or sentences are affected by the State v. Blake court decision. Funding is also provided to assist counties that are obligated to refund legal financial obligations previously paid by defendants whose convictions or sentences were affected by the State v. Blake court ruling.

**Trial Court Language Access Funding (\$2.7 million NGF-O; \$6.4 million 5-year NGF-O total)**

Funding is provided to expand the state Interpreter Reimbursement Program to assist additional courts, to increase funds to courts now receiving assistance, and to provide additional testing and training for qualified language interpreters.

# NATURAL RESOURCES

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## *Increases*

### **Wildfire Prevention and Forest Health (\$125.0 million NGF-O; \$214.3 million 5-year NGF-O total)**

Second Substitute House Bill 1168 (Long-term forest health) creates the Wildfire Response, Forest Restoration, and Community Resilience Account (Account). Allowable uses include fire preparedness (ground and aerial firefighting resources), fire prevention (forest health improvements, such as thinning and prescribed fire), and fire protection (such as community engagement and fuel breaks). General Fund-State is provided for the purposes of the Account.

### **Food Assistance (\$110.0 million Federal; \$3.4 million 5-year NGF-O total)**

Funding for a variety of Washington State Department of Agriculture food assistance programs is provided from the Coronavirus State Fiscal Recovery Fund--Federal. This includes \$43.0 million for food purchase and other activities of the Emergency Food Assistance Program, \$17.0 million for food infrastructure and market access grants to farms and food processors, and \$5.0 million for grants to schools to purchase local food. In addition, \$45.0 million is provided to develop a state alternative to the USDA Farmers to Families Food Box Program, which provides food boxes of fresh produce, dairy, and cooked meats.

In addition to the amounts referenced above, Chapter 3, Laws of 2001 (ESHB 1368, Federal Funding/COVID) provided \$26.4 million of additional funding for food assistance. Additional funding for this purpose was also provided in calendar year 2020 through the statutory unanticipated receipt process. Please see the agency detail document for additional information.

### **Wildfire Suppression (\$41.9 million NGF-O; \$14.6 million Federal; \$13.8 million other funds; \$41.9 million 5-year NGF-O total)**

Funding is provided for the costs of the fiscal year 2021 fire season that exceeded the amounts provided in the base budget. This includes \$59.8 million total (of which \$41.6 million is General Fund-State) for DNR fire suppression, \$10.2 million Disaster Response Account at the Washington State Patrol for the costs of fire mobilization at local fire districts, and \$0.3 million for the Department of Fish and Wildlife's costs for DNR fire suppression.

### **Climate Commitment Act (\$21.8 million NGF-O; \$5.2 million other funds; \$29.0 million 5-year NGF-O total)**

Engrossed Second Substitute Senate Bill 5126 (Climate commitment act) creates a new regulatory program for reducing greenhouse gas emissions. Funding to implement the bill is provided primarily to the Department of Ecology, but also to the University of Washington, Washington State University, the Department of Commerce, the Office of the Governor, and the Attorney General's Office.

### **State Parks (\$15.8 million NGF-O; \$31.6 million 5-year NGF-O total)**

Additional funding for staffing and other costs of operating state parks is provided, including customer service, custodial maintenance, and preventive maintenance at park buildings and facilities.

### **Local Solid Waste Financial Assistance (\$14.0 million other funds)**

The Department of Ecology provides Local Solid Waste Financial Assistance grants to local governments for solid waste and hazardous programs, including waste cleanup, outreach, and

planning efforts. Additional Model Toxics Control Operating Account funding is provided for these grants.

**Water Banking Grants (\$10.0 million NGF-O; \$10.0 million 5-year NGF-O total)**

The Department of Ecology is provided funding for a pilot program for local water bank grants, including developing and managing the program and acquiring water rights. The grant program is limited to rural counties, and one-third of water rights purchased must be dedicated to instream flows to benefit fish and wildlife.

# BUSINESS ASSISTANCE

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## DEPARTMENT OF COMMERCE

### *Increases*

#### **Small Business Assistance Grants (\$50.0 million Federal)**

Funding is provided for small business grants through the Working Washington Grant program. Of the total funds, \$25.0 million is prioritized for grants to businesses and non-profits in the arts, heritage, and science sectors, including live entertainment venues; and \$25.0 million is prioritized for businesses and non-profits located in counties that are in Phase 2 of the Healthy Washington: Road to Recovery plan at the time the business applies for a grant.

In addition to the amounts referenced above, funding was provided in calendar year 2020 through the statutory unanticipated receipt process and in Chapter 3, Laws of 2021 (ESHB 1368, Federal Funding/COVID). Please see the agency detail document for additional information.

#### **Small Business Credit Initiative (\$138.0 million Federal)**

Funding is provided to implement small business capital access and other credit support programs under the State Small Business Credit Initiative reauthorized in the American Rescue Plan Act of 2021.

#### **Tourism Marketing (\$12.0 million Federal)**

Funding is provided for tourism marketing services to assist in the economic recovery of tourism-related business and increase Washington's tourism market share in comparison to other Western states.

#### **Other Business Assistance Items (\$10.9 million NGF-O; \$5.0 million Federal; \$19.3 million 5-year NGF-O total)**

Funding is provided for other small business assistance programs, including the small business resiliency network; technical assistance programs; additional funding for Associate Development Organizations; and additional staff to oversee state small business programs.

## EMPLOYMENT SECURITY DEPARTMENT

### *Increases*

#### **Unemployment Insurance Tax Relief (\$500.0 million Federal)**

Funding is provided to implement Engrossed Substitute Senate Bill 5478 (Unemployment insurance) which will provide relief for unemployment insurance taxes in calendar year 2022 for businesses most heavily impacted by the COVID-19 public health emergency.

#### **Fraud Prevention and Detection Improvements (\$5.8 million Federal)**

Funding is provided to detect and prevent unemployment compensation benefits fraud, including funding for ESD to hire additional staff for fraud investigation, for security improvements to prevent insurance fraud, and to increase the use of automation and machine learning to identify and stop evolving fraud patterns.

# HOUSING AND HOMELESSNESS

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## DEPARTMENT OF COMMERCE

### *Increases*

#### **Rental Assistance (\$658.0 million Federal)**

Funding is provided for rent and utility assistance for low-income tenants pursuant to the American Recovery Plan Act of 2021.

In addition to the amounts referenced above, funding for this purpose was provided in calendar year 2020 through the statutory unanticipated receipt process and in Chapter 3, Laws of 2021 (ESHB 1368, Early Action). Please see the agency detail document for additional information.

#### **Housing Revenue Legislation (\$292 million other funds)**

Funding is provided pursuant to Engrossed Second Substitute House Bill No. 1277 (Housing/revenue source), which creates a new document recording fee. Revenues from the fee must be used for multiple state housing and homelessness programs. Of this funding, \$88.7 million is provided for the Eviction Prevention Rental Assistance Program created in the bill.

If Engrossed Second Substitute House Bill No. 1277 is not enacted by June 30, 2021, the amounts provided for the Department of Commerce shall lapse, and \$272.0 million in federal funds and \$20.0 million from the Washington Rescue Plan Transition Account are made available for the same purposes.

#### **American Rescue Plan Act (\$310.4 million Federal)**

Expenditure authority is provided for housing, homelessness, and utility assistance programs receiving federal funding under the American Rescue Plan Act of 2021, including the Homeowner Assistance Fund; the Low-Income Home Energy Assistance Program; the HOME Investment Partnerships Program; and the Low-Income Household Water Assistance Program.

#### **Housing and Essential Needs (\$23.9 million NGF-O; \$2.6 million Federal; \$23.9 million 5-year NGF-O total)**

One-time funding is provided to serve approximately 1,700 additional clients through the Housing and Essential Needs program.

#### **Long-Term Housing Subsidies (\$19.7 million NGF-O; \$39.4 million 5-year NGF-O total)**

Funding is provided for long-term housing subsidies to serve approximately 500 clients with significant behavioral health needs.

#### **Non-Congregate Sheltering (\$10.0 million NGF-O; \$10.0 million 5-year NGF-O total)**

One-time funding is provided for grants to reimburse local governments for costs to provide emergency non-congregate sheltering incurred from January 21, 2021, through September 30, 2021.

#### **Housing Trust Fund (\$10.0 million other funds)**

One-time funding is provided to support the housing needs of individuals with intellectual and developmental disabilities through the Housing Trust Fund program. Funding is transferred from the state General Fund to the Washington Housing Trust Account for this purpose.

# GENERAL GOVERNMENT AND OTHER

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## DEPARTMENT OF REVENUE

### *Increases*

#### **Working Families Tax Credit (\$260.9 million NGF-O; \$806.1 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Substitute House Bill No. 1297 (Working families tax exempt.), which amends the Working Families Tax Credit (WFTC) program. The WFTC program provides a refund for low-income taxpayers. The WFTC program was first created in 2008 and has not previously been funded. Remittance payments will begin in FY 2023.

#### **Revenue Legislation (\$9.2 million NGF-O; \$17.3 million 5-year NGF-O total)**

Funding is provided for the estimated cost to implement legislation impacting revenue in the 2021 session, including Engrossed Substitute Senate Bill No. 5096 (Capital gains).

## EMPLOYMENT SECURITY DEPARTMENT

### *Increases*

#### **Paid Leave Coverage (\$168.7 million Federal)**

Funding is provided to implement Engrossed Second Substitute House Bill 1073 (Paid leave coverage), which provides temporary alternate eligibility for Paid Family Medical Leave claims through June 30, 2022 as a result of the COVID-19 public health emergency.

#### **Improvements to the State Unemployment Insurance System (\$43.1 million Federal)**

Funding is provided to improve the state's unemployment insurance system in order to promote the timely payments of benefits with respect to unemployment compensation programs. Funding will support IT system improvements, the purchase of a new cloud-based phone system, translation and language access improvements, and additional staff support to increase the timeliness of unemployment compensation benefit payments.

#### **Administration of Federal Unemployment Insurance Benefits (\$39.9 million Federal)**

Funding is provided for ESD to administer benefits related to the federal unemployment compensation programs included and extended in the American Rescue Plan Act of 2021.

#### **Long-term Services and Support (\$30.5 million other funds)**

Funding is provided to continue the implementation of the Long-term Services and Supports program and trust established through Chapter 363, Laws of 2019 and Chapter 98, Laws of 2020.

#### **Unemployment Insurance Appeals (\$22.3 million Federal)**

Funding is provided for the Employment Security Department (ESD) to enter into an interagency agreement with the Office of Administrative Hearings to process a projected increase in unemployment compensation appeals during the 2021-23 biennium.

## MILITARY DEPARTMENT

### *Increases*

#### **Disaster Response Account (\$964.9 million other funds)**

Expenditure authority is provided for the Military Department to continue managing recovery projects for open presidentially declared disasters and wildfires, including the COVID-19 pandemic. Of the total funds, \$60.8 million is provided for personal protective equipment costs for state agencies. Funding is also transferred from the state General Fund to the Disaster Response Account to support a portion of these costs.

In addition to the amounts referenced above, funding for this purpose was provided in calendar year 2020 through the statutory unanticipated receipt process. Please see the agency detail document for additional information.

## CENTRAL SERVICE AGENCIES

### *Increases*

#### **One Washington (\$62.7 million other funds)**

Funding is provided for the Office of Financial Management to continue the One Washington program, which will replace current state financial, accounting, budget, and human resources IT systems with a new Enterprise Resource Planning (ERP) system. Funds are provided to complete Phase 1A (Agency Financial Reporting System Replacement) and for costs in FY 2022 to begin Phase 1B (Expanded Financials and Procurement). Expenditure authority is also provided for the Department of Enterprise Services for work on Phase 1B in FY 2022.

#### **Self-Insurance Liability Premium (\$93.0 million other funds)**

Funding is provided for increased agency self-insurance premium payments to the Self-Insurance Liability Account administered by the Department of Enterprise Services, which pays for settlements, judgments, and defense costs arising from tort claims made against the state.

#### **Information Technology Pool (\$13.5 million NGF-O; \$18.2 million other funds; \$13.5 million 5-year NGF-O total)**

Funding is provided for information technology projects that are subject to oversight by the Office of the Chief Information Officer (OCIO) in the Consolidated Technology Services agency.

## DEPARTMENT OF COMMERCE

### *Increases*

#### **Broadband (\$10.7 million NGF-O; \$11.7 million 5-year NGF-O total)**

Funding is provided for several programs administered by the Statewide Broadband Office, including grants for digital navigators to assist individuals in procuring devices and connecting to internet services; technical assistance grants to communities and tribes applying for federal broadband funding; and establishing new drive-in WIFI hotspot locations.

**Office of Crime Victims Advocacy (\$15.0 million NGF-O; \$15.0 million 5-year NGF-O total)**

One-time funding is provided for the Office of Crime Victims Advocacy for grants to crime victim service providers for victim assistance programs.

**Community Outreach (\$10.0 million NGF-O; \$10.0 million 5-year NGF-O total)**

One-time funding is provided for grants to community-based organizations serving historically disadvantaged communities to conduct outreach and assist community members in accessing state and federal assistance programs.

## UTILITIES AND TRANSPORTATION COMMISSION

*Increases*

**Universal Communications Services (\$10.0 million NGF-O; \$15.0 million 5-year NGF-O total)**

Funding is provided to continue the Washington Universal Communications Services Program that increases broadband access to rural communities.

## SPECIAL APPROPRIATIONS

**City and County Assistance (\$50.0 million NGF-O; \$50.0 million 5-year NGF-O total)**

Funding is provided for distribution to cities and counties, based on population, including for the costs of new or increased services as a result of legislation related to law enforcement enacted between January 1, 2020, and June 30, 2021.

# EMPLOYEE COMPENSATION AND PENSIONS

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## *Increases*

### **Collectively Bargained Furlough Renegotiation (\$99.6 million NGF-O; \$233.2 million Total Funds; \$99.6 million 5-year NGF-O total)**

Funding is provided for memoranda of understanding to be negotiated with state employee bargaining representatives to reverse the agreed-to policy of 24 furlough days during the 2021-23 fiscal biennium. Employee bargaining organizations that agreed to cost-saving furlough policies are provided with the opportunity to renegotiate those provisions of their labor agreements. Funding to reverse those savings is provided for groups including the Washington Federation of State Employees (General Government, Assistant Attorneys General, Administrative Law Judges), the Washington Public Employees Association General Government, Washington Association of Fish & Wildlife Professionals, the Professional and Technical Employees Local 17, the Coalition of Unions, and the Service Employees International Union Local 1199 General Government.

### **State Employee Health Benefits/Public Employees' Benefits Board (\$9.3 million NGF-O; \$79.9 million 5-year NGF-O total)**

From an initial employer rate of \$993 per eligible employee per month based upon rates adjusted for surplus use for Fiscal Year 2021, the employer funding rate is decreased to \$936 per employee per month for Fiscal Year 2022 (using surplus from the 2019-21 biennium) and then increased to \$1,091 per employee per month for fiscal year 2023. These rates include \$4 in fiscal year 2022 and \$2 in fiscal year 2023 for administration of the Flexible Spending Account program.

### **Juneteenth State Holiday (\$5.7 million NGF-O; \$6.5 million Total Funds; \$11.4 million 5-year NGF-O total)**

Funding is provided for the impact on state agencies of making Juneteenth a State holiday, as provided for in Substitute House Bill 1016 (Juneteenth state holiday). This includes the costs associated with agency operations, including those at custodial and care facilities, that require any additional holiday times for employees to be backfilled at all times.

### **Initiative 732 Salary Increases - Community and Technical College Employees**

In accordance with statute, funding for positions subject to the initiative is provided in the base budget (maintenance level) for a 1.7 percent increase on July 1, 2021, and a 2.2 percent increase on July 1, 2022.

### **Teachers' Retirement System Plan 1 (\$800 million NGF-O, \$320 million 5-year NGF-O total)**

A one-time transfer of \$800 million is made from the General Fund-State to the Teachers' Plan 1 Retirement Fund, reducing the Unfunded Accrued Actuarial Liability in that retirement plan by about one-half, and is projected to result in that plan becoming fully funded during the 2023-25 fiscal biennium. Savings from the contribution rates that amortize the unfunded liability no longer needed during the entirety of the 2023-25 fiscal biennium (because the unfunded liability has been eliminated) result in some savings that offset the \$800 million cost of the transfer during the 2021-23 fiscal biennium.

## **Savings**

### **State Employee Collective Bargaining Agreements (-\$98.9 million NGF-O; -\$24.4 million Federal; -\$98.9 million 5-year NGF-O total)**

Negotiated and ratified collective bargaining agreements with state employees for the 2021-23 Biennium are approved, and funding for those agreements is provided. Most agreements provide for no general salary increases, though several that represent initial stand-alone agreements contain other miscellaneous increases. The cost of fulfilling the health benefit terms of these agreements, which largely continues the current contract provisions, is included in the State Employee Health Benefits item above.

The Washington Public Employees' Association agreement, approved after the statutory October 1, 2020 deadline, is approved and a one-time exception to the deadline is provided.

Savings resulting from agreements that provided for 24 days of furloughs are included within these items but are offset by the Collectively Bargained Furlough Renegotiation item above.

### **Non-represented Employees Delayed General Salary Increase (-\$20.4 million NGF-O; -\$23.7 Other; -\$20.4 million 5-year NGF-O total)**

Most employees were scheduled to receive a 3 percent salary increase on July 1, 2020 (2 percent at the University of Washington) and continued funding for those increases is included in the base (maintenance level) budget. For certain non-represented employees, that increase was suspended by the Governor's exercise of emergency authority in response to the COVID-19 public health emergency and anticipated decline in state revenue.

Employees who had their salary increase delayed will begin to receive that increase on July 1, 2021 (rather than on July 1, 2020 as originally scheduled). By delaying the increase one year, agency expenditures were reduced by approximately \$23.4 million NGF-O in Fiscal Year 2021.

Additionally, and not reflected in the numbers of above, agency expenditures were reduced in Fiscal Year 2021 through implementation of furloughs.

### **State Employee Pension Contribution Rates (-\$308.2 million NGF-O; -\$633.6 million 5-year NGF-O total)**

Funding for pension contribution rates is reduced consistent with the lower contribution rates adopted by the Pension Funding Council and the Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board.

**2021-23 Omnibus Operating Budget**

**Conference Proposal (H-1633)**

**Funds Subject to Outlook**

(Dollars in Millions)

	2019-21			2021-23			2023-25		
	FY 2020	FY 2021	2019-21	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25
<b>Beginning Balance</b>	<b>1,981</b>	<b>1,379</b>	<b>1,981</b>	<b>2,997</b>	<b>2,321</b>	<b>2,997</b>	<b>662</b>	<b>218</b>	<b>662</b>
<b>Forecasted Revenues</b>	<b>24,915</b>	<b>27,419</b>	<b>52,334</b>	<b>27,908</b>	<b>28,707</b>	<b>56,615</b>	<b>29,451</b>	<b>30,455</b>	<b>59,906</b>
March 2021 Revenue Forecast (NGF-O)	24,915	27,419	52,334	27,908	28,707	56,615	29,451	30,455	59,906
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	548	895	1,443
2023-25 Use Forecast/Not 4.5% Additional	0	0	0	0	0	0	-548	-895	-1,443
<b>Other Resource Changes</b>	<b>-84</b>	<b>628</b>	<b>544</b>	<b>-203</b>	<b>151</b>	<b>-53</b>	<b>392</b>	<b>-113</b>	<b>279</b>
GF-S Transfer to BSA (1%)	-237	-261	-498	-268	-274	-542	-282	-292	-574
Prior Period Adjustments	39	20	60	20	20	41	20	20	41
CAFR Adjustments	24	0	24	0	0	0	0	0	0
Enacted Fund Transfers	89	106	195	0	0	0	0	0	0
Budget Driven Revenue	0	0	0	-8	-7	-15	-6	-5	-11
Proposed Fund Transfers	0	-1,055	-1,055	41	9	50	254	-247	7
Use BSA Fund Balance	0	1,820	1,820	0	0	0	0	0	0
Revenue Legislation	0	-3	-3	11	-13	-2	-12	-12	-24
Capital Gains Tax (SB 5096)	0	0	0	0	415	415	418	422	840
<b>Total Revenues and Resources</b>	<b>26,813</b>	<b>29,426</b>	<b>54,859</b>	<b>30,701</b>	<b>31,179</b>	<b>59,559</b>	<b>30,505</b>	<b>30,559</b>	<b>60,847</b>
<b>Enacted Appropriations</b>	<b>26,005</b>	<b>27,695</b>	<b>53,700</b>	<b>26,005</b>	<b>27,695</b>	<b>53,700</b>	<b>27,929</b>	<b>28,170</b>	<b>56,099</b>
<b>Carryforward Level Adjustments</b>				<b>1,663</b>	<b>-61</b>	<b>1,603</b>	<b>-59</b>	<b>-57</b>	<b>-115</b>
<b>Maintenance Level Total</b>	<b>0</b>	<b>-927</b>	<b>-927</b>	<b>63</b>	<b>614</b>	<b>677</b>	<b>1,089</b>	<b>1,391</b>	<b>2,480</b>
<b>Policy Level Total</b>	<b>0</b>	<b>-210</b>	<b>-210</b>	<b>798</b>	<b>2,415</b>	<b>3,214</b>	<b>1,471</b>	<b>1,100</b>	<b>2,571</b>
K-12 Education	0	217	217	124	979	1,102	189	192	381
Low Income Health Care & Comm Behavioral Health	0	96	96	235	322	557	100	76	176
Social & Health Services	0	-20	-20	188	225	413	195	162	357
Higher Education	0	-11	-11	72	111	183	91	85	177
Corrections	0	16	16	6	23	28	26	25	51
All Other	0	104	104	770	415	1,186	374	-51	323
Debt Service	0	0	0	-5	42	37	133	253	386
Foundational Public Health	0	0	0	49	98	147	148	148	296
Fund Source Changes (FMAP and I-502)	0	-612	-612	-645	-55	-700	-56	-65	-121
Working Families Tax Exemption	0	0	0	5	256	261	270	275	545
<b>Reversions</b>	<b>-572</b>	<b>-128</b>	<b>-700</b>	<b>-150</b>	<b>-147</b>	<b>-296</b>	<b>-143</b>	<b>-143</b>	<b>-286</b>
<b>Revised Appropriations</b>	<b>25,433</b>	<b>26,429</b>	<b>51,862</b>	<b>28,380</b>	<b>30,517</b>	<b>58,897</b>	<b>30,287</b>	<b>30,461</b>	<b>60,748</b>
<b>Projected Ending Balance</b>	<b>1,379</b>	<b>2,997</b>	<b>2,997</b>	<b>2,321</b>	<b>662</b>	<b>662</b>	<b>218</b>	<b>98</b>	<b>98</b>
<b>Budget Stabilization Account</b>									
Beginning Balance	1,618	1,683	1,618	0	268	0	543	827	543
GF-S Transfer to BSA (1%)	237	261	498	268	274	542	282	292	574
BSA Transfers	0	25	25	0	0	0	0	0	0
Use BSA Fund Balance	0	-1,820	-1,820	0	0	0	0	0	0
Appropriations from BSA	-200	-164	-364	0	0	0	0	0	0
Prior Period Adjustments	1	0	1	0	0	0	0	0	0
Interest Earnings	27	15	42	0	1	1	2	2	4
<b>Budget Stabilization Account Ending Balance</b>	<b>1,683</b>	<b>0</b>	<b>0</b>	<b>268</b>	<b>543</b>	<b>543</b>	<b>827</b>	<b>1,121</b>	<b>1,121</b>
<b>Total Reserves</b>	<b>3,062</b>	<b>2,997</b>	<b>2,997</b>	<b>2,589</b>	<b>1,205</b>	<b>1,205</b>	<b>1,045</b>	<b>1,220</b>	<b>1,220</b>
<b>Percentage of Reserves to Revenues and Other Resource</b>	<b>12.3%</b>	<b>10.7%</b>		<b>9.3%</b>	<b>4.2%</b>		<b>3.5%</b>	<b>4.0%</b>	
NGF-O	5.6%	10.7%		8.4%	2.3%		0.7%	0.3%	
Budget Stabilization Account	6.8%	0.0%		1.0%	1.9%		2.8%	3.7%	

Notes:

1. NGF-O includes General Fund State, Washington Opportunity Pathways, Education Legacy Trust; and Workforce Education Investment Accounts.
2. This analysis was prepared by OPR staff for legislative deliberations of House members. It is not an official Outlook or an official state publication.

## Fund Transfers, Revenue Legislation, and Budget Driven Revenues

### Conference Proposal (H-1633)

#### Funds Subject to Outlook

(Dollars in Millions)

	2019-21	2021-23	2023-25	6 Yr
<b>Fund Transfers In Budget Bill</b>				
Budget Stabilization Account (GF-S)	1,820.4	0.0	0.0	1,820.4
Disaster Response Account (GF-S)	-73.3	0.0	0.0	-73.3
Fair Account (GF-S)	0.0	-1.5	-3.0	-4.5
Financial Services Regulation Account (GF-S)	0.0	7.0	0.0	7.0
Forest Resiliency Account (GF-S)	0.0	-6.0	0.0	-6.0
Gambling Revolving Account (GF-S)	-6.0	6.0	0.0	0.0
General Fund (WEIA-S)	45.0	0.0	0.0	45.0
Home Security Fund Account (GF-S)	0.0	-9.0	0.0	-9.0
Long-Term Services and Supports Trust Account (GF-S)	0.0	37.1	0.0	37.1
School Employees' Insurance Account (GF-S)	24.1	16.6	0.0	40.6
State Treasurer's Service Account (GF-S)	0.0	10.0	10.0	20.0
Washington Housing Trust Account (GF-S)	0.0	-10.0	0.0	-10.0
Washington Rescue Plan Transition Account (GF-S)	-1,000.0	0.0	0.0	-1,000.0
Workforce Education Investment (GF-S)	-45.0	0.0	0.0	-45.0
<b>SubTotal</b>	<b>765.2</b>	<b>50.2</b>	<b>7.0</b>	<b>822.3</b>
<b>Budget Driven Revenue</b>				
Liquor Control Board (Liquor)	2.983	-0.134	6.620	9.469
Liquor Control Board (Marijuana)	-2.761	-5.335	-8.032	-16.128
Lottery	0.000	0.269	0.216	0.485
Marijuana Distribution Changes	0.000	-10.000	-10.000	-20.000
<b>SubTotal</b>	<b>0.222</b>	<b>-15.200</b>	<b>-11.196</b>	<b>-26.174</b>
<b>Other Legislation</b>				
1033 Employment Training	0.000	-0.130	-0.130	-0.260
1107 Nonresident Vessel Permits	0.000	-0.052	-0.056	-0.108
1279 Main Street Program	0.000	-1.000	-3.000	-4.000
1296 Behavioral Health Administrative Service Orgs	0.000	-0.710	-1.430	-2.140
1495 B&O Exemption/Dealer Cash Incentives	0.000	-0.800	-4.200	-5.000
1512 Lodging-Related Assessments	0.000	-1.113	-1.198	-2.311
1521 Warehousing & Manuf. Jobs.	0.000	-12.150	-7.780	-19.930
5000 Hydrogen Vehicles	0.000	-0.040	-0.210	-0.250
5008 BPA Power Contracts/Tax Deduction	0.000	-1.230	-1.280	-2.510
5151 Foster Care and Child Care Licensing	0.000	-3.360	0.000	-3.360
5159 WDFW payments/property tax	0.000	-4.040	-4.040	-8.080
5272 Liquor License Fees Suspension	-2.563	-7.689	0.000	-10.252
5315 Captive Insurance	0.000	34.196	4.656	38.852
5396 Farmworker Housing	0.000	-3.700	-5.000	-8.700
<b>SubTotal</b>	<b>-2.563</b>	<b>-1.818</b>	<b>-23.668</b>	<b>-28.049</b>
<b>2023-25 Use Forecast/Not 4.5% Additional</b>				
2023 Use Forecast/ Not 4.5% Additional	0.000	0.000	-1,442.728	-1,442.728
<b>SubTotal</b>	<b>0.000</b>	<b>0.000</b>	<b>-1,442.728</b>	<b>-1,442.728</b>
<b>Capital Gains Tax (SB 5096)</b>				
5096 Capital Gains Tax (Conference Report)	0.000	415.000	840.000	1,255.000
<b>SubTotal</b>	<b>0.000</b>	<b>415.000</b>	<b>840.000</b>	<b>1,255.000</b>
<b>Grand Total</b>	<b>762.827</b>	<b>448.161</b>	<b>-630.592</b>	<b>580.396</b>

2021

2023



Washington State House of Representatives  
Office of Program Research