

WASHINGTON STATE



Ways & Means Committee

# 2022 SUPPLEMENTAL OPERATING BUDGET HIGHLIGHTS ESSB 5693

# PROPOSED FINAL

**SENATE WAYS & MEANS COMMITTEE**  
**March 2022**

<http://www.leg.wa.gov/Senate/Committees/WM/Pages/default.aspx>



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# Omnibus Operating Budget Overview

## Context

In Spring 2021, the Legislature adopted the 2021-23 biennial operating budget amid uncertainty of the long-term health and economic impacts of the pandemic. After vetoes and lapses, the final budget totaled \$59.1 billion NGF-O and \$121.7 billion in total budgeted funds.

Near General Fund Operating, or NGF-O, refers to specific accounts that must be balanced over the period of the four-year budget outlook. The NGF-O accounts include General Fund-State, Education Legacy Trust, Opportunity Pathways, and Workforce Education Investment. The enacted budget was based on revenue estimates contained in the March 2021 revenue forecast.

Now, almost two years after the emergence of COVID-19, portions of Washington's economy are struggling to recover from the pandemic while other sectors remain strong or have grown stronger. The same can be seen with both individuals and families – some have been able to adapt to life with COVID-19, while others continue to be affected by the impacts of the pandemic and need assistance with employment, rent, utilities, and health care. Businesses and schools have largely reopened, but COVID-19 will continue to have a lingering impact on their operations.

Since the March 2021 revenue forecast, the state has seen four positive revenue forecast updates and a net reduction in maintenance level caseload forecasts.

Under the February 2022 revenue update, the 2022 Legislature is forecasted to have \$5 billion more revenue in 2021-23 than was available during the 2021 session. Projected costs for continuing current programs and other mandatory cost adjustments are expected to decrease by \$2 billion in 2021-23.

## Summary of Proposed Final Budget

The Proposed Final budget is \$64.1 billion NGF-O and \$130.9 billion in total funds for the 2021-23 biennium, and \$64.9 billion NGF-O and \$117 billion in total funds for the 2023-25 biennium. In addition, the Proposed Final budget assumes 25 bills that impact the near general fund. The details of the Proposed Final budget are discussed below and in the pages that follow. Detailed agency budgets are found in the "Agency Detail" document, or at [fiscal.wa.gov](https://fiscal.wa.gov).

The following list describes federal funds, spending items, savings items, appropriations into other accounts, and revenue changes that reflect the impact in the 2021-23 biennium.

### Federal Funds

- \$345 million to stabilize school districts that experienced enrollment declines
- \$215 million for assistance to the hospitality industry, conventions, arts sector, and small businesses

- \$145 million for right-of-way response, service provider stipends, and other housing-related support
- \$144 million for COVID-19 response in the public health system - diagnostic testing, case investigation, outbreak response, care coordination, and other activities
- \$100 million for utility assistance, including grants to reduce or eliminate arrearages
- \$100 million to address workforce shortages and other challenges in behavioral health
- \$42 million for COVID-19 response in the Department of Corrections (DOC) - health care costs, overtime usage, and building modification to support social distancing
- -\$134 million from less-than-anticipated use of Pandemic Leave Assistance grants

### Significant Spending Items

- \$351 million to increase rates for vendors providing services to individuals with a developmental disability or with long-term care needs
- \$252 million in total funds to extend the Medicaid transformation project for five years
- \$236 million to increase the calculation of inflation for K-12 salaries, as well as materials, supplies, and operating costs
- \$232 million for wage increases and other compensation changes for state employees
- \$200 million for reinvestment grants to communities disproportionately impacted by criminal laws and penalties for illegal drug sales, possession, and use
- \$150 million to design and implement a state student loan program
- \$102 million to support the transition to electric vehicles
- \$90 million to address the physical and social emotional needs of K-12 students
- \$83 million for various salmon recovery projects across the state, including the Duckabush estuary restoration project
- \$58 million for the Farmers-to-Families Food Box Program
- \$58 million for clients living in a shared living situation under the *Liang* settlement
- \$57 million for solar energy projects
- \$50 million to expand access to broadband
- \$50 million for costs associated with resentencing, as required under *State v. Blake*
- \$49 million to increase rates for Working Connections Child Care
- \$46 million for health care workforce and training initiatives
- \$38 million for expansions within the Aged, Blind, or Disabled Program
- \$34 million to modify the eligibility and awards for the Washington College Grant
- \$24 million for regional behavioral health networks to address needs of non-Medicaid clients
- \$23 million in total funds for projects within the Information Technology pool
- \$18 million for a benefit increase for eligible retirees of TRS1 and PERS1
- \$13 million for cybersecurity training programs within higher education
- \$13 million for investments in the Early Childhood Education & Assistance Program

### Significant Savings Items

- \$306 million in state savings from increased federal match for certain Medicaid services
- \$274 million in state savings by utilizing federal funds for eligible services in DOC and the Department of Social and Health Services

### Appropriations and Transfers into Other Accounts

- \$2 billion to support the transportation budget (Multimodal Account)
- \$1.6 billion for emergency response (Washington Rescue Plan Transition Account)
- \$650 million for capital budget resources (Capital Community Assistance Account)
- \$350 million for paid family leave (Paid Family Medical Leave Insurance Account)
- \$217 million for legal expenses (Self-Insurance Liability Account)
- \$150 million for a student loan program (Washington Student Loan Account)
- \$120 million for electric vehicle transitioning (Electric Vehicle Incentive Account)
- \$100 million for salmon recovery efforts (Salmon Recovery Account)
- \$30 million for cancer research (Andy Hill Cancer Research Endowment Account)

### Major Revenue Changes

- \$35 million from revisions to the Uniform Unclaimed Property Act
- -\$12 million from changes to the Washington Motion Picture Competitiveness Program
- -\$19 million from stopping transfers from transportation accounts to the general fund
- -\$13 million from modified tolling charges on the Tacoma Narrows Bridge
- -\$13 million from modifications to the Business & Occupations tax for small businesses
- -\$11 million from extending the deferral period for sales and use taxes associated with the SR 520 bridge replacement and high occupancy vehicle project

## **The Four-Year Outlook**

The Proposed Final budget, under the provisions of the four-year budget outlook (Chapter 8, Laws of 2012), is projected to end the 2023-25 biennium with \$348 million in the projected ending fund balance and \$1.6 billion in total reserves.

(The Outlook is on the following page.)

## 2021-23 Omnibus Operating Budget -- 2022 Supplemental

### Proposed Final

### Funds Subject to Outlook

(Dollars in Millions)

	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25
<b>Beginning Balance</b>	4,161	5,189	4,161	212	261	212
<b>Forecasted Revenues</b>	30,683	31,008	61,691	32,403	33,861	66,264
February 2022 Revenue Forecast (NGF-O)	30,683	31,008	61,691	32,078	33,290	65,368
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	325	571	896
<b>Other Resource Changes</b>	-280	-1,545	-1,824	-241	-1,342	-1,584
GF-S Transfer to BSA (1%)	-293	-294	-587	-303	-313	-616
Prior Period Adjustments	20	20	41	20	20	41
Enacted Fund Transfers	41	9	50	254	-247	7
Budget Driven Revenue	2	-34	-32	-17	-18	-34
Proposed Fund Transfers	-50	-1,182	-1,232	17	-547	-531
Revenue Legislation	-1	-64	-64	-213	-238	-451
<b>Total Revenues and Resources</b>	<b>34,564</b>	<b>34,652</b>	<b>64,027</b>	<b>32,374</b>	<b>32,780</b>	<b>64,892</b>
<b>Enacted Appropriations</b>	28,399	30,667	59,067	30,491	30,690	61,181
<b>Maintenance Level Total</b>	-584	-547	-1,131	-469	-445	-914
<b>Policy Level Total</b>	1,715	4,487	6,202	2,245	2,341	4,585
K-12 Education	1	432	433	615	730	1,345
Low Income Health Care & Comm Behavioral Health	-168	167	-1	191	235	426
Social & Health Services	-90	563	473	413	370	783
Higher Education	-2	117	114	85	82	167
Corrections	-235	43	-192	40	34	74
Compensation & Benefits	0	314	314	261	261	521
All Other	209	2,202	2,411	640	628	1,269
Appropriations to Other Budgets (Transportation)	2,000	0	2,000	0	0	0
Appropriations to Other Budgets (Capital)	0	650	650	0	0	0
<b>Reversions</b>	-157	-167	-323	-153	-154	-308
<b>Revised Appropriations</b>	<b>29,375</b>	<b>34,440</b>	<b>63,815</b>	<b>32,113</b>	<b>32,431</b>	<b>64,544</b>
<b>Projected Ending Balance</b>	<b>5,189</b>	<b>212</b>	<b>212</b>	<b>261</b>	<b>348</b>	<b>348</b>
<b>Budget Stabilization Account</b>						
Beginning Balance	19	312	19	608	918	608
GF-S Transfer to BSA (1%)	293	294	587	303	313	616
Interest Earnings	0	2	2	7	14	21
<b>Budget Stabilization Account Ending Balance</b>	<b>312</b>	<b>608</b>	<b>608</b>	<b>918</b>	<b>1,246</b>	<b>1,246</b>
<b>Total Reserves</b>	<b>5,502</b>	<b>821</b>	<b>821</b>	<b>1,179</b>	<b>1,594</b>	<b>1,594</b>
<b>Percentage of Reserves to Revenues and Other Resources</b>	<b>18.1%</b>	<b>2.8%</b>		<b>3.7%</b>	<b>4.9%</b>	
NGF-O	17.1%	0.7%		0.8%	1.1%	
Budget Stabilization Account	1.0%	2.1%		2.9%	3.8%	

# Functional Areas of Government

## K-12 Public Schools

### Increases

#### **INFLATION REBASING – \$236 MILLION (2021-23), \$630 MILLION (2023-25)**

Inflation used for state school funding formulas is increased to 5.5 percent in the 2022-23 school year. The inflation adjustment applies to school employee compensation allocations and operating costs.

#### **STUDENT SUPPORT STAFFING – \$90 MILLION (2021-23), \$548 MILLION (2023-25)**

Funding is provided to increase the number of school nurses, social workers, psychologists, and guidance counselors to support the physical and social emotional needs of students throughout the state.

#### **ENROLLMENT STABILIZATION – \$346 MILLION (FEDERAL) (2021-23), \$16 MILLION (2023-25)**

Funding is provided for enrollment stabilization for schools and school districts as required in SSB 1590 (enrollment stabilization).

#### **CEP & FEDERAL FOOD ASSISTANCE – \$28 MILLION (FEDERAL)**

Funding is provided for state reimbursements to school districts for schools and groups of schools required to participate in the Community Eligibility Provision (CEP) under Second Substitute House Bill (2SHB) 1878 (schools/comm. eligibility) but are not eligible for the full federal reimbursement rate. Federal assistance is also provided from the U.S. Department of Agriculture Supply Chain Assistance and Local Food for Schools funds.

#### **RESIDENTIAL OUTDOOR SCHOOL – \$10 MILLION (2021-23), \$40 MILLION (2023-25)**

Funding is provided for the Office of the Superintendent of Public Instruction to administer an outdoor learning program to develop and support outdoor educational experiences for students pursuant to 2SHB 2078 (outdoor learning grant prg.).

#### **LEARNING ASSISTANCE PROGRAM – \$27 MILLION (FEDERAL) (2021-23), \$7 MILLION (FEDERAL) (2023-25)**

Funding is provided to allow school districts to use 2019-20 school year free and reduced-price lunch percentages for calculating learning assistance program funding for the 2022-23 school year.

## **Behavioral Health**

### **Increases**

#### **BEHAVIORAL HEALTH WORKFORCE STABILIZATION FUND – \$100 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is provided to address behavioral health treatment access issues resulting from workforce shortages and impacts of the COVID-19 public health emergency. This provides for one-time assistance payments to non-hospital-based community behavioral health treatment providers that receive payment for Medicaid services contracted through the Medicaid managed care organizations (MCOs) or Behavioral Health Administrative Service Organizations (BH-ASOs).

#### **BEHAVIORAL HEALTH MEDICAID RATE INCREASE – \$17 MILLION (2021-23), \$69 MILLION (2023-25)**

Funding is provided to increase rates for Medicaid behavioral health services paid through MCOs by 7 percent, effective January 1, 2023. This rate increase is effective for inpatient, residential, and outpatient providers.

#### **BEHAVIORAL HEALTH NON-MEDICAID INCREASES – \$20 MILLION (2021-23), \$40 MILLION (2023-25)**

Funding is provided to increase rates for non-Medicaid behavioral health services paid through BH-ASOs by 7 percent. Additional funding is provided for BH-ASO and MCO non-Medicaid contracts that can be used for local crisis services, involuntary treatment judicial services, and other costs not covered under the Medicaid program.

#### **OPIOID RESPONSE SERVICES – \$11 MILLION (2021-23), \$26 MILLION (2023-25)**

Funding is provided for a variety of initiatives to respond to the opioid epidemic. This includes funding for HCA to adopt Medicare rates and a bundled payment approach to reimbursing opioid treatment providers, mobile opioid treatment services, opioid awareness marketing, and harm reduction services.

#### **STATE HOSPITAL DIRECT CARE STAFFING – \$6 MILLION (2021-23), \$26 MILLION (2023-25)**

Funding is provided for an acuity-based staffing model at Western State Hospital. This model is designed to provide more resources for direct-care staffing based on patient's needs on a ward-by-ward level.

#### **CRISIS FACILITIES – \$27 MILLION (2023-25)**

Funding is provided for the operating costs of youth and adult crisis stabilization facilities funded in the capital budget. Operating costs assume funding for two youth facilities and a crisis facility in each region of the state.

**CHILDREN’S LONG-TERM INPATIENT BEDS – \$6 MILLION (2021-23), \$15 MILLION (2023-25)**

Funding is provided for an expansion in the number of Children’s Long-Term Inpatient Program beds to 83 by the end of fiscal year 2024.

**TRUEBLOOD – \$14 MILLION (2021-23), \$3 MILLION (2023-25)**

Funding is provided for crisis stabilization services required under the *Trueblood, et. al. v. DSHS* settlement. State funding is provided for diversion programs that were previously paid outside the state budget through contempt fines.

**CCBHC BRIDGE FUNDING – \$5 MILLION (2021-23)**

Funding is provided for one-time bridge funding grants to community behavioral health agencies participating in a federal grant program that implements a Certified Community Behavioral Health Center payment model.

## **Higher Education**

### **Increases**

**WASHINGTON STUDENT LOAN PROGRAM – \$150 MILLION (2021-23)**

Funding is provided to implement Engrossed Second Substitute House Bill (E2SHB) 1736 (state student loan program). A one-time NGF-O appropriation of \$150 million into the new Washington Student Loan Program Account provides the base for students to receive a one percent loan.

**WASHINGTON COLLEGE GRANT AND BRIDGE GRANTS – \$34 MILLION (\$2021-23), \$103 MILLION (2023-25)**

Funding is provided to expand the Washington College Grant (WCG) median family income (MFI) bracket for the maximum award from 55 percent MFI to 60 percent MFI for the 2022-23 academic year; and establish a new Bridge Grant to provide additional funding support for students receiving the maximum WCG award.

**NURSING/HEALTHCARE EDUCATION & SUPPORT – \$37 MILLION (2021-23), \$34 MILLION (2023-25)**

Funding is provided for 1) healthcare simulation labs for nursing programs at the Community and Technical Colleges and four-year institutions of higher education; 2) a Bachelor of Science in Nursing at Eastern Washington University; 3) expanding access to the current RN-to-Bachelor in Nursing program and establishing a master's in nursing at Western Washington University; 4) health workforce surveys and long-term care licensed practical nurse registered apprenticeship grants at the Workforce Training Board; 5) additional nursing program slots and health workforce grants for students at the Community and Technical Colleges; 6) additional nursing slots for the accelerated Bachelor of Science in Nursing program at the University of Washington and the School of Nursing and Healthcare Leadership at University of Washington Tacoma; and 7) loan repayment awards for nurse educators.

**STUDENT RETENTION & FINANCIAL AID ACCESS/OUTREACH – \$15 MILLION (2021-23), \$33 MILLION (2023-25)**

Funding is provided for 1) Washington Career and College Pathways Innovation Challenge Program grants, pursuant to Second Substitute Senate Bill (2SSB) 5789 (innovation challenge program); 2) expansion of the College Services Program to support underserved students and improve retention; 3) administrative support for recipients of the Washington College Grant for Apprenticeships (WCG-A); 4) WCG-A access at Community and Technical Colleges' financial aid offices by the 2025-26 school year, pursuant to Engrossed Second Substitute Senate Bill (E2SSB) 5764 (apprenticeships & higher ed.); 5) grants for Community and Technical Colleges to partner with community-based organizations to extend financial aid access and support into communities; and 6) outreach specialists at the Community and Technical Colleges, library grants, and an advertising campaign to promote completeness of the free application for federal student aid, pursuant to 2SHB 1835 (postsecondary enrollment).

**COMPENSATION SUPPORT – \$15 MILLION (2021-23), \$29 MILLION (2023-25)**

Additional state funding is provided to institutions of higher education for employee compensation costs in recognition that the costs exceed estimated increases in undergraduate tuition operating fee revenue.

**CYBERSECURITY TRAINING PROGRAMS – \$13 MILLION (2021-23), \$17 MILLION (2023-25)**

Funding is provided for 1) a cybersecurity operation bachelor's degree at Washington State University; 2) a cybersecurity bachelor's degree and a cyber operations master's degree at Eastern Washington University; 3) cybersecurity course capacity expansion at Central Washington University; 4) Cyber Range Poulsbo upgrades at Western Washington University; and 5) expansion of cybersecurity enrollments by 500 FTE students and a Center of Excellence in Cybersecurity at the Community and Technical Colleges.

**CLEAN ENERGY INSTITUTE OPERATIONS & COMMUNITY ENGAGEMENT – \$3 MILLION (2021-23), \$7 MILLION (2023-25)**

Funding is provided to the University of Washington for operations of clean energy battery testbeds and community engagement to facilitate the clean energy transition.

**WA OPPORTUNITY SCHOLARSHIP STATE MATCH – \$9 MILLION (2021-23)**

One-time funding is provided to match private donations and pledges for the Washington State Opportunity Scholarship (WSOS). A public-private partnership, the WSOS provides scholarships to students who have received their high school diploma or GED in Washington State and are pursuing a two-year career and technical certificate or a four-year degree in science, math, technology, engineering, or health care.

## **Health Care and Public Health**

### **Increases**

#### **MEDICAID TRANSFORMATION PROJECT – \$198 MILLION (LOCAL & FEDERAL)**

Funding is provided for HCA to renew its 1115 demonstration waiver for five years. Under this renewal, HCA will seek to improve health outcomes through three initiatives: 1) accountable communities of health; 2) long-term support services; and 3) foundational community supports for housing and employment.

#### **COVID-19 VACCINE ADMINISTRATION – \$67 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is provided to continue the administration of COVID-19 vaccines, including mass vaccination sites and pass-through funding to local health jurisdictions.

#### **COVID-19 PANDEMIC RESPONSE – \$58 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is provided for the continued public health response to the COVID-19 pandemic, including diagnostic testing, case investigation, outbreak response, care coordination, community outreach, operational and technical support, disease surveillance, client services, and support for local health jurisdictions and tribes.

#### **CHILDREN'S DENTAL SERVICES RATE INCREASE – \$10 MILLION (2021-23), \$41 MILLION (2023-25)**

Funding is provided to maintain and increase children's dental services for Medicaid-enrolled children through increased provider rates beginning January 1, 2023.

#### **STREAMLINING MEDICAID ELIGIBILITY – \$11 MILLION (2021-23), \$35 MILLION (2023-25)**

Funding is provided to streamline eligibility processes for Medicaid-enrolled clients by: 1) ensuring children between the ages of zero and six have continuous Medicaid enrollment and do not experience coverage gaps; 2) eliminating the Medicare Savings Program asset test for low-income individuals applying for assistance to pay for Medicare premiums, deductibles, and copayments; and 3) eliminating the mid-certification review process for Aged, Blind, or Disabled and Housing and Essential Needs Referral Programs.

#### **PUBLIC HEALTH DATA SYSTEMS – \$19 MILLION (2021-23) (CORONAVIRUS STATE FISCAL RECOVERY FUND)**

Funding is provided for the ongoing costs of Department of Health public health data systems used for disease reporting, syndromic surveillance data, immunization reporting, and data exchange.

**NURSE PRECEPTOR GRANTS – \$6 MILLION (2021-23), \$6 MILLION (2023-25)**

Funding is provided for grants to nurse preceptors willing to supervise nursing students in health care settings. This funding is intended to reduce a shortage of health care settings for students to conduct their clinical hours and bring more nurses into the field, addressing the nursing workforce shortage.

**COMMUNITY HEALTH WORKER GRANT PROGRAM – \$3 MILLION (2021-23), \$7 MILLION (2023-25)**

Funding is provided for a two-year grant program to provide reimbursement for services to patients up to age 18 provided by community health workers in primary care clinics whose patients are significantly comprised of pediatric patients enrolled in medical assistance beginning January 1, 2023.

**PRIVATE DUTY NURSING – \$2 MILLION (2021-23), \$8 MILLION (2023-25)**

Funding is provided to increase home health rates and reimbursement rates for registered and licensed practical nurses who provide services for children requiring medically intensive care in a group home setting by 10 percent beginning January 1, 2023. Funding is provided to increase reimbursement rates for in-home skilled nursing services, nurse delegation, in-home private duty nursing, and adult family home private duty nursing by 20 percent beginning January 1, 2023.

**Savings or Decreases**

**FEDERAL MEDICAID MATCH CHANGES – \$306 MILLION (2021-23)**

Funding is adjusted to account for enhanced federal financial participation (FFP) in the Medicaid program provided through the Families First Coronavirus Response Act and the American Rescue Plan Act. These Acts enhance FFP by between 6.2 and 50 percent for certain populations. The enhancement ends at different times during 2022 and 2023, depending on the population to which the increase applies. This savings includes the impact for the Health Care Authority, Department of Social and Health Services, and Department of Children Youth & Families.

## **Long-Term Care, Developmental Disabilities**

### **Increases**

#### **VENDOR RATE INCREASES – \$351 MILLION (2021-23), \$344 MILLION (2023-25)**

Funding is provided for vendor rate increases, including an extension of the temporary rate add-ons through June 2022; lowering the occupancy threshold for skilled nursing facilities to 75 percent for purposes of the July 1, 2022 rate rebase; increasing the base rates for assisted living facilities to 68 percent of full methodology funding with a corresponding increase for specialized dementia care contracts; increasing base rates for community residential providers by 23 percent; increasing contracted rates paid to providers of community engagement, supported parenting, private duty nursing, and respite providers; and adjusting the employer tax rate paid to home care agencies. The temporary rate add-ons that were in effect in December 2021 will continue through June 2022 and then will be phased out by June 2024 by reducing them by 20 percent every two quarters.

#### **COLLECTIVE BARGAINING AGREEMENTS – \$45 MILLION (2021-23), \$102 MILLION (2023-25)**

Funding is provided for negotiated collective bargaining agreements, including a 4.3 percent increase to base wages for adult family home providers and a 3.1 percent average wage increase for individual providers. Funding is also provided for the required wage and benefit increase of in-home workers who are employed by private agencies pursuant to the in-home care agreement for individual providers.

#### **CONCURRENT SERVICES – \$59 MILLION (2021-23), \$42 MILLION (2023-25)**

Funding is provided to implement Substitute House Bill (SHB) 1980 (concurrent services), which removes the prohibition on eligible Developmental Disabilities Administration (DDA) clients to access employment services and community inclusion services concurrently.

#### **INCREASE PERSONAL NEEDS ALLOWANCE – \$26 MILLION (2021-23), \$54 MILLION (2023-25)**

Funding is provided to increase the in-home client personal needs allowance from 100 percent of the federal poverty level to 300 percent of the federal benefit rate, and to cover the costs associated with the cost-of-living adjustment to the personal needs allowance for clients in residential and institutional settings.

#### **SETTLEMENT AGREEMENT – \$58 MILLION (2021-23), \$7 MILLION (2023-25)**

Funds are provided to settle the cases of *Liang, et al. v. Washington DSHS, et al.* and *SEIU 775 v. Washington DSHS, et al.*

**COVID-19 RESPONSE – \$50 MILLION (2021-23), \$9 MILLION (2023-25)**

State and federal funding is provided to respond to the COVID-19 pandemic, including efforts to reduce the numbers of individuals in acute care hospital settings who no longer need that level of care by increasing the capability to transition them to other home and community-based settings; funding for a new contract with the Transitional Care Center of Seattle through the 2021-23 biennium; and purchases and distribution of personal protective equipment.

**CASE MANAGEMENT – \$15 MILLION (2021-23), \$37 MILLION (2023-25)**

Funding is provided to create transition coordination teams within DDA to coordinate transitions of care for clients who move from one type of care setting to a new one; to provide case management services for those on the DDA no-paid services caseload; and to serve an additional 800 clients in the enhanced case management program through the Aging and Long-Term Support Administration. Funding is also provided to reduce the caseload ratio of the Department of Social and Health Services case managers and Area Agencies on Aging.

**EXPANDED COMMUNITY PLACEMENTS – \$4 MILLION (2021-23), \$24 MILLION (2023-25)**

Within the DDA, funding is provided to implement two, three-bed facilities to provide short-term, intensive habilitation services for children and youth aged eight to 21, and to implement an additional six, three-bed facilities to provide long-term, enhanced out-of-home services to support youth aged 12 to 21 who are discharging from inpatient care. Funding is also provided to the Aging and Long-Term Supports Administration to phase-in long-term care services and supports for an additional 50 clients who are registered sex offenders, and to phase-in 60 additional placements in Enhanced Adult Residential Care Facilities for individuals with behavioral challenges. Funding is also sufficient to reduce the caseload ratio for case managers working with clients with behavioral challenges.

**STATE MATCH FOR FEDERAL GRANTS – \$4 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided to meet federal match requirements associated with \$30 million in American Rescue Plan Act funding for Older American Act services and supports.

**Economic Services**

**Increases**

**AGED, BLIND, OR DISABLED EXPANSIONS – \$38 MILLION (2021-23), \$96 MILLION (2023-25)**

Funding is provided for Aged, Blind, or Disabled (ABD) Program expansions, including an increase to the ABD grant standard to a maximum amount of \$417 per month for a one-person grant and \$528 for a two-person grant; to expand ABD to victims of human trafficking; to eliminate the Mid-Certification Review requirement for blind and disabled recipients; and to expand ABD to individuals between the ages of 21 and 64 who are residing in a public mental institution.

**RECENT IMMIGRANT & REFUGEE SUPPORT SERVICES – \$28 MILLION (2021-23), \$37 MILLION (FEDERAL) (2021-23)**

Funding is provided for recent immigrants and refugees arriving in Washington State, including for their immediate and long-term physical and mental health needs; to assist with children's successful integration into school; for temporary and permanent housing needs; and for other necessary support services such as employment and training, case management, legal services, and emergency supports.

**INTEGRATED ELIGIBILITY SYSTEM FOUNDATION – \$6 MILLION (2021-23), \$14 MILLION (FEDERAL) (2021-23)**

Funding is provided to build the foundation of an integrated eligibility system across health and human services programs, including Medicaid, basic food, child care, and cash assistance.

**DIVISION OF CHILD SUPPORT ONE-TIME SUPPORT FUNDING – \$12 MILLION (2021-23)**

Funding is provided to the Division of Child Support (DCS) to account for a negative retained child support receivable adjustment, which impacts DCS net expenditures.

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES EXPANSIONS – \$11 MILLION (2021-23), \$1 MILLION (FEDERAL) (2021-23)**

Funding is provided to extend the Temporary Assistance for Needy Families (TANF) 60-month time limit hardship exemption to June 2023, and to increase the monthly payment standard for TANF households with nine or more members. Funding also supports IT system changes to implement a \$100 monthly diaper subsidy for those households receiving TANF with a child under the age of three, effective November 1, 2023, pursuant to Engrossed Substitute Senate Bill (ESSB) 5838 (diaper study/TANF).

**BASIC FOOD EXPANSIONS – \$9 MILLION (FEDERAL) (2021-23), \$2 MILLION (2023-25)**

Funding is provided for Basic Food program expansions, including additional funding for Pandemic Electronic Benefit Transfer (P-EBT), which provides children with temporarily enhanced emergency nutrition benefits loaded on EBT cards that are used to purchase food during the school year. Additional funding is provided to expand Transitional Food Assistance to members in a sanctioned household who are not themselves in sanction status, effective January 1, 2024, pursuant to ESSB 5785 (transitional food assistance). Funding is also provided to implement a state-funded employment and training program for recipients of the Food Assistance Program.

**Savings or Decreases**

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES STATE SAVINGS – (\$35 MILLION) (2021-23), \$35 MILLION (FEDERAL) (2021-23)**

In fiscal year 2022, one-time state funding is reduced in the TANF program with a corresponding increase in federal funding, resulting in a net zero fiscal impact.

## **Department of Children, Youth, and Families**

### **Increases**

#### **WORKING CONNECTIONS CHILD CARE ENHANCEMENTS – \$49 MILLION (2021-23), \$309 MILLION 2023-25)**

Funding is provided for Working Connections Child Care (WCCC) rate increases and other enhancements, including a cost-of-care enhancement for licensed family home providers and a 16 percent enhancement to child care center, both one-time in fiscal year 2023; for the waiver of WCCC household co-payments from July through September 2021; for enrollment based payments from April through June 2022; and to waive application and fingerprint processing fees for child care providers in fiscal year 2023. Federal funds from the American Rescue Plan Act, as well as Coronavirus Response and Relief Supplemental Appropriations, cover a portion of this item in the 2021-23 Biennium.

#### **WORKING CONNECTIONS CHILD CARE STATE FUNDING – \$75 MILLION, \$75 MILLION (FEDERAL) (2021-23)**

In fiscal year 2022, one-time state funding is provided to WCCC with a corresponding reduction in federal funding authority, resulting in a net zero fiscal impact. This funding ensures the WCCC program will maintain the level of state spending required as a condition of receiving federal funds, known as Maintenance of Effort.

#### **EARLY CHILDHOOD EDUCATION & ASSISTANCE PROGRAM ENHANCEMENTS – \$15 MILLION (2021-23), \$39 MILLION (2023-25)**

Funding is provided to increase the number of Early Childhood Education & Assistance Program (ECEAP) slots from 15,192 to 16,900 by fiscal year 2025, while also converting 1,887 part-day slots to full-day with 40 flexible slots. Funding is also provided to continue the ECEAP \$54 quality support rate that has historically been funded with a private grant, and to provide for a nine-week Summer 2022 ECEAP program for 2,212 full day slots.

#### **CHILD VISITATION RATE INCREASES – \$20 MILLION (2021-23), \$31 MILLION (2023-25)**

Funding is provided to increase the hourly reimbursement rate for child visitation services, known as Family Time, from \$24.49 to \$37.19. Additional funding is provided to reimburse mileage starting from the first mile and to provide an Indian Child Welfare contracting structure and training. These rate increases are effective April 2022.

#### **BEHAVIORAL REHABILITATION SERVICES ENHANCEMENTS – \$15 MILLION (2021-23), \$24 MILLION (2023-25)**

Funding is provided to increase the Behavioral Rehabilitation Services (BRS) facilities monthly rate from \$12,804 to \$16,862, and to increase the BRS Treatment Foster Care monthly rate from \$8,226 to \$10,127. Additional funding is provided to increase case aide rates from \$26 to \$30 hourly and to provide start-up funding for a new 30-bed BRS facility. These rate increases are effective April 2022.

**COMBINED IN-HOME SERVICE RATE INCREASES – \$8 MILLION (2021-23), \$15 MILLION (2023-25)**

Funding is provided for Combined In-Home Services rate increases pursuant to a 2021 rate study, effective July 2022.

**INDIAN CHILD WELFARE ACT COMPLIANCE – \$6 MILLION (2021-23), \$14 MILLION (2023-25)**

Funding is provided for the Department to comply with the updated standards set forth by recent Indian Child Welfare Act (ICWA) court decisions, including additional staff, training revisions, and IT system changes. Recent rulings by the Washington State Supreme Court expanded the definition for when the court has a reason to know a child is subject to ICWA, thereby expanding the scope of cases in which ICWA applies, and also clarified the active efforts required by the Department in providing culturally appropriate services.

**EXTENDED FOSTER CARE ENHANCEMENTS & ASSESSMENT – \$11 MILLION (2021-23)**

Funding is provided to contract with a community organization to issue monthly stipends to young adults exiting the Extended Foster Care (EFC) Program through June 2023, which will average \$900 and be distributed to over 300 individuals monthly. Additional funding is provided to assess state and federally funded services and make recommendations to improve the continuum of supports for the EFC population as they transition to independent adulthood.

**FOSTER YOUTH SERVICES – \$4 MILLION (2021-23), \$5 MILLION (2023-25)**

Funding is provided for foster youth services and process modifications, including expansion of the number of hub home foster and kinship family constellations from 12 to 15 to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care; for four additional education advocate positions with a community-based organization to reduce educational barriers for students in foster care; to develop a report with recommendations on how to improve access to private, self-controlled bank accounts for dependent adolescents; an emergency adolescent housing pilot program; and for costs associated with turning off the automatic child support collection referral process and to instead refer only those cases where the child has been abandoned.

**WORKLOAD STUDY & KINSHIP PROGRAMS – \$3 MILLION (2021-23), \$6 MILLION (2023-25)**

Funding is provided for a Department of Children, Youth, and Families workload study, to include an evaluation of how changes to federal and state laws, as well as recent court decisions, have impacted the workloads of case-carrying child welfare workers.

Additional funding is provided for six staff to conduct shared planning and family team decision-making meetings, and for 15 staff to support statewide implementation of the kinship caregiver engagement unit, which is currently funded as a pilot in two regions. Funding is also provided to implement SHB 1747 (child relative placements), which modifies the process by which children are removed from a kinship caregiver and expands the subsidy program for eligible relatives, among other changes.

**PARENT PAY REPEAL – \$2 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided to implement SHB 2050 (parent pay/child detention) which repeals the parent pay statutes, cancels all outstanding debts owed by the parents or other legally obligated persons, and terminates all pending actions or proceedings against the parents or other legally obligated persons to recover the debt owed.

**JUVENILE REHABILITATION STAFFING MAINTENANCE – \$2 MILLION (2021-23)**

Funding is provided to maintain staffing levels at Juvenile Rehabilitation facilities independent from fluctuating caseloads.

**Corrections & Other Criminal Justice**

**Increases**

**COVID-19 RESPONSE – \$42 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

One-time funding is provided in fiscal year 2022 for expenses incurred due to the Department of Correction's (DOC) response to the COVID-19 public health emergency. The expenses incurred include increased health care costs, overtime usage, and operating costs tied to maintaining sufficient space for social distancing and isolation needs.

**PATIENT & BEHAVIORAL CENTERED CARE – \$14 MILLION (2021-23), \$28 MILLION (2023-25)**

Funding is provided to increase medical staffing for patient care and behavioral health care. This will allow for more access to care and expanded screening of individuals in prison facilities to include chronic illnesses, infectious disease, diabetes, heart disease, serious mental health, and behavioral health services.

**LAW ENFORCEMENT OFFICER & INVESTIGATIVE PERSONNEL TRAININGS – \$9 MILLION (2021-23), \$19 MILLION (4-YEAR NGF-O TOTAL)**

Funding is provided for 4.5 additional Basic Law Enforcement Academy classes in fiscal year 2022 and 8.5 classes in fiscal year 2023, increasing the total number of classes from 30 to 43 over the biennium. This will provide training to 390 additional new general authority law enforcement officers. Additional funding is provided for the Criminal Justice Training Commission (CJTC) to admit into the law enforcement academy and deliver training to a maximum of 30 limited authority Washington peace officers in fiscal year 2023. Funding is also provided to the CJTC to develop and deliver a variety of other courses in compliance with Initiative 940 (Law Enforcement Training and Community Safety Act of 2018).

**RESTRICTIVE HOUSING REFORM – \$4 MILLION (2021-23), \$10 MILLION (2023-25)**

Funding is provided to reduce the use of solitary confinement in prisons by increasing correctional and mental health staffing, incorporating mental health training, and implementing evidence-based approaches to organizational and culture change in the restrictive housing environment in prison facilities.

**BODY SCANNERS AT WCCW & WCC – \$4 MILLION (2021-23), \$5 MILLION (2023-25)**

Funding is provided to implement the provisions of 2SSB 5695 (DOC body scanner pilot). This pilot expansion requires DOC to establish a comprehensive body scanner program at Washington Corrections Center for Women and Washington Corrections Center as part of an expanded pilot, and sunsets on June 30, 2024.

**OMNI SENTENCING MODULE PROJECT – \$6 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided for project staff and vendor costs to purchase a commercial-off-the-shelf software solution for an offender management network information (OMNI) system sentencing calculation module. This module is intended to modernize an element in the OMNI system for timely and accurate calculations of sentence end dates compared to the current manual process. Funding is also provided for staff and vendor costs for maintenance and operations of the OMNI system sentencing calculation module project after the module is implemented and operational.

**WASPC & OFFICER WELLNESS PROGRAMS – \$3 MILLION (2021-23), \$5 MILLION (2023-25)**

Funding is provided for grants to be distributed to local law enforcement agencies for the purpose of wellness programs that may be used for building resilience, injury prevention, peer support programs, physical fitness, proper nutrition, stress management, suicide prevention, and physical or behavioral health services.

**KING COUNTY SVP PROSECUTION – \$2 MILLION (2021-23), \$5 MILLION (2023-25)**

Funding is provided to contract with King County to provide prosecution services for sexually violent predators pursuant to Chapter 71.09 RCW.

**RETAIN SUPERVISION STAFFING – \$7 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

One-time funding is provided in fiscal year 2022 to retain community supervision staffing independent from fluctuating supervision caseloads.

**OFFICE OF INDEPENDENT INVESTIGATIONS – \$4 MILLION (2021-23), \$3 MILLION (2023-2025)**

Funding is provided for equipment, contracted specialized training (relating to death investigations) for Office of Independent Investigations investigators in cases involving deadly force, and for contracting with the Washington State Patrol for laboratory-based testing and processing of crime scene evidence collected during investigations.

**TRAINING FOR LOCAL LAW ENFORCEMENT AGENCIES – \$6 MILLION (2021-23)**

Funding is provided for local law enforcement agencies for training on two bills passed in the 2021 session (Chapters 321 and 324, Laws of 2021) and three bills under consideration in the current session (SHB 1735, Engrossed Substitute House Bill (ESHB) 2037, Engrossed Senate Bill 5919).

**REENTRY & REHABILITATION – \$1 MILLION (TOTAL FUNDS) (2021-23), \$5 MILLION (2023-25)**

Funding is provided to implement 2SHB 1818 (reentry and rehabilitation) that extends the period for which DOC may provide housing vouchers from three to six months, and eliminates cost of supervision fees charged to persons who commit criminal offenses.

**INTERNET CRIMES AGAINST CHILDREN TASK FORCE – \$2 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided for the Washington Internet Crimes Against Children Task Force Program to combat internet-facilitated crimes against children, promote education on internet safety to the public and minors, and rescue child victims from abuse and exploitation.

**TELEPRESENCE SERVICES – \$2 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided for staffing, dedicated teleservice rooms, telehealth carts and associated technology so that teleservices will be provided for health care, court hearings, and other remote services at each prison facility.

**WASHINGTON AUTO THEFT PREVENTION AUTHORITY – \$4 MILLION (2021-23)**

Funding is provided to the Washington Auto Theft Prevention Authority to address increased auto thefts in the state.

**LIBRARY SERVICES – \$1 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided to expand library services to incarcerated individuals at each of the nine prison institutional library service branches. DOC must work with the Washington State Library to provide additional library materials, collections, and one additional staff position at each of the nine locations.

**ELECTRONIC HEALTH RECORDS – \$1 MILLION (2021-23), \$2 MILLION (2023-25)**

Funding is provided for staffing to continue to work towards an electronic health records solution.

**GRADUATED REENTRY EXPANSION IMPLEMENTATION – \$3 MILLION (2023-25)**

Funding is provided for the additional costs of implementing the expansion of the Graduated Reentry program implemented in fiscal year 2021.

**HELEN B RATCLIFF WORK RELEASE – \$2 MILLION (2023-25)**

Funding is provided to convert Helen B. Ratcliff Work Release from a contracted facility to a facility operated by DOC.

## **Housing and Homelessness**

### **Increases**

**RIGHT-OF-WAY RESPONSE & OUTREACH – \$45 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2023), \$90 MILLION (2023-25)**

Funding is provided for regional teams, staffed by public benefits specialists, social workers, and security staff, to work with local partners to address and mitigate camping on public rights-of-way. Funding is also provided for grants for administrative costs of alternative response teams, and the costs to transition encamped individuals from rights-of-way to permanent housing.

**HOMELESS SERVICE PROVIDER STIPENDS – \$55 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is provided for the Department of Commerce to administer stipends to address immediate economic needs for eligible employees of homeless service providers with whom state agencies or local governments contract to provide services pursuant to their homeless housing plans. Eligible employees include individuals working directly on-site with persons experiencing homelessness or with residents of transitional or permanent supportive housing.

**EVICTION PREVENTION RENTAL ASSISTANCE – \$45 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is provided for the Eviction Prevention Rent Assistance Program created in RCW 43.185C.185, which provides resources such as rental or utility assistance for households most likely to become homeless or suffer severe health consequences, or both, after an eviction.

**APPLE HEALTH & HOMES – \$39 MILLION (2023-25)**

Funding is provided for the Department of Commerce to provide a permanent supportive housing benefit and a community support services benefit to people who meet eligibility.

**LANDLORD MITIGATION FUND – \$27 MILLION (2021-23)**

Funding is provided for the Landlord Mitigation Program, which provides first-come, first-served assistance to landlords for claims involving damages or lost rent for certain tenancies. Of the total amount provided, \$2 million is for claims brought pursuant to SHB 1593 (landlord mitigation/victims).

**LANDLORD-TENANT RELATIONS – \$3 MILLION (2021-23)**

Additional funding is provided to assist tenant and landlord relations in follow up to Chapter 115, Laws of 2021 (Engrossed Second Substitute Senate Bill (E2SSB) 5160). This assistance includes providing dispute resolution services to indigent tenants involved in an eviction proceeding and legal advice and assistance to tenants facing eviction.

**HOUSING FIRST OPPORTUNITIES – \$6 MILLION (2021-23), \$12 MILLION (2023-25)**

Funding is provided to expand access to no-barrier, low-barrier, and transitional housing using a housing-first approach. Initiatives funded include housing teams in each region of the state, rental subsidies, startup costs, and client funds.

**Other Human Services**

**Increases**

**PAID FAMILY & MEDICAL LEAVE SOLVENCY – \$350 MILLION (2021-23)**

Funding is provided to the Office of Financial Management for expenditure into the Family and Medical Leave Insurance Account in an amount necessary to maintain fund solvency.

**VETERANS HOMES REVENUE SHORTFALL – \$10 MILLION (2021-23), \$14 MILLION (2023-25)**

Funding is provided for the Department of Veterans Affairs to backfill a gap in revenue due to a lower patient census as a result of the COVID-19 pandemic.

**ECONOMIC SECURITY FOR ALL EXTENSION – \$6 MILLION (2021-23), \$12 MILLION (2023-25)**

Funding is provided to continue the Economic Security for All program, which provides grants to local Workforce Development Councils for career planning, case management, and other support.

**WORKSOURCE SYSTEM REPLACEMENT – \$5 MILLION (TOTAL FUNDS) (2021-23), \$13 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided to replace the WorkSource Integrated Technology platform. The replacement system will support workforce administration statewide to ensure adoption of the U.S. Department of Labor's integrated service delivery model and program performance requirements for the state's Workforce Innovation and Opportunity Act and other federal grants.

**HIGH SCHOOL TRANSITIONS – \$5 MILLION (2021-23), \$11 MILLION (2023-25)**

Funding is provided to implement SSB 5790 (community support services), which expands the School-to-Work Program in all counties of the state to connect students with intellectual and developmental disabilities with supported employment services. The Department of Social and Health Services will also implement a statewide council to establish a referral and information system to help these students and their families connect with necessary services and supports and to establish regional interagency transition networks to ensure these students have equitable access and connection to services after leaving the school system.

**BUSINESS ENTERPRISE PROGRAM REMODEL – \$2 MILLION (2021-23), \$9 MILLION (2023-25)**

Funding is provided for the Department of Services for the Blind to implement four phases of equipment upgrades and remodels of cafes owned by visually impaired business owners who are part of the Business Enterprise Program.

**LONG-TERM SERVICES & SUPPORT EXEMPTIONS – \$5 MILLION (LTSS ACCOUNT) (2021-23), \$4 MILLION (LTSS ACCOUNT) (2023-25)**

Funding is provided to implement and administer Long-Term Services & Support (LTSS) voluntary exemptions from employers based upon new criteria, pursuant to Engrossed Substitute House Bill (ESHB) 1733 (long-term care/exemptions).

**CAREER CONNECT WASHINGTON GRANTS EXPANSION – \$3 MILLION (TOTAL FUNDS) (2021-23), \$6 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided to expand the Career Connect Washington's intermediary grants to industry sector leads.

**UNEMPLOYMENT INSURANCE RESERVE STAFFING – \$5 MILLION (2021-23)**

Funding is provided to the Employment Security Department (ESD) for reserve staffing to be initiated if existing resources are not sufficient to manage future Unemployment Insurance Program's claims and backlog. Prior to hiring additional staff, ESD must consult with the Office of Financial Management.

**PAID FAMILY & MEDICAL LEAVE ACTUARIAL SERVICES – \$2 MILLION (TOTAL FUNDS) (2021-23)**

Funding is provided for Paid Family and Medical Leave actuarial services and reporting requirements, including a new actuarial office within ESD, and to implement and administer an additional leave type, pursuant to E2SSB 5649 (family and medical leave).

## Savings or Decreases

### **PANDEMIC LEAVE ASSISTANCE SAVINGS – \$134 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Funding is adjusted to align with revised projections for the Paid Family and Medical Leave program's Pandemic Leave Assistance Grants as outlined in Chapter 109, Laws of 2021 (E2SHB 1073). This program expansion will expire on March 31, 2022, and the utilization rate has been significantly lower than initially projected.

## Natural Resources

### Increases

#### **SALMON RECOVERY PROJECTS – \$180 MILLION (2021-23)**

Funding is provided for various salmon recovery projects across the state, including the Duckabush estuary restoration project and salmon recovery grants.

#### **FOOD PROGRAMS – \$76 MILLION (2021-23)**

State funding is provided in addition to existing federal funds to implement the Farmers to Families Food Box Program and for Food Assistance Capacity Grants.

#### **RECREATION MAINTENANCE BACKLOG – \$15 MILLION (2021-23), \$30 MILLION (2023-25)**

Ongoing funding is provided to reduce the maintenance backlog on state-owned recreation lands and facilities.

#### **EUROPEAN GREEN CRAB CONTROL – \$9 MILLION (2021-23), \$12 MILLION (2023-25)**

Funding is provided for the Department of Fish and Wildlife to work with partners in the eradication and control of European Green Crab.

#### **STATE FORESTLAND PURCHASE – \$10 MILLION (2021-23)**

Funding is provided for the Department of Natural Resources to purchase working forestland to benefit certain rural counties.

## General Government

### Increases

#### **WASHINGTON RESCUE PLAN TRANSITION ACCOUNT – \$1.1 BILLION (2021-23), \$500 MILLION (2023-25)**

Funds are transferred to the Washington Rescue Plan Transition Account. Funding in the account is dedicated to responding to impacts of the COVID-19 pandemic and to continue activities that began, or were augmented with, federal COVID-19 funding.

**EMPLOYEE COMPENSATION INCLUDING COLLECTIVE BARGAINING AGREEMENTS – \$232 MILLION (2021-23), \$352 MILLION (2023-25)**

Funding is provided for general wage increases for most state employees and one-time lump sum payments for most state employees covered by a collective bargaining agreement. Most employees will receive a general wage increase of 3.25 percent on July 1, 2022. Many employees covered by a collective bargaining agreement will also receive a one-time lump sum payment of up to \$3,400.

**LIABILITY ACCOUNT CASH DEFICIT – \$217 MILLION (2021-23)**

One-time funding is provided in fiscal year 2023 to adjust the liability account cash deficit.

**SALARY SURVEY AND RECRUITMENT AND RETENTION – \$50 MILLION (2021-23), \$100 MILLION (2023-25)**

Funding is provided for implementation of classification-based salary adjustments for state employees whose jobs are difficult for the state to recruit and retain a competitive workforce and based on the results of the 2020 state salary survey.

**PLAN 1 RETIREE BENEFIT INCREASE – \$18 MILLION (2021-23), \$47 MILLION (2023-25)**

Funding is provided for a benefit increase of 3 percent, up to \$110 per month for eligible plan 1 retirees of the Public Employees' and Teachers' Retirement Systems, as provided in Senate Bill (SB) 5676 (TRS1/PERS1 benefit increase).

**ELECTIONS INFORMATION & SECURITY – \$13 MILLION (2021-23), \$16 MILLION (2023-25)**

Funding is provided for dedicated resources to monitor, coordinate responses, and assist in the production of educational materials related to elections; and to provide additional resources for elections security training, testing, contracting, and monitoring.

**SECURITY INFORMATION & EVENT MANAGEMENT – \$10 MILLION (TOTAL FUNDS) (2021-23), \$10 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided for additional maintenance and operations costs for the Security Information and Event Management platform, which assists the state in assessing and monitoring cyber security threats.

**GOVERNOR'S EMERGENCY ASSISTANCE – \$5 MILLION (2021-23), \$10 MILLION (2023-25)**

Funding for the Governor to provide individual assistance during an emergency is increased in the current biennium by \$5 million and makes the program ongoing at \$10 million each biennium.

**ENTERPRISE CLOUD COMPUTING – \$4 MILLION (TOTAL FUNDS) (2021-23), \$9 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided for the enterprise cloud computing program, contract costs for cloud-ready operations, cloud management tools, cyber security governance, cloud migration projects, and project and quality assurance. Funds also allow for expansion of enterprise cloud computing to cover a network infrastructure assessment, development of cyber security standards, and additional staff for the enterprise cloud computing program.

**TORT AGO DEFENSE COSTS – \$6 MILLION (TOTAL FUNDS) (2021-23), \$6 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided for additional staffing at the Attorney General's Office to support tortious claims and to cover costs associated with contract attorneys.

**SEEP ELECTRIC VEHICLE INFRASTRUCTURE – \$3 MILLION (2021-23), \$5 MILLION (2023-25)**

Funding is provided for zero-emission electric vehicle equipment infrastructure at state-owned facilities that must be coordinated with the state efficiency and environmental performance program. A report is due on June 30, 2023.

**WORKFORCE CLOUD READINESS – \$2 MILLION (TOTAL FUNDS) (2021-23), \$4 MILLION (TOTAL FUNDS) (2023-25)**

Funding is provided for staff to plan for information technology workforce cloud readiness training. This recommendation is based on the task force report submitted pursuant to Chapter 40, Laws of 2021 (E2SHB 1274).

**AUTOMATING STATE LIBRARY COLLECTION – \$3 MILLION (2021-23)**

Funding is provided to implement a radio frequency identification system for the state library collection as the Secretary of State's Office prepares to move the collection to a new Library Archives Building. This system will be used to organize, retrieve, and circulate library materials in a manner that is compatible with the new building's high-bay density storage.

**SEEP ZERO EMISSION STAFF – \$1 MILLION (2021-23), \$1 MILLION (2023-25)**

Funding is provided for staff for the State Efficiency and Environmental Performance Office at the Department of Commerce to implement the provisions of the Governor's Executive Order 21-04 (zero emissions).

**SEEP ZERO EMISSION STAFF – \$1 MILLION (2021-23), \$1 MILLION (2023-25)**

Funding is provided for staff at the Department of Enterprise Services to implement the provisions of the Governor's Executive Order 21-04 (zero emissions).

**Savings or Decreases**

**ORCA TRANSIT PASS REDUCTION – \$6 MILLION (TOTAL FUNDS) (2021-23)**

One-time savings adjustment to ORCA transit pass funding to align with demand and usage in the 2021-23 biennium.

## Judicial

### Increases

#### **STATE V. BLAKE DECISION – \$50 MILLION (2021-23)**

Funding is provided to assist local courts, prosecutors, and defense counsel in resentencing individuals impacted by the *Blake* decision. Funding is also provided to establish a centralized refund mechanism within the Administrative Office of the Courts to refund legal financial obligations and costs associated with vacated *Blake* sentences when ordered by the court.

#### **TRIAL COURT BACKLOG AND PANDEMIC RESPONSE – \$10 MILLION (2021-23)**

Funds are provided to assist trial courts across the state in addressing the backlog of cases and reimburse courts for emergency expenses related to the pandemic. Items include funding for Pro Tempore judges and backlog coordinators, courtroom audio visual equipment, pilot self-help centers, and \$5 million in general COVID-19 relief.

## Other Changes

### Increases

#### **MULTIMODAL ACCOUNT – \$2 BILLION (2021-23)**

Funds from the state general fund are deposited into the multimodal account to support transportation investments.

#### **ELECTRIC VEHICLE TRANSITIONING – \$103 MILLION (2021-23), \$250 MILLION (2023-25)**

Funding is provided for grants to projects that will support electric vehicle charging infrastructure in rural areas, office buildings, multifamily housing, ports, and state and local government offices. Funding is also provided for Commerce to administer programs and incentives to promote the purchase or conversion to alternative fuel vehicles as well as to build out a mapping tool that provides locations and essential information of charging and refueling infrastructure.

#### **COMMUNITY REINVESTMENT GRANTS – \$1 MILLION (2021-23), \$200 MILLION (2023-25)**

Funding is provided to develop an implementation plan for distributing funding from the Community Reinvestment Account for grants addressing economic development, legal aid, reentry services, and violence prevention and intervention. Expenditures from the account for grants is assumed in fiscal years 2024 and 2025.

#### **SOLAR ENERGY – \$57 MILLION (2021-23), \$114 MILLION (2023-25)**

Federal funding is provided for a variety of solar energy infrastructure projects including solar resilience hubs and solar energy projects that benefit low-income communities.

**UTILITY ASSISTANCE – \$100 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Federal funding is provided for grants to utilities to reduce or eliminate low-income customer arrearages.

**HOSPITALITY BUSINESS ASSISTANCE – \$100 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Federal funding is provided for assistance to businesses in hospitality industries including restaurants, hotels, and motels. \$15 million of this funding is for grants to lodging establishments that have experienced revenue losses as a result of the eviction moratorium.

**SMALL BUSINESS ASSISTANCE – \$71 MILLION (TOTAL FUNDS) (2021-23), \$1 MILLION (23-25)**

Funding is provided for a variety of programs to assist small businesses including a disaster recovery financial assistance program, an Innovation fund to award funding to non-profit organizations with relationships with small businesses to encourage small business recovery, startups, and growth. Funding is also provided to expand the state Small Business Resiliency network and to establish a Credit Repair Pilot Program.

**GROWTH MANAGEMENT ACT – \$24 MILLION (2021-23), \$42 MILLION (2023-25)**

Funding is provided for grants to local governments to implement enacted and proposed legislation that would amend provisions of the Growth Management Act, including Chapter 254, Laws of 2021 (E2SHB 1220) and E2SHB 1099 (comprehensive planning). Funding is also provided for grants to qualifying cities for activities to enact zoning ordinances that would allow middle housing on at least 30 percent of lots currently zoned as single family residential.

**DIGITAL EQUITY – \$50 MILLION (2021-23)**

Funding is provided for digital equity programs consistent with the recommendations of the digital equity forum or with the digital equity plan developed by the Statewide Broadband Office to access federal funding. Funding may also be used for programs to increase broadband access for low-income and rural communities, including low-orbit satellite technology.

**ANDY HILL CANCER RESEARCH – \$30 MILLION (2021-23)**

Federal funding is increased for cancer research grants through the Andy Hill Cancer Research Endowment Fund Match Transfer Account.

**CONVENTION ECONOMY SUPPORT – \$25 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Federal funding is provided for grants to convention center public facility districts and for grants to assist businesses dependent on economic activity created through conventions.

**BUSINESS ASSISTANCE FOR ARTS – \$25 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)**

Federal funding is provided to increase existing business assistance grants for the arts, heritage, and science sectors. Funding is also provided for grants to nonprofits in the arts, culture, heritage, and science sectors for costs for COVID-19 testing and safety monitoring

**INFORMATION TECHNOLOGY POOL – \$23 MILLION (TOTAL FUNDS) (2021-23)**

Funding is provided for information technology projects. This includes 12 discreet projects that must follow oversight requirements in section 701 of the LEAP omnibus document, IT-2022, dated March 8, 2022.

**INFRASTRUCTURE INVESTMENT & JOBS ACT – \$16 MILLION (FEDERAL)**

Expenditure authority is provided for anticipated federal awards made pursuant to the Infrastructure Investment & Jobs Act in areas such as energy and broadband.

**APPRENTICESHIP PROGRAMS – \$11 MILLION (2021-23), \$1 MILLION (2023-25)**

Funding is provided for a variety of grant programs to improve apprenticeship program support and participant experiences, and to increase accessibility.

## Revenue Legislation

### Funds Subject to Outlook

(Dollars in Millions)

	2021-23	2023-25	4 Yr
<b>Other Legislation</b>			
5980 - B&O Tax Credits	-13.0	-118.1	-131.1
Add'l Revenue for Transfer to Transportation	0.0	-114.0	-114.0
5974 - Transportation Resources	-18.8	-41.2	-60.0
5488 - Tacoma Narrows Toll Bridge	-13.0	-26.0	-39.0
1846 - Data Centers Tax Preference	-5.9	-29.9	-35.7
1914 - Motion Picture Program	-11.5	-23.0	-34.5
5899 - SR 520 Sales Tax Deferral	-11.2	-22.4	-33.5
1015 - Equitable Access to Credit	-8.0	-16.0	-24.0
5714 - Solar Canopies Tax Deferral	-5.4	-17.9	-23.3
5705 - SR 167 & I-405 Tax Deferral	-0.4	-14.1	-14.5
1700 - Derelict Vessel Removal	-4.3	-8.8	-13.0
1988 - Clean Tech. Tax Deferrals	-3.1	-7.2	-10.3
1359 - Liquor License Fees	-4.9	-2.1	-7.0
1814 - Community Solar Projects	0.0	-6.8	-6.8
5728 - Drug Forfeiture Collections	-1.1	-2.2	-3.3
5755 - Vacant Land Redevelopment	0.0	-2.7	-2.7
1765 - Health Benefit Ex./B&O Tax	0.0	-2.1	-2.1
1643 - Affordable Housing/REET	-0.3	-1.4	-1.7
5799 - Workforce Surcharge/Clinics	-1.1	0.6	-0.5
2058 - Parks & Rec. Leasehold Tax	0.0	-0.1	-0.1
1641 - Custom Farming, Etc./Tax	0.0	-0.1	-0.1
5849 - Tax Incentives	0.0	0.0	0.0
2099 - Tax Penalties	0.0	0.1	0.1
1818 - Reentry and Rehabilitation	1.1	0.0	1.1
5901 - Economic Dev. Tax Incentives	1.1	0.8	1.8
5531 - Uniform Unclaimed Property	35.4	3.6	39.0
<b>SubTotal</b>	<b>-64.3</b>	<b>-450.9</b>	<b>-515.2</b>

## **Increases**

### **UNIFORM UNCLAIMED PROPERTY – \$35 MILLION (2021-23), \$4 MILLION (2023-25)**

ESSB 5531 (uniform unclaimed property) revises and updates the Uniform Unclaimed Property Act.

### **ECONOMIC DEVELOPMENT TAX INCENTIVES – \$1 MILLION (2021-23), \$1 MILLION (2023-25)**

SB 5901 (economic dev. tax incentives) creates a manufacturing and research and development sales and use tax incentive program for targeted counties; expands an existing warehouse sales and use tax exemption to include warehouses over 100,000 square feet in targeted counties; caps the maximum amount of sales and use tax that may be exempted for the construction or expansion of any warehouse or grain elevator at \$400,000; expires the warehouse sales and use tax exemption on July 1, 2032; and requires the Joint Legislative Audit and Review Committee to evaluate the effectiveness of the changes in the warehouse sales and use tax exemption in diversifying the tax base and increasing employment within targeted counties.

## **Savings or Decreases**

### **TAX CREDITS FOR SMALL BUSINESSES – \$13 MILLION (2021-23), \$118 MILLION (2023-25)**

SB 5980 (B&O tax credits) increases the business and occupation tax small business credits and increases the business and occupation filing threshold.

### **ADDITIONAL REVENUE FOR TRANSFER TO THE TRANSPORTATION BUDGET – NO IMPACT (2021-23), \$114 MILLION (2023-25)**

This new transfer requires the State Treasurer to transfer from the state general fund to the Multimodal Account \$57 million per year for 15 years beginning in fiscal year 2024.

### **TRANSPORTATION RESOURCES – \$19 MILLION (2021-23), \$41 MILLION (2023-25)**

SB 5974 (transportation resources) eliminates transfers from transportation accounts to backfill the state general fund for revenue losses from various tax credit and exemption provisions.

### **TACOMA NARROWS TOLL BRIDGE – \$13 MILLION (2021-23), \$26 MILLION (2023-25)**

SB 5488 (Tacoma Narrows toll bridge) requires the State Treasurer to make quarterly transfers of \$3.25 million from the State General Fund to the Tacoma Narrows Toll Bridge Account beginning in September 2022 and ending in June 2032, for a total of \$130 million.

**MOTION PICTURE PROGRAM – \$12 MILLION (2021-23), \$23 MILLION (2023-25)**

SHB 1940 (motion picture program) increases the amount of Business and Occupation (B&O) tax credits that may be taken per year, per business entity, from \$750,000 to \$1 million, and total amount of B&O tax credits taken annually from \$3.5 million to \$15 million. The bill also establishes a goal and an enhancement award for productions in rural communities and makes developing resources for filming in rural communities an allowable use of funds for the Washington Motion Picture Competitiveness Program (Program). It modifies the membership of the board of directors of the Program and exempts certain entities contributing to the Program and receiving a tax credit from certain annual reporting requirements.

**DATA CENTERS – \$6 MILLION (2021-23), \$30 MILLION (2023-25)**

House Bill (HB) 1846 (data centers tax preference) expands and extends the existing sales and use tax exemption for data centers in rural counties and establishes a sales and use tax exemption for the purchase of eligible server equipment, related labor and services, and for eligible data centers in counties with a population over 800,000. The legislation also includes certain labor requirements and green building/sustainable design standards with respect to new data centers.

**SR 520 SALES TAX DEFERRAL – \$11 MILLION (2021-23), \$22 MILLION (2023-25)**

SB 5899 (SR 520 sales tax deferral) extends the deferral period from five years to 24 years, for sales and use taxes associated with the State Route 520 bridge replacement and high occupancy vehicle project.

**EQUITABLE ACCESS TO CREDIT – \$8 MILLION (2021-23), \$16 MILLION (2023-25)**

HB 1015 (equitable access to credit) creates the Equitable Access to Credit Program to fund grants through the Department of Commerce to certain community development financial institutions to provide loans to historically underserved communities. The program is funded through a business and occupation tax credit capped at \$8 million annually for five years.

**SOLAR CANOPIES – \$5 MILLION (2021-23), \$18 MILLION (2023-25)**

SSB 5714 (solar canopies) defers state and local sales and use taxes on a qualified solar canopy, including labor and services rendered in the planning, installation, and construction of the project that is located in a qualifying commercial center; requires a qualified solar canopy be at least 50,000 square feet and be capable of producing at least one megawatt of electricity; reduces the amount of state sales and use tax to be repaid if the recipient complies with specified labor standards; and directs the Department of Revenue to stop accepting new applications for the deferral after June 30, 2032.

**SR 167 & I-405 TAX DEFERRAL – \$400 THOUSAND (2021-23), \$14 MILLION (2023-25)**

HB 1990 (SR 167 & I-405 tax deferral) provides a sales and use tax deferral for qualified Interstate 405/State Route 167 Corridor construction projects.

**DERILICT VESSEL REMOVAL – \$4 MILLION (2021-23), \$9 MILLION (2023-25)**

HB 1700 (derelict vessel removal) requires 25 percent of the Watercraft excise tax collected each fiscal year to be deposited in the Derelict Vessel Removal Account.

**CLEAN TECHNOLOGY TAX DEFERRALS – \$3 MILLION (2021-23), \$7 MILLION (2023-25)**

HB 1988 (clean technology tax deferrals) establishes a retail sales and use tax deferral program for certain investment projects in clean technology manufacturing, clean alternative fuels production, and renewable energy storage.

**LIQUOR LICENSE FEES – \$5 MILLION (2021-23), \$2 MILLION (2023-25)**

HB 1359 (liquor license fees) reduces by half certain liquor license fees set to expire or issued between April 1, 2022, and December 31, 2023.

**VACANT LAND REDEVELOPMENT – NO IMPACT (2021-23), \$3 MILLION (2023-25)**

SSB 5755 (vacant land redevelopment) authorizes certain cities to establish a limited sales and use tax incentive program to encourage redevelopment of vacant lands in urban areas for affordable housing.

**HEALTH BENEFIT EXCHANGE/BUSINESS & OCCUPATION TAX – NO IMPACT (2021-23), \$2 MILLION (2023-25)**

HB 1765 (health benefit ex./B&O) makes the business and occupation tax exemption for health benefit exchanges permanent.

**REENTRY & REHABILITATION – \$1 MILLION (2021-23), NO IMPACT (2023-25)**

HB 1818 (reentry and rehabilitation) extends the period for which DOC may provide housing vouchers from three to six months; allows DOC to provide housing vouchers to any person releasing from a state correctional facility if a voucher will support the person's release into the community by preventing housing instability or homelessness; and eliminates supervision fees charged to persons who commit criminal offenses.

**WORKFORCE SURCHARGE/CLINICS – \$1 MILLION (2021-23), \$1 MILLION INCREASE (2023-25)**

SB 5799 (transportation resources) exempts provider clinics and affiliated organizations from the workforce education investment surcharge.

**COMMUNITY SOLAR PROJECTS – NO IMPACT (2021-23), \$7 MILLION (2023-25)**

2SHB 1814 (community solar projects) establishes a new community solar incentive program, to be administered by the Washington State University Extension Energy Program, for providing direct benefits to low-income subscribers, low-income service provider subscribers, and tribal and public agency subscribers. The program has a statewide total cap of \$100 million for the Community Solar Expansion Program incentive payments.

**AFFORDABLE HOUSING – \$282 THOUSAND (2021-23), \$1 MILLION (2023-25)**

HB 1643 (affordable housing/REET) exempts from real estate excise tax the sale or transfer of real property to a nonprofit, cooperative association, housing authority, public corporation, county, or municipal corporation if the grantee intends to use the property for housing for low-income persons.

## 2022 Supplemental Budget - Proposed Final

### Fund Transfers & Budget Driven Revenue

#### Funds Subject to Outlook

(Dollars in Millions)

	2021-23	2023-25	4 Yr
<b>Fund Transfers In Budget Bill</b>			
WA Rescue Plan Transition Acct (GF-S)	-1,100.0	-500.0	-1,600.0
Wildfire Resp, Forest Restoratn, & Comm Resilience (GF-S)	-87.1	-94.8	-181.9
State Drought and Response Preparedness Account (GF-S)	-9.0	0.0	-9.0
School Employees' Insurance Account (GF-S)	-1.0	0.0	-1.0
Municipal Criminal Justice Assistance Account (GF-S)	-0.8	0.0	-0.8
Gambling Revolving Account (GF-S)	0.0	0.0	0.0
Streamlined Sales and Use Tax Mitigation Account (GF-S)	3.2	0.0	3.2
Long-Term Services and Supports Trust Account (GF-S)	-37.1	63.9	26.8
<b>SubTotal</b>	<b>-1,231.7</b>	<b>-530.9</b>	<b>-1,762.6</b>
<b>Budget Driven Revenue</b>			
Liquor Control Board (Marijuana)	-9.8	-22.4	-32.3
Marijuana Distribution Changes	-5.2	-13.3	-18.6
Liquor Control Board (Liquor)	-16.6	2.6	-14.0
Lottery	-0.5	-0.9	-1.4
<b>SubTotal</b>	<b>-32.1</b>	<b>-34.1</b>	<b>-66.2</b>

## 2021-23 Omnibus Operating Budget -- 2022 Supplemental

### Proposed Final

#### Funds Subject to Outlook

(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
<b><i>Appropriations Into Other Accounts</i></b>			
Transportation Budget Support	2,000,000	2,000,000	2,000,000
Capital Budget Resources	650,000	650,000	650,000
Paid Family Med Leave Ins Acct	350,000	350,000	350,000
Liability Account	217,000	217,000	217,000
Community Reinvestment Account	200,000	200,000	200,000
Washington Student Loan Program	150,000	150,000	150,000
Electric Vehicle Incentive Account	120,000	120,000	120,000
Judicial Stabilization Trust Acct	114,750	114,750	114,750
Salmon Recovery Account	100,000	100,000	100,000
Other Increases	39,644	39,644	55,510
Apple Health and Homes Account	37,192	37,192	37,192
Cancer Research Endowment	30,000	30,000	30,000
Long-Term Services and Supports	26,530	26,530	26,530
Judicial Information Systems	17,530	17,530	17,530
Innovation Challenge Account	6,000	6,000	22,000
Federal Funding Reallocation	0	-274,289	0
<b><i>Appropriations Into Other Accounts Total</i></b>	<b>4,058,646</b>	<b>3,784,357</b>	<b>4,090,512</b>
<b><i>FMAP &amp; Larger Fund Source Changes</i></b>			
Other FMAP Changes	13,228	0	13,228
Fund Source Change/MTCA	11,213	0	26,347
Unanticipated Receipts	0	156,821	0
ARPA Shortfall	0	-10,168	0
Updated Federal Grant Revenues	0	-318,000	0
Shift Water Banking To Capital Budget	-9,000	-9,000	-9,000
I-502 Related Revenues	-24,908	0	-42,395
Blake Fund Shift	-68,000	0	-68,000
Forest Health Funding Shift	-87,107	0	-181,907
Utilize CRF Instead of GFS	-274,289	0	-274,289
Public Health Emergency FMAP	-319,129	-66,349	-316,058
<b><i>FMAP &amp; Larger Fund Source Changes Total</i></b>	<b>-757,992</b>	<b>-246,696</b>	<b>-852,074</b>
<b><i>State Employee Compensation (Excl. Higher Ed.)</i></b>			
Employee Salary & Wages (Rep.)	149,450	235,047	353,898
Recruit and Retention Adjustments	50,000	84,340	150,000
Employee Salary & Wages (Non-Rep.)	25,162	48,751	75,643
PERS & TRS Plan 1 Benefit Increase	17,200	20,737	62,086
Employee Health Benefits	15,378	27,511	46,134
Agency Specific Salary Items	3,018	5,385	8,470
Other Increases	905	8,647	1,625
<b><i>State Employee Compensation (Excl. Higher Ed.) Total</i></b>	<b>261,113</b>	<b>430,418</b>	<b>697,856</b>
<b><i>K-12 Education</i></b>			
Inflation Rebasing	236,313	236,313	865,860

## 2021-23 Omnibus Operating Budget -- 2022 Supplemental

### Proposed Final

#### Funds Subject to Outlook

(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Student Support Staffing	90,573	90,573	638,907
Other Increases	30,585	30,789	61,755
School Nutrition Eligibility/Costs	21,817	43,685	65,099
Distinct Passenger Transportation	13,000	13,000	13,000
Residential Outdoor School	10,000	10,000	50,000
Small District Support	8,341	8,341	8,341
SBHS Funding	4,359	415	14,329
Updated SEBB Rate	3,349	3,349	-11,083
After Exit Running Start	3,000	3,000	9,000
Financial Literacy Education	3,000	3,000	9,000
Enrollment Stabilization	0	346,451	16,144
Learn Assist Prgm Hold Harmless	0	28,102	0
<b><i>K-12 Education Total</i></b>	<b>424,337</b>	<b>817,018</b>	<b>1,740,352</b>
<b><i>Higher Education</i></b>			
Health Care Workforce/Training	46,028	46,028	89,739
WCG MFI Expansion and Bridge Grants	34,277	34,277	103,542
Cybersecurity Programs	13,471	13,471	30,827
Other Increases	12,891	19,631	31,780
Student Success/Retention	8,820	8,820	18,213
Financial Aid: Outreach & Supports	5,920	5,920	18,893
CDL Training Grants	2,500	2,500	7,552
UW: Computer Science	2,455	2,455	6,497
Washington Student Loan Program	0	150,000	0
<b><i>Higher Education Total</i></b>	<b>126,362</b>	<b>283,102</b>	<b>307,043</b>
<b><i>Higher Education Employee Compensation</i></b>			
Employee Salary & Wages (Non-Rep.)	38,547	113,704	115,143
Employee Salary & Wages (Rep.)	14,530	53,166	29,902
Compensation Support	10,772	0	29,998
Employee Health Benefits	8,466	25,350	25,398
Agency Specific Salary Items	33	33	99
Adjust Compensation Double Count	-12,761	-18,599	-38,548
<b><i>Higher Education Employee Compensation Total</i></b>	<b>59,587</b>	<b>173,654</b>	<b>161,992</b>
<b><i>Public Health</i></b>			
Other Increases	19,973	34,801	26,886
Public Health Data Systems	1,000	20,088	1,000
COVID-19: Response & Vaccines	0	125,276	0
Andy Hill Cancer Research	0	30,000	0
<b><i>Public Health Total</i></b>	<b>20,973</b>	<b>210,165</b>	<b>27,886</b>
<b><i>Health Care</i></b>			
Other Increases	18,933	37,132	35,678
Children's Dental Services	10,906	21,621	54,335

**2021-23 Omnibus Operating Budget -- 2022 Supplemental**  
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**Funds Subject to Outlook**  
(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Hospital Grants	8,000	8,000	8,000
Continuous Enrollment for Children	7,849	14,733	36,432
Abortion Providers	7,400	7,400	7,400
MSP Asset Test Removal	5,268	10,459	16,062
Health Care for Uninsured Adults	4,190	4,190	26,764
HIV Antiviral Drug Coverage	3,735	17,810	19,322
Medicaid Transformation Project	0	252,440	0
Outpatient Directed Payment Program	0	217,649	0
Community Health Center Stability	0	24,600	0
Adult Chiropractic Coverage	0	0	3,057
Child Care Premium Utilization	0	-26,500	255
Ambulance Quality Assurance Fee	-1,295	37,556	-2,599
<b>Health Care Total</b>	<b>64,986</b>	<b>627,090</b>	<b>204,705</b>
<b>Behavioral Health</b>			
Other Increases	31,845	40,747	79,045
Non-Medicaid Funding	23,870	23,870	69,640
Behavioral Health Crisis, Outreach, and Diversion	23,133	35,264	55,289
IMD Federal Waiver	20,042	20,042	20,042
Behavioral Health Housing & Employment	17,610	23,569	55,322
Provider Rates & Reimbursements	17,532	50,992	90,701
Trueblood Settlement/Forensic Mental Health	16,298	19,375	21,737
Opioid Response & Related	13,781	23,176	42,354
Behavioral Health- Intensive Youth Services	12,222	15,889	44,737
State Hospital Direct Care Staffing	6,091	6,091	33,355
Case Management/Care Coordination	5,883	7,269	16,684
Behavioral Health Provider Relief	0	100,000	0
Other Savings	-19,351	-24,105	-25,068
Community Long-Term Inpatient Beds	-30,708	-65,200	-29,713
<b>Behavioral Health Total</b>	<b>138,248</b>	<b>276,979</b>	<b>474,125</b>
<b>Long Term Care &amp; DD</b>			
Temporary Rate Increase (DD/LTC)	202,372	425,278	261,129
DD: Community Residential Rates	77,269	154,537	241,142
SEIU and Liang Settlements	57,913	131,585	64,968
Nursing Home Rates	37,028	74,057	87,727
Hospital Transitions	32,788	66,252	42,055
Increase In-Home PNA	28,745	58,117	89,077
In-Home Care Provider Agreement	27,551	62,617	92,655
Assisted Living Rates	16,130	33,792	49,879
Other Increases	14,254	22,212	36,203
AAA Rate Increase	12,000	24,000	37,205
Transitional Care Center	10,694	22,333	10,694
Adult Family Home Award/Agreement	10,311	19,801	30,933
Case Management Ratios	10,234	20,977	37,326

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#### Funds Subject to Outlook

(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Veterans Homes Revenue Shortfall	9,568	8,079	13,648
DD: Concurrent Services	8,510	13,771	50,047
In-Home Provider PPE	7,062	16,332	7,062
Agency Provider Agreement-Parity	6,981	15,864	23,491
Supported Employment Services	5,087	5,322	16,356
Other Rate Increases	4,876	9,510	18,446
DD: No Paid Svcs Caseload	4,300	6,459	12,325
DD: Client Transitions	2,172	3,838	7,427
DD: Community Residential Capacity	1,617	2,816	11,250
LTSS Program Modifications	0	7,850	0
<b>Long Term Care &amp; DD Total</b>	<b>587,462</b>	<b>1,205,399</b>	<b>1,241,045</b>
<b>Children, Youth, &amp; Families</b>			
WCCC: Provider Rate Increase	49,080	49,600	358,028
WCCC Maintenance of Effort	40,395	0	40,395
Family Visitation Provider Rates	20,324	24,769	51,682
Other Increases	19,774	33,563	28,862
BRS Placement Continuum	16,792	22,055	45,232
Fund Source Change	12,656	0	26,152
Extended Foster Care	10,826	10,826	10,826
CIHS Provider Rate Increase	8,440	8,440	23,210
ECEAP Expansion/Conversions	7,373	7,373	44,537
ICWA Updated Standards	6,640	13,966	20,480
ECEAP Summer Program	5,970	5,970	5,970
Parent Pay	3,211	2,005	7,313
Family Child Care Provider Rates	0	45,347	0
Enrollment Based Payments	0	21,215	0
<b>Children, Youth, &amp; Families Total</b>	<b>201,481</b>	<b>245,129</b>	<b>662,687</b>
<b>Housing &amp; Homelessness</b>			
Landlord Mitigation	27,000	27,000	27,000
Other Increases	26,061	35,148	30,322
Homeless Youth/Discharge	5,202	5,470	15,581
Independent Youth Housing Program	4,092	4,092	12,276
Utility Assistance	0	101,053	0
Homeless Service Provider Stipends	0	55,000	0
Right of Way Response & Outreach	0	45,050	90,100
Eviction Prevention Rental Asst.	0	45,000	0
<b>Housing &amp; Homelessness Total</b>	<b>62,355</b>	<b>317,813</b>	<b>175,279</b>
<b>Other Human Services</b>			
Immigrant Funding/Recent Arrivals	43,442	74,169	49,775
ABD Grant Amount	36,860	36,860	130,153
Food Assistance & Related	28,059	93,925	31,992
Other Increases	16,673	43,703	36,213

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### Proposed Final

#### Funds Subject to Outlook

(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Retained Child Support Receivable	11,884	27,132	11,884
TANF Changes	10,864	11,353	10,864
EITC/WFTC Outreach	10,100	10,100	10,300
Job Training	9,768	9,768	29,596
Integrated Eligibility System	5,938	19,700	5,938
Post Emergency Response/Support	5,157	5,595	15,463
DSHS Agency Wide IT Efforts	4,366	6,203	7,665
King County SVP	4,309	4,309	9,348
DSB: Cafe Remodel/Food Trucks	2,440	2,440	9,153
Paid Leave Coverage Adjustment	0	-133,905	0
<b>Other Human Services Total</b>	<b>189,860</b>	<b>211,352</b>	<b>358,343</b>
<b>Corrections and Other Criminal Justice</b>			
Other Increases	40,057	53,837	64,694
DV & Sexual Assault Response/Supports	18,953	22,285	27,953
DOC Health Care	15,129	15,129	45,240
Basic Law Enforcement Academy	5,693	7,444	10,819
Office of Independent Investigations	5,463	5,551	10,865
Firearm/Violence Prevention Grants	5,171	5,171	12,345
DOC Re-Entry & Family Involvement	4,680	3,051	12,932
Body Scanners at WCCW and WCC	4,166	4,200	9,236
DOC Modify Restrictive Housing	3,986	3,986	13,924
DOC Facility & Capacity Changes	3,974	3,974	8,547
Blake v. Wa	3,764	48,514	4,012
COVID-19 Response	0	42,307	0
Other Savings	-261	-261	-261
<b>Corrections and Other Criminal Justice Total</b>	<b>110,775</b>	<b>215,188</b>	<b>220,306</b>
<b>Natural Resources</b>			
Wildfire & Related Items	101,930	113,447	116,838
Salmon Production, Habitat, & Recovery	82,947	180,230	130,896
Electric Vehicle Transitioning	77,867	102,867	233,198
Solar Energy	57,991	58,008	172,946
Other Increases	27,409	73,581	56,016
Invasive Species	14,446	15,803	27,920
Recreation Lands Maintenance	11,250	11,250	41,250
State Forestland Purchase	10,000	10,000	10,000
Climate Commitment Act	7,230	9,343	8,495
Greenhouse Gases	4,576	4,576	11,954
Zero Emission Vehicles/State Agencies	4,146	4,146	11,876
Land Management	4,057	10,038	4,417
Fund Source Change	4,000	0	4,498
Fish & Wildlife Enforcement	2,400	3,349	11,158
Water Quality/Availability	2,267	12,929	3,401
Toxics Reduction & Cleanup	0	10,136	0

**2021-23 Omnibus Operating Budget -- 2022 Supplemental**  
**Proposed Final**  
**Funds Subject to Outlook**  
(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
<b>Natural Resources Total</b>	<b>412,516</b>	<b>619,703</b>	<b>844,863</b>
<b>All Other Policy Changes</b>			
Broadband	56,001	59,001	60,216
Other Increases	51,720	164,084	79,067
Growth Management	23,646	23,686	64,851
Judicial: Other Increases	23,534	25,319	37,040
Central Services: All Other	21,486	41,300	54,892
Elections & Related	15,898	15,898	32,054
Gated IT Pool	14,844	22,778	14,844
Apprenticeships & Supports	10,508	11,638	12,077
Small Business Assistance	5,339	74,839	13,339
Transportation Related	5,115	5,198	15,407
Dispute Resolution Centers	4,096	4,096	12,288
Judicial: IT & Related	3,630	3,630	9,230
Central Services: Self Insurance	3,591	4,881	7,208
IJJA/Cybersecurity Grant Program	2,162	12,777	5,615
Statewide DEI Training	2,122	2,545	16,663
Disaster Response Account	0	133,974	0
Business Assistance/Hospitality	0	100,000	0
Building Resilient Infrastructure	0	38,751	0
Business Assistance for Arts	0	25,000	0
Convention Center COVID Support	0	20,000	0
Other Savings	-2,000	-16,376	-2,000
<b>All Other Policy Changes Total</b>	<b>241,692</b>	<b>773,019</b>	<b>432,789</b>
<b>Grand Total</b>	<b>6,202,401</b>	<b>9,943,690</b>	<b>10,787,710</b>

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest + Fair Start for Kids