



Proposed Substitute to HB 2185

By Representative Hunter

Summary

February 26, 2014
Office of Program Research

Summary of Proposed Substitute House Bill 2185 (by Rep. Hunter)

Fiscal context

The 2013-15 biennial budget adopted by the Legislature in June 2013 left a projected ending fund balance in the Near General Fund-State (NGF-S) and Opportunity Pathways accounts of \$58 million. The projected total reserves, which include the Budget Stabilization Account, were projected to be \$635 million. Since then, forecasted revenue has increased and fiscal 2013 lapses were larger than previously assumed. After accounting for these changes, the net result is that prior to the 2014 supplemental budget being written by the Legislature, the 2013-15 projected NGF-S + Opportunity Pathways ending fund balance grew to \$441 million, and total reserves are \$1.02 billion.

The estimated change in the cost of maintaining current services (updated caseloads and other maintenance level changes) is a net increase of \$91 million. The major changes to maintenance level include mandatory caseload, utilization, and federal match rate adjustments in health care, staff mix and enrollment changes in K-12, College Bound Scholarship adjustments in higher education, caseload adjustments in TANF/WCCC, Hospital Safety Net Assessment and Affordable Care Act implementation adjustments, and self-insurance and workers compensation premium adjustments.

The House Appropriation Committee Chair's 2014 Supplemental Operating Budget proposal

In addition to funding the maintenance level changes, the proposed budget spends a net of \$82 million in policy level increases (NGF-S + Opportunity Pathways). These policy level changes include:

- \$64 million in K-12 increases, including \$60 million for materials, supplies, and operating costs (MSOC).
- \$21 million in funding for the child care collective bargaining agreement with family home providers and a rate increase for child care centers.
- \$18 million in community mental health funding increases, including \$8 million for the children's mental health settlement.
- \$12 million in increased funding for the Department of Corrections and in DSHS for the Juvenile Rehabilitation Administration and Special Commitment Center.
- \$4 million in higher education increases. This is in addition to the \$5 million appropriated for SB 6523 (higher education opportunities).
- \$8 million in savings from the state Health Care Innovation Plan (HB 2572).
- \$64 million in savings in state employee health benefits costs (achieved by improved claim experience and the use of a one-time PEBB fund balance).

Resource changes made or assumed in the proposal include:

- Liquor Control Board budget driven revenue of \$9 million.
- A correction in the amount of the Liquor Excise tax going to local governments which costs the state \$9 million.
- An update to the amount transferred into the Child and Family Reinvestment Account adds \$4 million in resources.

- Four tax bills with a net increase of \$4 million in resources (HB 2198 - medical marijuana tax relief, HB 2409 - marijuana industry tax preference, ESHB 1287 - Indian tribes/property tax relief, and SB 6569 - tobacco substitutes).

The NGF-S plus Opportunity Pathways ending fund balance for the 2013-15 biennium under this budget proposal is \$272 million. Total reserves are \$855 million.

Following is a summary of the NGF-S plus Opportunity Pathways funding for the various budget areas (rounded to the nearest million dollars).

K-12 and early learning

- \$60 million to increase the materials, supplies, and operating costs (MSOC) allocations.
- \$21 million to fund the child care collective bargaining agreement with family home providers and to provide a rate increase for child care center providers.
- \$3 million to continue delivering the Medical Treatment Child Care program; federal Medicaid funds to support this program have been disallowed.
- \$2 million for federal forest deductible revenues, partially eliminating the reductions to school districts' apportionment that is based on federal timber revenue receipts.

Higher education

- \$5 million for Senate Bill 6523 (higher education opportunities). The appropriation is in SB 6523.
- \$1 million to support the Institute of Protein Design at the University of Washington.
- \$1 million in matching funds for a federal grant for the Jet Fuels Center of Excellence; Washington State University has been designated the lead agency for the Center.

Health care

- \$2 million for tobacco use prevention.
- \$8 million in savings from development and initial implementation of a 5-year health care innovation plan, which is expected to result in savings by slowing the growth of state health care costs.
- \$25 million in savings by responding to the delay in the implementation of the Hospital Safety Net Assessment changes made in 2013, restoring the expected benefit to hospitals and the state.

Corrections and criminal justice

- \$7 million for increased capacity for adult offenders by opening the remaining 256-bed unit at the Washington State Penitentiary and leasing 75 jail beds for female offenders.
- \$2 million for new Hepatitis C treatment.

- \$3 million in savings from elimination of the fractional billing practice for supervision violators housed in jail for a local/federal hold in addition to a Department of Corrections warrant.

Long term care, DD, and mental health

- \$10 million for a variety of community mental health enhancements.
- \$8 million for the children's mental health lawsuit settlement.
- \$5 million for staff for specialized services to nursing home clients in DD facilities to meet federal compliance requirements.
- \$3 million for overtime costs at Eastern and Western State hospitals.
- \$2 million to help move behavior analysis toward phased integration with systems that provide medical services to Medicaid patients.

Natural resources

- \$10 million for fire suppression costs in the Department of Fish and Wildlife and the Department of Natural Resources that exceed the existing appropriation in the biennial budget.
- \$1 million for maintenance and reassessment of fish passage barriers.

Employee compensation

- \$64 million in state employee health care savings through a reduction in the employer funding rates utilizing a one-time fund balance and better than expected claims rates.
- The collective bargaining agreement negotiated between the Governor and the health benefits super coalition is approved for the terms of the contract for the 2013-15 biennium.

Other policy items

- \$10 million to restore health care savings previously assumed in the biennial budget. See employee compensation and health care above for specific health care savings included in this proposal.

Outlook and expenditure limit requirements

The proposed budget complies with both the four-year outlook balanced budget requirements (applicable to both the 2013-15 and 2015-17 biennia) and with the expenditure limit requirements. The NGF-S + Opportunity Pathways ending fund balance for the 2013-15 biennium is projected to be \$272 million (total reserves are projected to be \$855 million). For 2015-17, the NGF-S + Opportunity Pathways ending fund balance is projected to be \$28 million (total reserves are projected to be \$970 million).

Spending is expected to be below the expenditure limit by \$1 million in FY 2014 and \$14 million in FY 2015.

Documents summarizing the House Appropriations Chair's budget proposal

Also included in this summary are the following items:

- Balance sheet and supporting tables.
- Supplemental items report (descriptions of the items can be found in the Agency Detail document).
- A budget grouping summary.
- The four-year outlook.

Separately, please refer to PSHB 2185 and the Agency Detail document.

These documents and additional fiscal information can be found at:

<http://leap.leg.wa.gov/leap/default.asp>

2013-15 Balance Sheet
Including 2014 Supplemental Budget Proposed By Rep. Hunter
General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts
(and Budget Stabilization Account)
Dollars in Millions

	2013-15
RESOURCES	
Beginning Fund Balance	156.4
November 2013 Forecast	33,576.4
February 2014 Forecast Update	60.4
Transfer to Budget Stabilization Account	(312.2)
Other Enacted Fund Transfers	417.7
Alignment to the Comprehensive Financial Statements	40.8
Proposed Changes	
Fund Transfers & Redirections (Net)	0.7
Revenue Legislation & Budget Driven Revenue (Net)	7.0
Total Resources (including beginning fund balance)	33,947.2
EXPENDITURES	
2013-15 Enacted Budget	
Enacted Budget	33,631.3
	10.5
Anticipated Reversions	(140.0)
2014 Supp: Maintenance Level Changes	91.3
2014 Supp: Policy Changes	76.9
2014: Appropriations in Other Legislation	5.0
Total Expenditures	33,674.9
RESERVES	
Projected Ending Balance	272.3
Budget Stabilization Account Beginning Balance	269.7
Transfer from General Fund and Interest Earnings	312.9
Projected Budget Stabilization Account Ending Balance	582.5
Total Reserves (Near General Fund plus Budget Stabilization)	854.8

2014 Supplemental Omnibus Operating Budget
House Chair (Rep. Hunter)
(Dollars in Thousands)

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	NGF+OpPth	Total
Judicial		
Supreme Court		
<i>Policy Items</i>		
1. Additional Salary Step	44	44
State Law Library		
<i>Policy Items</i>		
2. Additional Salary Step	4	4
Administrative Office of the Courts		
<i>Policy Items</i>		
3. Superior Court CMS	0	5,306
4. Enterprise Content CMS	0	1,093
5. IT Security Enhancements	0	750
6. Superior Ct Judge Benton/Franklin	-108	-108
7. Superior Court Judge Whatcom County	-108	-108
Total	-216	6,933
Office of Public Defense		
<i>Policy Items</i>		
8. Federal Grant Authority	0	152
9. Appellate Indigent Funding-Death Pe	250	250
Total	250	402
Office of Civil Legal Aid		
<i>Policy Items</i>		
10. Temporary Vendor Rate Increase	280	280
Total Judicial	362	7,663
 Governmental Operations		
Office of the Governor		
<i>Policy Items</i>		
11. Interpreter Training Program	35	35
12. Special Education Ombuds	50	50
Total	85	85
Public Disclosure Commission		
<i>Policy Items</i>		
13. Electronic Filing	100	100
Office of the Secretary of State		
<i>Policy Items</i>		
14. State Records Center Stockpickers	0	162
15. Archives Vehicle Replacement	0	38
16. Signature Gathering	44	44
Total	44	244

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	NGF+OpPth	Total
Office of the Attorney General		
<i>Policy Items</i>		
17. Anti-Trust Litigation Increase	0	528
18. Increased Legal Svcs to Specif Agys	0	5,075
19. Moore v. HCA Litigation	0	2,414
20. WA Servicemember Civil Relief Act	69	69
21. Labor and Industries Appeal Bonds	0	259
22. Public Works Payroll Records	0	141
23. Medical Marijuana	0	120
Total	69	8,606
Department of Commerce		
<i>Policy Items</i>		
24. Innovation Contract #	0	1,939
25. Agriculture Safety Grant	250	250
26. Homeless Certifications	0	26
27. Public Works Payroll Records	0	325
28. New Americans Program	200	200
29. Meth Remediation	0	466
Total	450	3,206
Office of Financial Management		
<i>Policy Items</i>		
30. Education Research Data Center	0	316
31. Statewide Jail Study	300	300
32. State Agency Permitting	0	37
33. Higher Education Transparency	121	121
34. Student Success Report	262	262
35. Master Address Services	0	189
36. Public Records	200	200
37. Interpreter Services	0	154
Total	883	1,579
Office of Administrative Hearings		
<i>Policy Items</i>		
38. OMWBE Support	0	67
39. Labor and Industries Appeal Bonds	0	93
Total	0	160
Department of Retirement Systems		
<i>Policy Items</i>		
40. Private Sector Retirement Savings	250	250
41. Save Toward Retirement Plan	344	344
Total	594	594
Innovate Washington		
<i>Policy Items</i>		
42. Innovation Contract #	0	-3,384

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House Chair (Rep. Hunter)
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	NGF+OpPth	Total
Department of Revenue		
<i>Policy Items</i>		
43. Property Tax Relief Programs	158	158
44. State Tax Preferences	292	292
45. Unpaid Wage Collection	340	340
46. Implementation Funding	53	53
Total	843	843
Office of Insurance Commissioner		
<i>Policy Items</i>		
47. Financial Solvency	0	498
Department of Enterprise Services		
<i>Policy Items</i>		
48. McNeil Is Boundary Survey/Appraisal	0	75
49. Commercial Insurance	0	2,278
Total	0	2,353
Washington State Liquor Control Board		
<i>Policy Items</i>		
50. I-502 Implementation	0	0
51. Medical Marijuana	0	376
52. Marijuana License Software	0	210
53. Marijuana Traceability System	0	782
54. Marijuana Tax System	0	378
55. Additional Staffing	0	3,486
Total	0	5,232
Military Department		
<i>Policy Items</i>		
56. Oil Transportation Safety	37	37
Department of Archaeology & Historic Preservation		
<i>Policy Items</i>		
57. Relocation and New Lease Costs	160	160
58. Assistant State Phy Anthropologist	0	109
Total	160	269
Total Governmental Operations	3,265	20,422
 DSHS		
Children and Family Services		
<i>Policy Items</i>		
59. Adoption Process	100	160
60. Adoption Incentive Grant	-18	0
61. Family Assessment Rspnse Shortfall	0	0
62. Extended Foster Care	83	106

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House Chair (Rep. Hunter)
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	NGF+OpPth	Total
63. Family Home Chld Care Rate Increase	381	436
64. Center Child Care Rate Increase	934	1,069
65. Parents with Disabilities	15	15
66. Open Source Parenting Program	150	150
Total	1,645	1,936
Juvenile Rehabilitation		
<i>Policy Items</i>		
67. At-Risk Youth Intervention	500	500
68. PREA Compliance	75	75
69. Increased Motor Pool Costs	477	477
70. Juvenile Firearms Offenders	100	100
Total	1,152	1,152
Mental Health		
<i>Policy Items</i>		
71. Children's Mental Health Settlement	8,241	15,462
72. State Hospital Overtime	2,600	2,600
73. Behavioral Health Redesign	1,803	2,774
74. Mental Health Enhancements	10,351	14,940
75. ESH - Computer Leases funding	103	103
76. EHR Training	1,466	1,466
77. Revenue Correction	830	-850
Total	25,394	36,495
Developmental Disabilities		
<i>Policy Items</i>		
78. RHC Medicaid Compliance	5,000	10,000
79. Program Underexpenditure	-1,500	-2,600
80. Provider Compensation System	-774	-3,169
81. In Home Arbitration Rebargaining	113	227
82. Provider Safety Equipment	91	91
83. Forecast Utilization Adjustment	-113	-227
84. Supported Living Investigations	0	483
Total	2,817	4,805
Long-Term Care		
<i>Policy Items</i>		
85. Provider Compensation System	-2,447	-10,022
86. In Home Arbitration Rebargaining	-216	-431
87. Residential Enforcement Standards	15	30
88. Provider Safety Equipment	3	3
89. Forecast Utilization Adjustment	216	431
90. ProviderOne Staffing	69	137
91. Community First Choice Option	296	592
92. Retirement Actuarial Study	500	500
93. Health Path Washington	269	3,656
94. Vulnerable Adults Incident Tracking	0	5,388
95. Supported Living Investigations	0	473
Total	-1,295	757

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	NGF+OpPth	Total
Economic Services Administration		
<i>Policy Items</i>		
96. Call Center Staffing	521	1,423
97. Family Home Chld Care Rate Increase	7,358	7,358
98. Center Child Care Rate Increase	9,273	9,273
99. Medicaid Cost Allocation Changes	0	0
100. ACA Client Eligibility System	1,418	16,681
101. IT Disaster Recovery	1,461	3,340
102. WorkFirst Program Changes	2,275	17,023
Total	22,306	55,098
Alcohol and Substance Abuse		
<i>Policy Items</i>		
103. Federal Funds - Increased Authority	0	2,870
Special Commitment Center		
<i>Policy Items</i>		
104. New Hepatitis C Treatment	1,729	1,729
Total DSHS	53,748	104,842
Other Human Services		
Washington State Health Care Authority		
<i>Policy Items</i>		
105. Breast & Cervical Cancer Treatment	-4,322	3,761
106. Provider Safety Equipment	306	612
107. State Health Care Innovation Plan #	-8,087	-9,759
108. Federal Basic Health Planning	500	500
109. Behavioral Health Redesign	229	424
110. Hospital Safety Net Assessment	-24,975	112,234
111. P1 Phase 2 Funding	1,923	9,032
112. P1 Operating Rules	197	1,253
113. Cost Allocation Update for HBE	1,157	4,101
114. P1 ACA Enhancements	620	2,485
115. P1 Phase 2 Operations & Maintenance	693	2,391
116. Medicaid Plan Choice	390	3,900
Total	-31,369	130,934
WA State Criminal Justice Training Commission		
<i>Policy Items</i>		
117. Crisis Intervention Training	0	625
118. Strategic Social Interaction Model	0	343
119. Reserve Officers	35	35
Total	35	1,003
Department of Labor and Industries		
<i>Policy Items</i>		
120. Unpaid Wages Collection	0	262

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	NGF+OpPth	Total
121. Claims Processors	0	665
122. Electrical Program Workload Adj	0	3,004
123. Labor and Industries Appeal Bonds	399	420
124. Public Works Payroll Records	0	457
125. Employee Status	0	660
126. Employee Antiretaliation	0	259
127. Prevailing Wage IT	0	925
128. Prevailing Wage Program Manager	0	173
129. Interpreter Services	0	33
Total	399	6,858
Department of Health		
<i>Policy Items</i>		
130. Healthiest Next Gen Initiative	350	350
131. Medical Marijuana	2,950	3,028
132. Physical Therapists	0	68
133. Suicide Prevention	0	251
134. Trauma Care Fund	0	-1,121
135. Tobacco Use Prevention	2,000	2,000
Total	5,300	4,576
Department of Corrections		
<i>Policy Items</i>		
136. Violator Policy Change	1,161	1,161
137. New Prison Capacity	4,840	4,840
138. Emergency Beds at WCCW	118	118
139. PREA Zero Tolerance Grant	0	250
140. PREA Compliance	543	543
141. Prison Overtime Resources	1,776	1,776
142. Centralized Pharmacy Restoration	1,390	1,390
143. ACA Enrollment Resources	60	60
144. Medicaid Code Compliance	100	100
145. Female Offender Jail Beds	1,670	1,670
146. ITU Expansion	-322	-322
147. Second Chance Reentry Grant	250	1,000
148. Violator Fractional Billing	-2,621	-2,621
Total	8,965	9,965
Employment Security Department		
<i>Policy Items</i>		
149. Complete Next Generation Tax System	0	11,199
150. Data Center Move	0	1,020
Total	0	12,219
Total Other Human Services	-16,670	165,555

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	NGF+OpPth	Total
Natural Resources		
Department of Ecology		
<i>Policy Items</i>		
151. Federal Funding Adjustment	0	-2,000
152. Yakima Adjudication Support	0	260
153. Consumer Product Toxics Testing	0	611
154. Biosolids Permitting	0	299
155. Increase Hanford Compliance	0	312
156. Coordinate Hanford Permit Revision	0	224
157. Reduce Oil Spill Risk-Rail/Vessel	0	652
158. Water Quality Data Systems Upgrade	0	815
159. Oil Transportation Safety	0	157
Total	0	1,330
State Parks and Recreation Commission		
<i>Policy Items</i>		
160. Major Equipment Replacement	0	500
161. State Agency Permitting	25	25
162. Public Works Payroll Records	105	105
Total	130	630
Department of Fish and Wildlife		
<i>Policy Items</i>		
163. Wildfire Season Costs	545	545
164. Records Management	0	247
165. Wildlife Disease Management	0	200
166. Fish Passage Barriers	1,432	1,432
167. Sustaining Hunter Education *	0	272
168. Oil Transportation Safety	0	24
169. HPA Account Adjustment	0	292
Total	1,977	3,012
Department of Natural Resources		
<i>Policy Items</i>		
170. Emergency Fire Suppression	9,172	9,172
171. Sustainable Trust Land Revenue	0	7,100
Total	9,172	16,272
Department of Agriculture		
<i>Policy Items</i>		
172. Hemp/Commercial Animal Feed	72	72
173. Emergency Food Assistance	1,000	1,000
Total	1,072	1,072
Total Natural Resources	12,351	22,316

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	NGF+OpPth	Total
Transportation		
Washington State Patrol		
<i>Policy Items</i>		
174. Fund Switch-License Invest. Unit	110	0
175. King Airplanes Overhaul	1,260	1,260
176. Fingerprint Background Checks	0	94
177. Special Operations Bicycles	10	10
Total	1,380	1,364
Department of Licensing		
<i>Policy Items</i>		
178. Cosmetology Licensing	0	112
Total Transportation	1,380	1,476
Public Schools		
OSPI & Statewide Programs		
<i>Policy Items</i>		
179. Closing the Opportunity Gap	218	218
180. Paraeducator Development	293	293
181. Career & Tech Ed Equivalencies	287	287
182. Washington Achievers Scholars	234	234
183. Program Compliance	267	267
Total	1,299	1,299
General Apportionment		
<i>Policy Items</i>		
184. Materials, Supplies, & Op. Costs	52,720	52,720
185. Federal Forest Deductible Revenues	1,991	1,991
186. Instructional Hours	0	0
187. New Instructional Hours Correction	626	626
Total	55,337	55,337
Pupil Transportation		
<i>Policy Items</i>		
188. Transportation Funding Adjustment	558	558
Special Education		
<i>Policy Items</i>		
189. Materials, Supplies, & Op. Costs	7,282	7,282
190. Instructional Hours	0	0
191. New Instructional Hours Correction	-536	-536
192. Special Education Ombuds	-50	-50
Total	6,696	6,696
Educational Service Districts		
<i>Policy Items</i>		
193. Learning Platform Crowdsourcing	100	100

2014 Supplemental Omnibus Operating Budget
House Chair (Rep. Hunter)
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	NGF+OpPth	Total
Education Reform		
<i>Policy Items</i>		
194. Closing the Opportunity Gap	27	27
195. Community Engagement Grants	200	200
Total	227	227
Washington Charter School Commission		
<i>Policy Items</i>		
196. Attorney General Lawsuit Costs	125	125
197. Charter Evaluation and Oversight	137	137
198. Projected Under Expenditures	-146	-146
Total	116	116
Total Public Schools	64,333	64,333
 Higher Education		
Student Achievement Council		
<i>Policy Items</i>		
199. Private/Local Grant Authority	0	300
200. Dual Credit Coursework	17	17
201. Align fund sources	0	0
202. Student Aid Review	50	50
Total	67	367
University of Washington		
<i>Policy Items</i>		
203. Institute for Protein Design	1,000	1,000
204. Burke Museum Hands on Science	150	150
Total	1,150	1,150
Washington State University		
<i>Policy Items</i>		
205. Jet Fuels Center of Excellence	750	750
206. Oil Transportation Safety	300	300
207. Transfer of University Center	1,989	1,989
Total	3,039	3,039
The Evergreen State College		
<i>Policy Items</i>		
208. Homeless Youth Population - WSIPP	98	98
Community & Technical College System		
<i>Policy Items</i>		
209. Health Care Training Center	300	300
210. Paraeducator Development	181	181
211. Year Up Community College Pilot	350	350
212. STEM for under-represented students	410	410

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	NGF+OpPth	Total
213. Transfer of University Center	-1,989	-1,989
Total	-748	-748
Total Higher Education	3,606	3,906
 Other Education		
Center for Childhood Deafness & Hearing Loss		
<i>Policy Items</i>		
214. Replace Phone System	71	71
215. Instructional Hours	72	72
Total	143	143
 Workforce Training & Education Coordinating Board		
<i>Policy Items</i>		
216. Federal Economic Development Grant	0	588
 Department of Early Learning		
<i>Policy Items</i>		
217. Electronic Time System	944	944
218. Local Grant for Early Achievers	0	50
219. Family Home Chld Care Rate Increase	2,237	2,237
220. Center Child Care Rate Increase	299	299
221. Maintain MTCC Program	3,018	-1,286
222. Debt Service Adjustment	-1,078	-1,078
Total	5,420	1,166
Total Other Education	5,563	1,897
 Special Appropriations		
Bond Retirement and Interest		
<i>Policy Items</i>		
223. Change Year Split	0	0
224. 2014 Supplemental	-2,068	-9,897
225. Supplemental Debt Service Adjust.	1	4
Total	-2,067	-9,893
 Special Appropriations to the Governor		
<i>Policy Items</i>		
226. Attorney General Legal Services	1,988	5,076
227. Office of Chief Information Officer	67	170
228. Administrative Hearings	0	67
229. Criminal Justice Costs	343	343
230. Parkland Trust Revolving Acct	639	639
231. Thurston County Capital Facilities	900	900
232. Teanaway Interest: Common School	444	444
233. Teanaway Interest: Nat. Resource	222	222
Total	4,603	7,861

2014 Supplemental Omnibus Operating Budget
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	NGF+OpPth	Total
Sundry Claims		
<i>Policy Items</i>		
234. Sundry Claims	233	233
State Employee Compensation Adjustments		
<i>Policy Items</i>		
235. Implement Health Care Savings	10,000	10,000
236. State Employee Health Insurance	-63,828	-123,318
Total	-53,828	-113,318
Other Legislation		
<i>Policy Items</i>		
237. Higher Education Opportunities	5,000	5,000
Total Special Appropriations	-46,059	-110,117
Total 2014 Supplemental	81,879	282,293

2013-15 Revised Omnibus Operating Budget (2014 Supp)
House Chair (Rep. Hunter)
(Dollars in Thousands)

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	NGF+OpPth	Total
<i>Employee Compensation</i>		
State Employee Health Insurance	-63,828	-123,318
Employee Compensation Total	-63,828	-123,318
<i>K-12 Education</i>		
Materials, Supplies, & Op. Costs	60,002	60,002
All Other Increases	3,032	3,032
Federal Forest Deductible Revenues	1,991	1,991
New Instructional Hours Adjustment	90	90
Other Savings	-146	-146
K-12 Education Total	64,969	64,969
<i>Higher Education Institutions</i>		
All Other Increases	1,210	1,798
Institute for Protein Design	1,000	1,000
Jet Fuels Center	750	750
Higher Education Institutions Total	2,960	3,548
<i>Higher Education Financial Aid</i>		
HE Opportunities (SB 6523)	5,000	5,000
All Other Increases	188	488
Higher Education Financial Aid Total	5,188	5,488
<i>Early Learning & Child Care</i>		
Child Care Rate Increase	20,482	20,672
Maintain MTCC Program	3,018	-1,286
All Other Increases	944	994
Other Savings	-1,078	-1,078
Early Learning & Child Care Total	23,366	19,302
<i>Health Care</i>		
All Other Increases	2,363	9,419
DOH: Tobacco Use Prevention	2,000	2,000
HBE Cost Allocation	1,157	4,101
Other Savings	-4,322	2,640
Health Care Innovation Planning	-8,087	-9,759
Hospital Safety Net Assessment	-24,975	112,234
Health Care Total	-31,864	120,635
<i>Corrections and Other Criminal Justice</i>		
All Other Increases	7,329	8,656
Increased Capacity For Adult Offenders	6,628	6,628
New Hepatitis C Treatment	1,729	1,729
Other Savings	-322	-322
Violator Policy Changes	-1,460	-1,460
Corrections and Other Criminal Justice Total	13,904	15,231

2013-15 Revised Omnibus Operating Budget (2014 Supp)
House Chair (Rep. Hunter)
(Dollars in Thousands)

February 25, 2014
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	NGF+OpPth	Total
<i>Long Term Care, DD, and Mental Health</i>		
Mental Health Enhancements	10,351	14,940
Children's Mental Health Settlement	8,241	15,462
RHC Compliance	5,000	10,000
All Other Increases	3,346	12,105
State Hospital Overtime	2,600	2,600
Behavioral Health Redesign	2,032	3,198
Community First Choice Option	296	592
Provider Compensation System (Net)	-605	-1,768
Other Savings	-1,500	-2,600
Long Term Care, DD, and Mental Health Total	29,761	54,529
<i>Other Human Services</i>		
TANF Related Changes	2,796	18,446
All Other Increases	1,907	7,759
ACA Client Eligibility System	1,418	16,681
Emergency Food Assistance	1,000	1,000
Next Generation Tax System	0	11,199
Other Savings	-18	0
Other Human Services Total	7,103	55,085
<i>Natural Resources</i>		
Fire Costs	9,717	9,717
All Other Increases	1,714	6,579
Fish Passage Barriers	1,432	1,432
Sustainable Trust Land Revenue	0	7,100
Other Savings	0	-2,000
Natural Resources Total	12,863	22,828
<i>All Other Policy Changes</i>		
Reduce Assumed Hlth Care Savings	10,000	10,000
All Other Increases	7,174	24,578
Other AG Related Increases	1,988	13,093
Other Judicial Increases	578	730
IT Related Judicial Increases	0	7,149
Innovation Contract	0	-1,445
Other Savings	-216	-216
Debt Service	-2,067	-9,893
All Other Policy Changes Total	17,457	43,996
<i>Maintenance Level</i>		
HCA: Other Low Income Hlth Care	54,949	-297,713
HCA/DSHS: Medicaid Expansion Adj	30,517	1,030,413
HCA/DSHS: Presumptive SSI Federal Match	23,574	-28,868
Dept. of Corrections	19,091	19,107
Workers Comp	12,538	12,042
Higher Ed: College Bound	12,261	12,261
Central Services Adjustments (Incl. Self Ins.)	7,600	5,423

2013-15 Revised Omnibus Operating Budget (2014 Supp)
House Chair (Rep. Hunter)
(Dollars in Thousands)

February 25, 2014
7:05 pm

	NGF+OpPth	Total
Debt Service	3,406	19,232
K-12	-7,984	56,404
DSHS: All Other	-10,741	-53,752
DSHS: TANF & WCCC	-62,787	-62,787
Other	8,853	32,397
Maintenance Level Total	91,277	744,159
Grand Total	173,156	1,026,452

Budget Outlook (Including 2014 Supplemental Budget Proposed by Rep. Hunter)

(Near GF-S & Opportunity Pathways Account, Dollars in Millions)

	FY 2014	FY 2015	2013-15	FY 2016	FY 2017	2015-17
Beginning Balance	156.4	344.0	156.4	272.3	(56.5)	272.3
Current Revenues						
February 2014 Forecast	16,594.6	17,042.2	33,636.8	17,781.1	18,547.8	36,328.9
Additional Revenue Based on 4.5% Growth Rate Assumption				28.0	62.7	90.6
	16,594.6	17,042.2	33,636.8	17,809.1	18,610.5	36,419.5
Other Resource Changes						
Transfer to BSA	(143.7)	(168.5)	(312.2)	(175.6)	(183.3)	(358.9)
Enacted Fund Transfers (Net)	57.5	82.9	140.4			-
Capital Budget Transfers	138.6	138.6	277.2			-
Prior Period Adjustments	20.4	20.4	40.8	20.4	20.4	40.8
Supplemental Budget						
Revised Child and Family Reinvestment Account	2.1	1.7	3.8			-
Tobacco Strategic Contribution Transfer	0.6	0.1	0.7			
Liquor Control Board Budget Driven Revenue	5.0	4.2	9.2	-	-	-
Correct Education Savings Account Deficit	(0.0)	-	(0.0)	-	-	-
DNR PILT Adjustment	(0.2)	-	(0.2)	-	-	-
Liquor Excise Tax fix for locals	(4.6)	(4.8)	(9.4)	-	-	-
HB 2198 Medical Marijuana Tax Relief		(1.8)	(1.8)	(2.1)	(2.3)	(4.4)
HB 2409 Marijuana Industry Tax Preference		2.8	2.8	2.8	2.8	5.5
ESHB 1287 Indian tribes/property tax		0.7	0.7	1.7	1.7	3.4
SB 6569 Tobacco Substitutes		1.9	1.9	14.4	14.4	28.8
Total Revenues and Resources (Incl. Beginning Balance)	16,826.9	17,464.3	33,947.2	17,942.8	18,407.6	36,407.0
Enacted Appropriations	16,465.2	17,166.1	33,631.3			
EHB 2088 Aerospace Appropriations	0.8	9.8	10.5			
Continue FY 2015 Appropriation Level				17,174.6	17,174.1	34,348.6
Adjustments To FY 2015 Baseline				607.2	1,079.2	1,686.5
Actual/Estimated Reversions	(70.0)	(70.0)	(140.0)	(70.0)	(70.0)	(140.0)
Maintenance Level	11.9	79.4	91.3	212.0	224.9	437.0
Policy Level	75.0	6.9	81.9	75.6	(28.5)	47.1
K-12 Education	0.0	4.3	4.3	5.0	5.0	10.0
MSOC	-	60.0	60.0	75.4	75.8	151.1
Higher Education	0.4	3.2	3.6	3.2	3.2	6.4
SB 6523 Higher Education Opportunities		5.0	5.0	5.0	5.0	10.0
Mental Health/Dev. Disabilities/Long Term Care	3.1	5.2	8.3	5.3	5.4	10.7
DSHS/LTC Community First Choice	-	-	-	(36.0)	(35.7)	(71.8)
Children's Mental Health Settlement	0.3	8.0	8.2	16.0	24.0	40.0
Mental Health Service Enhancements	-	10.4	10.4	11.5	11.5	23.0
Corrections/JRA/SCC	5.8	6.0	11.8	6.1	6.2	12.4
Children's/Economic Svcs	2.4	0.8	3.2	0.8	0.8	1.6
Dept of Early Learning	0.3	2.6	2.9	2.6	2.6	5.2
DEL Electronic Child Care System	-	-	-	(20.5)	(20.4)	(40.9)
Child Care CBA + CC Centers	-	20.5	20.5	25.6	26.7	52.3
WorkFirst	0.5	2.3	2.8	20.0	20.1	40.1
Low Income Health Care	(24.8)	1.5	(23.3)	1.6	1.6	3.2
Health Care Innovation (HB 2572)	0.6	(8.7)	(8.1)	(29.7)	(82.1)	(111.8)
Health Care Innovation PEBB (HB 2572)	-	-	-	(6.1)	(16.9)	(23.0)
HCA Hospital Safety Net Phase out	-	-	-	(20.1)	(40.2)	(60.2)
Low Income Health Care BHP Account	-	-	-	(15.1)	(46.0)	(61.1)
Debt Service	73.0	(75.1)	(2.1)	-	-	-
All Other	13.3	24.7	38.1	25.0	25.0	49.9
One-time use of PEBB balance FY 2015	-	(63.8)	(63.8)	-	-	-
Revised Appropriations	16,482.8	17,192.1	33,674.9	17,999.4	18,379.7	36,379.1
Projected Unrestricted Ending Balance	344.0	272.3	272.3	(56.5)	27.9	27.9
Budget Stabilization Account						
Beginning Balance	269.7	413.6	269.7	582.5	758.5	582.5
Transfer From GFS	143.7	168.5	312.2	175.6	183.3	358.9
Interest Earnings	0.3	0.4	0.7	0.4	0.4	0.8
Ending BSA Balance	413.6	582.5	582.5	758.5	942.2	942.2
Combined Near GF-S Unrestricted & BSA Ending Balance	757.6	854.8	854.8	702.0	970.1	970.1

Fund Transfers, Revenue Legislation and Budget Driven Revenues
Dollars, In Millions

	<u>FY 14</u>	<u>FY 15</u>	<u>2013-15</u>
Fund Transfers/Redirections to Education Legacy Trust Account			
Energy Freedom Account	-	1.0	1.0
Life Sciences Discovery Fund	0.6	17.1	17.7
Employment Training Finance Account	-	1.0	1.0
Tuition Recovery Trust Account	-	1.3	1.3
Treasurers Service Account	-	10.1	10.1
Legal Services Revolving	-	1.5	1.5
Data Processing Revolving Account	-	4.1	4.1
Personnel Service Account	-	0.7	0.7
Subtotal	<u>0.6</u>	<u>36.7</u>	<u>37.3</u>
Elimination of Previously Assumed Transfers To GFS			
Energy Freedom Account		(1.0)	(1.0)
Life Sciences Discovery Fund	-	(17.0)	(17.0)
Employment Training Finance Account	-	(1.0)	(1.0)
Tuition Recovery Trust Account	-	(1.3)	(1.3)
Treasurers Service Account	-	(10.1)	(10.1)
Legal Services Revolving	-	(1.5)	(1.5)
Data Processing Revolving Account	-	(4.1)	(4.1)
Personnel Service Account	-	(0.7)	(0.7)
Subtotal	<u>-</u>	<u>(36.6)</u>	<u>(36.6)</u>
Legislation, Budget Driven & Other (General Fund Unless Otherwise Noted)			
HB 2198 Medical Marijuana Tax Relief	-	(1.8)	(1.8)
HB 2409 Marijuana Industry Tax Preference	-	2.8	2.8
ESHB 1287 Indian tribes/property tax	-	0.7	0.7
SB 6569 Tobacco Substitutes	-	1.9	1.9
Revision to Child and Family Reinvestment Account	2.1	1.7	3.8
Budget Driven: Liquor Excise Distribution (Local Government) ⁽¹⁾	(4.6)	(4.8)	(9.4)
Budget Driven: DNR PILT Correction	(0.2)	-	(0.2)
Budget Driven: Liquor Control Board	5.0	4.2	9.2
Subtotal	<u>2.4</u>	<u>4.7</u>	<u>7.0</u>
Total	3.0	4.8	7.7

Notes:

(1) The legislature intended to transfer \$24.7 million (based on the March 2013 revenue forecast).

Because of a drafting error, the amount expected to actually be transferred is estimated to be \$34.0 million.

This corrects that error.

2013

2015



Washington State House of Representatives
Office of Program Research