

Proposed Substitute House Bill 2988

H-4504.1/16
By Representative Dunshee

Making expenditures from the budget stabilization account to make critical investments.

Brief Summary of Proposed Substitute Bill

- Appropriates a total of \$317.461 million from the Budget Stabilization Account for local effort assistance transition, fire suppression and mobilization, and homeless assistance.

Background

Budget Stabilization Account.

In 2007 the voters ratified a constitutional amendment that created the Budget Stabilization Account (BSA) as Article VII, section 12 of the state constitution. Each year, the State Treasurer must deposit 1 percent of general state revenues (GSR) into the constitutionally created Budget Stabilization Account. The term GSR is defined in the constitution and is largely equivalent to the statutory State General Fund (GFS).

In general, appropriations from the BSA require a three-fifths majority in each house of the Legislature, but in the case of a catastrophic event or low employment growth, the Legislature may appropriate from the BSA with a constitutional majority vote of each house.

Local Effort Assistance.

The Local Effort Assistance (LEA) program, also known as levy equalization, was created in 1987. Under LEA, the state provides additional funding to school districts that are at a relative disadvantage in raising maintenance and operations levies due to relatively low property values. School districts are eligible for LEA if they have a higher than average levy rate and if the district has certified a maintenance and operations levy. The state provides assistance to equalize levies up to 14 percent of the levy base, which is half of the 28 percent levy lid that is applied to the majority of districts. Beginning in 2018, the state levy lid will generally decrease to 24 percent, and the equalization percentage will decrease to 12 percent, maintaining the current one-half policy.

Engrossed House Bill 2698 passed the House on February 17, 2016. The bill extends the current levy lid and LEA percentage by one year to 2019. The bill also creates the Local Effort Assistance Transition Account as an appropriated account in the State Treasury. Expenditures from the account may be used only for state LEA funding in the 2017-19 biennium.

Fire Suppression and Mobilization.

The Department of Natural Resources (DNR) is the primary fire suppression agency for the State of Washington. The DNR has responsibility for protecting state and private forested land, lands that threaten forested lands during a wildfire, and non-forested lands

under a protection agreement. The DNR fights wildfires in coordination with a number of state, federal, and local agencies, but in general the DNR is responsible for the costs of fire suppression on lands under DNR protection.

The Washington Department of Fish and Wildlife (WDFW) has a protection agreement with the DNR for non-forested WDFW lands. The WDFW pays the DNR for the DNR's fire suppression costs on lands protected under this agreement.

The state Legislature traditionally appropriates a base amount to cover fire suppression costs in the operating budgets of the DNR and WDFW. When either agency's estimated final costs for fire suppression exceed the base amount for the fiscal year, the agency requests additional funding in a supplemental budget.

The Chief of the Washington State Patrol (WSP) has the authority to mobilize jurisdictions under the Washington State Fire Services Mobilization Plan. The purpose of the mobilization plan is to provide a mechanism to quickly notify, assemble, and deploy fire service personnel and equipment to any local fire jurisdiction in Washington that has expended or will expend all available local and mutual aid resources in attempting to manage fires, disasters, or other events that jeopardize a jurisdiction's ability to provide for the protection of life and property. The State Fire Marshal within the WSP serves as the state fire resources coordinator when a state mobilization plan is mobilized.

Homeless Assistance Programs.

The Department of Commerce (Department) has a number of homeless assistance and prevention programs within its portfolio, including:

- Consolidated Homeless Grant (CHG) combines state homeless resources into a single grant opportunity for county governments and other designated entities.
- Emergency Solutions Grants (ESG) is funded by the U. S. Department of Housing and Urban Development (HUD) Homeless Emergency Assistance and Rapid Transitions to Housing Act of 2009. The Department is a grantee of HUD and administers this award for eligible counties and cities that are not direct recipients of HUD. The purpose of the ESG program is to provide homelessness prevention assistance to households who would otherwise become homeless and to provide assistance to rapidly re-house persons who are experiencing homelessness.
- The Office of Homeless Youth Prevention and Protection Programs provides services for youth and adults relating to stable housing, permanent connections, education and employment, social and emotional well-being, and safety.
- Independent Youth Housing Program (IYHP) provides rental assistance and case management for eligible youth who have aged out of the state foster care system. The Department contracts with five agencies to provide program services.
- Homeless Management Information Systems (HMIS) is used by state and federally funded homeless and housing service providers to collect and manage data gathered during the course of providing housing assistance to people already experiencing homelessness and to households at-risk of losing their housing.

Summary of Proposed Substitute Bill

A total of \$317.461 million is appropriated from the Budget Stabilization Account (BSA) for the 2015-17 fiscal biennium for various purposes.

Local Effort Assistance.

\$90.557 million is appropriated from the BSA for expenditure into the Local Effort Assistance Transition Account. Legislative intent is declared that any balance in that account which is unexpended at the end of the 2017-19 fiscal biennium must be transferred back to the BSA.

Fire Suppression and Mobilization.

\$154.966 million is appropriated from the BSA to the Department of Natural Resources and \$344,000 is appropriated from the BSA to the Washington Department of Fish and Wildlife for those agencies' fire suppression costs in the 2015 fire season. The agencies may not retain any portion of the appropriations for their indirect or administrative costs.

\$34.365 million is appropriated from the BSA to the Washington State Patrol for fire service mobilization costs.

Homeless Assistance.

\$37.229 million is appropriated from the BSA into the Homeless Assistance Account, which is newly created as an appropriated account in the State Treasury. Expenditures from the account may be used only for housing assistance, support services, and other purposes to address the state's homeless population.

Effective Date: The bill contains an emergency clause and takes effect immediately.

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by Representative Dunshee

1 AN ACT Relating to making expenditures from the budget
2 stabilization account to make critical investments; adding a new
3 section to chapter 43.79 RCW; making appropriations; and declaring an
4 emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** FOR THE LOCAL EFFORT ASSISTANCE TRANSITION
7 ACCOUNT. The sum of \$90,557,000 is appropriated from the budget
8 stabilization account for the fiscal biennium ending June 30, 2017,
9 and is provided solely for expenditure into the local effort
10 assistance transition account created in chapter . . . , Laws of 2016
11 (Engrossed House Bill No. 2698) for purposes of appropriations for
12 local effort assistance in the 2017-2019 fiscal biennium. It is the
13 intent of the legislature that any amounts in the local effort
14 assistance transition account that are attributable to this
15 appropriation and that are not expended for purposes of that account
16 be transferred back into the budget stabilization account by June 30,
17 2019.

18 NEW SECTION. **Sec. 2.** FOR THE DEPARTMENT OF NATURAL RESOURCES—
19 FIRES. The sum of \$154,966,000 is appropriated from the budget
20 stabilization account for the fiscal biennium ending June 30, 2017,

1 and is provided solely for fire suppression costs incurred by the
2 department of natural resources during the 2015 fire season. Amounts
3 provided in this section may not be used to pay for the department's
4 indirect and administrative expenses.

5 NEW SECTION. **Sec. 3.** FOR THE DEPARTMENT OF FISH AND WILDLIFE—
6 FIRES. The sum of \$344,000 is appropriated from the budget
7 stabilization account for the fiscal biennium ending June 30, 2017,
8 and is provided solely for the fire suppression costs incurred by the
9 department of fish and wildlife during the 2015 fire suppression
10 season. Amounts provided in this section may not be used to pay for
11 the department's indirect and administrative expenses.

12 NEW SECTION. **Sec. 4.** FOR THE WASHINGTON STATE PATROL—FIRES. The
13 sum of \$34,365,000 is appropriated from the budget stabilization
14 account for the fiscal biennium ending June 30, 2017, and is provided
15 solely for Washington state fire service resource mobilization costs
16 incurred in response to an emergency or disaster authorized under RCW
17 43.43.960 through 43.43.964.

18 NEW SECTION. **Sec. 5.** FOR THE HOMELESS ASSISTANCE ACCOUNT. The
19 sum of \$37,229,000 is appropriated from the budget stabilization
20 account for the fiscal biennium ending June 30, 2017, and is provided
21 solely for expenditure into the homeless assistance account created
22 in section 6 of this act.

23 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.79
24 RCW to read as follows:

25 HOMELESS ASSISTANCE ACCOUNT CREATED. The homeless assistance
26 account is created in the state treasury. Moneys in the account may
27 be spent only after appropriation. Moneys in the account may be
28 expended only for housing assistance, support services, and other
29 purposes to address the state's homeless population.

30 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of
32 the state government and its existing public institutions, and takes
33 effect immediately.

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