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# Conference Report

## for

# ESHB 1109

## (S-4569)

# Summary

April 27, 2019

Office of Program Research

# Summary

## **Context**

This summary and detailed documents related to the Conference Report for ESHB 1109 (operating budget conference proposal) describe spending from Near General Fund-Outlook (NGF-O) accounts and Total Budgeted funds. NGF-O accounts are those subject to the four-year budget outlook and include the state General Fund, the Education Legacy Trust Account, and the Opportunity Pathways Account. Total Budgeted funds include expenditures from NGF-O accounts in addition to all other budgeted funds (such as federal funds and dedicated accounts).

After the 2019 February caseload and March revenue forecasts, NGF-O revenue for 2019-21 is estimated to be \$50.56 billion (\$4.5 billion above 2017-19 levels)<sup>1</sup>, and 2019-21 maintenance level (the cost of continuing 2017-19 programs and services into 2019-21) is estimated to be \$50.50 billion (\$5.8 billion over 2017-19 levels, about two-thirds of which is in K-12 public schools). Available NGF-O resources are then reduced by transfers to the Budget Stabilization Account (BSA) and increased by the NGF-O balance at the end of the 2017-19 biennium.

Significant fiscal and policy issues facing the Legislature in the 2019 session include: (1) behavioral health issues including litigation and federal oversight of state hospitals; (2) federal certification of Residential Habilitation Centers; (3) consideration of collective bargaining agreements submitted to the Legislature under state law and other compensation and vendor rate proposals; and (4) various other fiscal and policy issues in areas such as K-12 education, natural resources, early learning, corrections, and human services.

## **Conference Report for Engrossed Substitute House Bill 1109**

The Conference Report makes 2019-21 appropriations of \$52.4 billion NGF-O and \$99.6 billion in Total Budgeted funds. NGF-O policy level increases are a net \$1.9 billion. In Total Budgeted funds, policy level increases are a net \$4.2 billion.

The NGF-O balance sheet associated with the Conference Report includes the following for 2019-21:

- \$360 million in net additional NGF-O resources from legislation impacting revenues.
- \$356 million in assumed reversions.
- \$189 million in budget driven revenue and fund transfers (excluding those impacting the Budget Stabilization Account).

The 2019-21 NGF-O ending fund balance is projected to be \$446 million.

In addition to appropriations made in the Conference Report, these documents reflect appropriations made in other assumed legislation.

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<sup>1</sup> This includes the impact of legislation (Chapter 8, Laws of 2019) enacted prior to the adoption of the March revenue forecast.

## **Selected larger 2019-21 NGF-O policy level items by functional area**

### K-12 Public Schools

- \$329 million increase for school employee health benefits (SEBB).
- \$155 million increase for special education.
- \$62 million increase for Local Effort Assistance (LEA).
- \$26 million increase to not deduct forest revenues from state allocations to applicable school districts.
- \$12 million for paraeducator training.

### Higher Education

- \$10 million increase for University of Washington hospital support.
- \$17 million increase for the State Need Grant.
- \$10 million increase for the Opportunity Scholarship.
- Appropriations from a dedicated revenue source (all contained in HB 2158) for:
  - expansion of the Washington College Grant Program, formerly the State Need Grant (\$163 million).
  - additional enrollments (\$19 million).
  - student support (\$42 million).
  - foundational support for higher education institutions (\$52 million).
  - Guided Pathways (\$40 million).
  - Career Connected Learning (\$11 million).
  - Washington State University medical school expansion and several other items.

### Children, Youth, and Families

- \$53 million for the Family Child Care collective bargaining agreement.
- \$35 million increase for a rate increase and expansion of ECEAP services.
- \$25 million increase for childcare center rate increases.
- \$22 million increase for BRS provider rates.
- Savings of \$42 million by utilizing federal funds for certain activities.

### Health Care

- \$46 million increase to restore previously assumed savings that have not been achieved.
- \$10 million increase in public health related funding (\$23 million total budgeted funds).
- \$10 million in savings from continuing to utilize a portion of marijuana related revenues for low-income health care.
- \$75 million savings from assuming federal extension of the Disproportionate Share Hospital (DSH) program.
- \$102 million savings from various program integrity efforts in low income health care.

### Behavioral Health

- \$91 million increase for state hospital operations and safety improvements.
- \$83 million for increased community based capacity, programs, and rates.
- \$74 million increase for a settlement in the Trueblood litigation.
- \$35 million in savings (\$75 million including the supplemental) related to BHO reserves.
- \$96 million in savings from Trueblood related fines (offsets a \$96 million increase provided in maintenance level).
- \$17 million increase for substance abuse disorder related items.

### Long-Term Care and Services for Developmentally Disabled Persons

- \$95 million increase for home care workers (collective bargaining agreement with parity for agency providers).
- \$62 million for community residential providers for individuals with developmental disabilities.
- \$38 million increase for adult family homes (collective bargaining agreement).
- \$23 million increase in other provider rates.
- \$17 million in start-up costs for a new Long Term Services and Supports program.
- \$12 million increase for Residential Habilitation Centers.
- \$10 million increase for expansion of SOLAs.
- \$14 million savings from reducing funding for indirect staff.
- \$16 million savings from additional efforts to speed up discharge of clients from nursing homes to community settings.

### Other Items

- \$477 million increase for state employee (including higher education) compensation changes.
- \$100 million in increased funding for natural resources.
- \$63 million increase in central services, including self-insurance premiums.
- \$40 million increase for debt service.
- \$32 million increase for the work release programs, operation of recently completed capital projects in state correctional facilities, and other programing related items.
- \$30 million increase (\$47 million total budgeted funds) for homelessness related programs including Housing and Essential Needs (HEN).
- \$28 million increase for judicial agencies and programs (plus \$26 million in other funds for IT projects).
- \$50 million savings by modifying the Local Public Safety Enhancement Account deposit requirement.
- \$23 million savings from a 1 percent across the board reduction in certain spending categories in specified agencies and programs.

This document provides additional detail on these and other items.

## **2019-21 NGF-O ending fund balance and the four-year outlook**

The Conference Report and related bills leave a projected ending fund balance for the 2019-21 biennium of \$446 million in NGF-O accounts and another \$2.34 billion in the Budget Stabilization Account (BSA).

Under the provisions of the four year outlook (Chapter 8, Laws of 2012), the Conference Report is projected to end the 2021-23 biennium with \$102 million in NGF-O ending fund balance and \$3.05 billion in the Budget Stabilization Account.

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

### Graduated Real Estate Excise Tax

Assumed legislation (SB 5998) would modify the state real estate excise tax rate structure.

### Specified Financial Institutions

Assumed legislation (HB 2167) imposes an additional 1.2 percent business and occupation (B&O) tax on specified financial institutions.

### International Investment Management

Assumed legislation (SB 6016) modifies the qualifications for the international investment management services business and occupation preferential tax rate. The legislation also reauthorizes and expands the sales and use tax exemption for the purchase of standard financial information by qualifying investment management companies and their affiliates.

### Business and Occupation/Higher Education

Assumed legislation (HB 2158) would increase the B&O tax rate for certain categories of business, dedicate those funds to higher education, and make specific appropriations from the new account.

### Other

A listing of legislation assumed to impact NGF-O revenues is included later in this summary document.

## **Additional Information**

### **Additional Information Regarding the Conference Proposal for ESHB 1109**

This information is provided in explanation of the Conference Report that will be considered by the Conference Committee. The Conference Report is the 2019-21 biennial budget and also makes supplemental changes to the 2017-19 biennial budget.

The Conference Report (bill) and a complete set of materials produced by the House Office of Program Research (OPR) are available at [http://leap.leg.wa.gov/leap/archives/index\\_budgetsp.asp](http://leap.leg.wa.gov/leap/archives/index_budgetsp.asp) (under Operating Budget/House). Additional materials include:

- Agency detail showing line item policy changes by agency (and program level in selected areas such as the Department of Social and Health Services, Health Care Authority, Department of Children, Youth, and Families as well as K-12 Public Schools);
- A detailed four-year budget outlook; and
- Supporting schedules referenced in the budget.

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

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

This summary document includes:

- A brief summary;
- Descriptions of selected items (a complete listing of all policy items is included as part of the agency detail document);
- A summary grouping of expenditures by major category; and
- The four-year budget outlook and supporting materials.

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

**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
<b>State Employee Compensation (Excl. Higher Ed.)</b>			
Rep: Salaries & Wages	279,219	450,351	612,807
Non-Rep: Salaries & Wages	76,036	159,912	173,878
Medicare-eligible Retiree Subsidy	9,779	11,468	23,051
Other Increases	2,217	12,605	4,516
Judicial: Other Comp Changes	2,082	2,082	4,250
ORCA Pass Transfer	0	12,741	0
FSA Administration	0	12,485	0
Non-Rep: Employee Benefits	-2,860	-5,737	-2,860
Rep: Employee Benefits	-9,266	-15,692	-9,266
<b>State Employee Compensation (Excl. Higher Ed.) Total</b>	<b>357,207</b>	<b>640,215</b>	<b>806,376</b>
<b>K-12 Education</b>			
K-12: SEBB	328,682	348,789	837,294
Special Education	155,647	155,647	294,609
Local Effort Assistance	61,596	61,596	182,965
Remove Forest Revenue Deduction	26,366	26,366	53,066
Other Increases	22,947	22,679	38,613
Paraeducator Training	12,001	12,001	25,414
Core Plus Expansion	3,354	3,354	6,508
Enhanced Institution Funding	2,727	2,727	6,146
Student Safety & Well-Being	2,536	2,802	5,072
Guidance Counselor Targeted Schools	1,813	1,813	3,951
Other Savings	-1,928	-1,928	-3,360
<b>K-12 Education Total</b>	<b>615,741</b>	<b>635,846</b>	<b>1,450,278</b>
<b>Higher Education Institutions (Incl Employee Comp)</b>			
Non-Rep: Salaries & Wages	107,546	285,531	244,670
Rep: Salaries & Wages	25,260	97,191	56,270
UW Hospital Support	10,000	10,000	10,000
UW Specific Salary Items	7,185	69,336	16,781
Other Increases	7,090	7,331	9,599
Medicare-eligible Retiree Subsidy	1,241	3,789	3,299
Capital Project Operating Costs	266	266	532
Rep: Employee Benefits	-1,437	-5,270	-1,437
Non-Rep: Employee Benefits	-5,453	-15,702	-5,453
Remove Compensation Double Counts	-34,034	-51,885	-78,656
<b>Higher Education Institutions (Incl Employee Comp) Total</b>	<b>117,664</b>	<b>400,587</b>	<b>255,605</b>

**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
<b>Higher Education Financial Aid</b>			
State Need Grant	17,000	23,000	65,990
Opportunity Scholarship	9,346	9,346	11,059
Other Increases	2,650	2,650	5,209
<b>Higher Education Financial Aid Total</b>	<b>28,996</b>	<b>34,996</b>	<b>82,258</b>
<b>Higher Education (From Dedicated Funding Source)</b>			
Fin Aid: Wa. College Grant	0	162,700	0
CTC: Faculty Salaries	0	74,630	0
Foundational Support	0	51,708	0
CTC: Guided Pathways	0	40,124	0
High Demand & STEM Enrollments	0	19,093	0
Medical School - Completion Funding	0	17,358	0
Career Connected Learning	0	11,488	0
Other Increases	0	6,332	0
WCCC Student Parents	0	4,241	0
Medical School - Expansion Funding	0	3,600	0
Four Year: Student Support Programs	0	2,316	0
<b>Higher Education (From Dedicated Funding Source) Total</b>	<b>0</b>	<b>393,590</b>	<b>0</b>
<b>Health Care</b>			
Savings Restoration	45,926	115,026	56,691
Other Increases	10,344	18,317	17,455
Foundational Public Health	10,000	23,350	20,063
Program Cost Shift	9,894	0	10,035
Dental Health Aid Therapists	6,650	6,650	6,650
All Payers Claims Database	4,811	4,811	9,450
DOH: Other Increases	4,270	16,624	6,144
Rates: Medically Intensive Childrens Prog	2,881	5,766	6,902
Sole Community Hospital	2,800	9,800	2,800
Reproductive Health Care	1,788	1,913	7,318
AIDS/Community Services	0	18,000	0
HCA: Hospital Safety Net	0	0	-292,000
Managed Care Performance Withhold	-367	-1,247	-891
Other Savings	-1,376	-4,760	-2,812
Marijuana Related Revenue	-9,813	0	-47,543
Disproportionate Share Hospital	-74,755	118,972	-221,538
Program Integrity	-101,796	-351,572	-247,435
<b>Health Care Total</b>	<b>-88,743</b>	<b>-18,350</b>	<b>-668,712</b>



**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
<b>Behavioral Health</b>			
Trueblood Settlement	73,906	81,819	176,192
State Hospital Operations	70,078	70,078	73,170
Community Long-Term Inpatient Beds	47,276	88,956	134,799
Residential Bed Expansion	35,577	66,742	129,526
State Hospital Safety Initiatives	21,866	21,866	44,077
Other Increases	20,491	24,282	39,673
SUD Enhancements	17,434	40,947	40,221
Intensive Community Treatment Services	8,837	27,352	19,811
Rates: Other Provider Increases	5,707	15,809	12,036
Ross Lawsuit	5,186	5,186	10,629
Workforce Development	4,780	4,780	10,571
CSTC - New Cottage Operating Costs	4,262	6,406	12,335
Clubhouses	3,172	15,322	7,973
Children's Mental Health	3,160	4,183	8,781
Behavioral Health Grants	0	45,111	0
Civil Ward Closure	0	0	-59,001
Program Cost Shift	-2,642	0	-5,664
IMD Federal Waiver	-16,238	0	-50,135
BHO Reserve Savings	-35,000	-61,000	-35,000
Trueblood Fines	-96,000	-96,000	-192,000
<b>Behavioral Health Total</b>	<b>171,852</b>	<b>361,839</b>	<b>377,994</b>
<b>Long Term Care &amp; DD</b>			
Rates: Home Care Workers (CBA & AP Parity)	95,156	216,414	243,744
Rates: Community Residential (DD)	62,176	123,152	150,201
Rates: Adult Family Homes (CBA)	37,577	84,411	81,357
Rates: Other Provider Increases	22,855	48,906	53,188
Long Term Care Supports/Trust	16,540	33,080	16,540
RHC Related Items	12,134	23,569	17,529
SOLA Expansion	10,608	21,073	26,209
Other Increases	6,396	10,156	12,726
Electronic Visit Verification	5,657	12,915	11,709
Community Respite Beds	3,712	4,414	7,564
Medicaid Transformation Waiver	0	30,975	0
Supported Living Investigators	-2,330	9,058	-4,776
Update Facility Definition - APS	-10,714	-15,641	-21,676
Remove Indirect Staff Funding	-14,270	-22,655	-38,601

**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
Nursing Home Discharge	-15,830	-29,479	-51,751
<b>Long Term Care &amp; DD Total</b>	<b>229,667</b>	<b>550,348</b>	<b>503,963</b>
<b>Corrections and Other Criminal Justice</b>			
Increased Capacity and Programming	31,527	31,527	72,035
Other Increases	9,339	16,611	14,892
Sexual Assault Examination Kits	9,129	10,406	12,275
DOC Custody & Non-Custody Staffing	8,218	8,218	14,848
I-1639 Implementation	5,947	5,947	6,754
Basic Law Enforcement Academy	4,517	6,442	4,517
DOC: Health Care Cost	4,000	4,000	8,080
Violator Bed Rate Increase	3,880	3,880	9,103
BAR unit staffing	3,679	3,679	7,108
Crime Lab & Tox Lab	2,034	2,332	4,045
Indirect Costs	897	897	1,993
Drug & Gang Task Forces	0	400	0
Other Savings	-2,985	-2,985	-5,321
<b>Corrections and Other Criminal Justice Total</b>	<b>80,182</b>	<b>91,354</b>	<b>150,329</b>
<b>Children, Youth, &amp; Families</b>			
Non-Employee CBA: Family Child Care Providers	52,849	52,849	115,145
Child Care Centers Rate Increase	24,562	24,964	49,327
BRS Rate Increase	21,821	35,186	43,946
ECEAP: Expansion	19,602	19,602	37,535
ECEAP: Rates	15,167	15,167	31,936
Other Increases	12,521	17,854	16,727
JR Facility Staffing	8,272	8,272	16,596
Home Visiting	3,779	11,337	8,849
ECLIPSE Program	3,228	4,304	5,394
JRA Until Age 25	3,149	3,149	7,852
Early Achievers	1,815	7,915	2,770
WCCC Student Parents	1,387	1,387	6,201
Family First Prevention Services	0	7,586	0
Other Savings	-667	-667	-1,472
Program Cost Shift	-42,967	0	-42,967
<b>Children, Youth, &amp; Families Total</b>	<b>124,518</b>	<b>208,905</b>	<b>297,838</b>
<b>Other Human Services</b>			
Homelessness	15,209	32,066	23,482
Housing and Essential Needs	14,500	14,500	29,092

**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
Other Increases	7,078	8,709	9,791
Crime Victims Provider Rates	6,768	6,768	10,978
Veterans Home Operations	4,471	0	4,471
Buildable Lands Program	3,000	3,000	3,000
Special Commitment Center (SCC)	2,234	2,234	4,640
TANF Related Program Changes	1,619	1,619	2,652
Non-Employee CBA: Language Access Providers	635	1,590	1,263
L&I: Other Increases	0	20,371	0
L&I: Apprenticeships	0	4,528	0
Other Savings	-951	-1,438	-1,937
Program Cost Shift	-4,000	0	-4,000
<b>Other Human Services Total</b>	<b>50,563</b>	<b>93,947</b>	<b>83,432</b>
<b>Natural Resources</b>			
Disaster & Wildfire Preparedness/Response	24,679	147,269	39,184
DFW: Maintain Operations	24,150	25,630	24,150
Orca, Salmon & Related	19,009	19,801	28,098
Puget Sound & Watersheds	12,709	14,551	21,211
State Parks Services and Maintenance	12,548	15,847	22,333
Other Increases	10,566	14,650	16,097
Waste, Toxics, and Pollution	1,079	23,427	1,725
Local Solid Waste Financial Assist	0	10,000	0
Program Cost Shift	-540	0	-540
Other Savings	-1,068	-22,588	-2,143
PILT Payment Transfer	-3,232	-3,232	-3,232
<b>Natural Resources Total</b>	<b>99,900</b>	<b>245,355</b>	<b>146,883</b>
<b>All Other Policy Changes</b>			
Debt Service	40,462	40,462	331,430
Central Services: All Other	32,282	75,074	67,207
Central Services: Self Insurance	31,220	46,619	63,021
Other Increases	20,915	69,153	34,383
SST Mitigation	16,400	16,400	34,400
Judicial: All Other Increases	16,060	16,060	32,078
2020 Census Promotion	15,159	20,159	15,159
IT Pool	12,819	82,814	12,819
Judicial: Vendor Rates	12,450	12,450	27,482
Lease & Facility Costs	9,319	21,034	10,860
Other IT & Related Items	8,060	125,445	12,108

**2019-21 Omnibus Operating Budget  
Conference Report**  
(Dollars In Thousands)

	2019-21		4-Yr Total
	NGF-O	Total	NGF-O
Clean Energy & Buildings	6,963	9,555	10,698
Revenue Legislation	6,071	6,071	8,531
Prepaid Postage/Elections	4,821	4,821	9,132
Broadband	4,528	8,488	5,059
Immigration & Naturalization Related	3,734	8,167	6,865
Executive Protection Funding	2,003	2,003	2,003
Associate Development Organizations	1,608	1,000	1,608
AG Services	322	14,480	646
Judicial: IT & Related	0	25,808	0
One Washington (IT Project)	0	10,000	0
Cancer Research Endowment	0	6,000	0
Other Savings	-626	-2,626	-1,256
Federal Funding for Legal Services	-11,383	2,764	-22,944
Program Cost Shift	-14,189	0	-14,489
Across-the-Board Reduction	-22,510	-22,510	-45,162
Local Public Safety Account	-50,000	-50,000	-100,000
<b>All Other Policy Changes Total</b>	<b>146,488</b>	<b>549,691</b>	<b>501,638</b>
<b>Grand Total</b>	<b><u>1,934,035</u></b>	<b><u>4,188,323</u></b>	<b><u>3,987,882</u></b>

# K-12 EDUCATION

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## PUBLIC SCHOOLS

### *Increases*

#### **School Employee Health Benefits (\$318.7 million NGF-O; \$827.3 million 4-year NGF-O total)**

Funding is provided for implementation of the School Employee's Benefits Board insurance program beginning January 1, 2020. The insurance funding rate is \$994 per employee per month for fiscal year 2020 and \$1,056 per employee per month for fiscal year 2021. The amount includes benefits factors for state allocated classified staff (1.43) and certificated staff (1.02). Increased retiree remittance allocations are also provided to school districts as part of an increase to the Medicare-eligible retiree subsidy beginning January 1, 2020. Increases shown in in the Compensation Adjustments section of the budget also include the impacts of increased benefits on Special Education, Transitional Bilingual, and other programs.

#### **Special Education Multiplier and Safety Net (\$155.2 million NGF-O, \$294.2 million 4-year NGF-O total)**

Funding is provided for (1) the implementation of Engrossed Second Substitute Senate Bill 5091 to increase the special education multiplier from 0.9609 to 0.995 and change to a tiered multiplier beginning in school year 2020-21; (2) increased access to the special education safety net by lowering the threshold; and (3) professional development for inclusionary practices.

#### **Local Effort Assistance and Enrichment Levies (\$61.6 million NGF-O, \$183.0 million 4-year NGF-O total)**

Funding is provided for increased Local Effort Assistance (LEA) payments beginning in calendar year 2020, related to the levy and LEA changes in Substitute House Bill 2140 (K-12 education funding). LEA funding is 10 percent of the state and federal levy base. The bill changes levy authority to either 20 percent of the state and federal levy base or the lesser of \$3,000 per pupil or \$1.50 per \$1,000 of assessed value.

#### **Other Increases (\$22.9 million NGF-O; \$38.6 million 4-year NGF-O total)**

Funding is provided for a variety of other K-12 educational programs, including increased funding for the Achievers Scholars program, educator training in the Next Generation Science Standards, foster youth education supports, the FIRST robotics program, and mentoring programs.

#### **Professional Development for Paraeducators (\$12.0 million NGF-O; \$25.4 million 4-year NGF-O total)**

Funding is provided for two days of comprehensive training on the fundamental paraeducator standards beginning in the 2019-2020 school year pursuant to Chapter 237, Laws of 2017.

#### **Expansion of High-Skilled Program Grants and Career and Technical Education Programs (\$4.1 million NGF-O; \$7.9 million 4-year NGF-O total)**

Funding is provided to expand the current grant program for secondary career and technical education to include support for the maritime and construction industries, in addition to the current funding for aerospace programs. Funding is also provided for staffing and grants to assist districts in expanding course equivalencies for career and technical education courses, as required in Second Substitute House Bill 1424 (CTE course equivalencies).

### **Institutional Education (\$2.9 million NGF-O; \$6.5 million 4-year NGF-O)**

Funding is provided to institutional education programs to support students with unique educational needs and for a student records coordinator to manage the transmission of student records with the Echo Glen School – a long-term residential schools under the Department of Children, Youth and Family Services.

### **Center for Childhood Deafness and Hearing Loss Statewide Outreach (\$2.8 million NGF-O; \$5.4 million 4-year NGF-O total)**

Funding is provided to support the current statewide outreach program administered by the Center for Childhood Deafness and Hearing Loss, to expand the Washington career academy, and to increase staffing for nutritional services, social work, and administrative support.

### **Student Mental Health and Safety (\$2.5 million NGF-O; \$5.1 million 4-year NGF-O total)**

Funding is provided for each educational service district to establish a Regional School Safety Center and for the Office of the Superintendent of Public Instruction to monitor certain safety-related programs and plans.

## ***Reorganizing Current K-12 Statewide Programs***

### **Office of the Superintendent of Public Instruction and Statewide Programs (net zero)**

\$3.2 million NGF-O is transferred from the Criminal Justice Training Commission and the Education Reform and Special Education programs in Office of the Superintendent of Public Instruction (OSPI) to OSPI's Statewide Programs. Transferred programs include the Reading Corps, Financial Education Partnership, staff to support the Safety Net Committee, and the School Safety Academy and Website.

### **State Board of Education (net zero)**

The State Board of Education and related funding is moved from the Office of the Superintendent of Public Instruction's Statewide Programs to its own program in OSPI.

### **Professional Educator Standards Board (net zero)**

The Professional Educators Standards Board and related funding is moved from the Office of the Superintendent of Public Instruction's Statewide Programs to its own program in OSPI. \$3.3 million NGF-O is transferred from the Professional Educator Standards Board to the Washington Student Achievement Council for various conditional scholarship programs, as required by Engrossed Second Substitute House Bill 1139 (educator workforce supply).

### **Grants and Pass-Through Funding (net zero)**

\$42.3 million NGF-O is transferred from the Office of the Superintendent of Public Instruction's Statewide Programs, \$13.1 million is transferred from the Education Reform program, and \$170,000 is transferred from the Highly Capable program to the new Grants and Pass-Through Funding program in OSPI. Transferred programs include grants for dual credit, dual language, STEM education, mentoring, and applied learning programs.

# HIGHER EDUCATION

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## FINANCIAL AID

### *Increases*

#### **State Need Grant (\$17.0 million NGF-O; \$66.0 million 4-year NGF-O total)**

Pursuant to Engrossed Second Substitute House Bill 2158 (Workforce education), the State Need Grant is replaced by the Washington College Grant (WCG). Funding is provided to maintain the WCG at current service levels in the 2019-21 biennium. It is intended to hold WCG awards harmless from tuition and fee increases and changes in college attendance among students served by the WCG.

#### **Opportunity Scholarship (\$7.5 million NGF-O one-time)**

Funding is provided to match estimated private donations for the Washington State Opportunity Scholarship program. The program is a public-private partnership providing scholarships to low- and middle-income students who have received their high school diploma or GED in Washington and are pursuing a four-year degree in science, math, technology, engineering, or health care.

## OTHER

### *Increases*

#### **UW Medical and Dental Support (\$12.0 million NGF-O; \$12.0 million 4-year NGF-O total)**

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

## APPROPRIATIONS IN OTHER LEGISLATION - WORKFORCE EDUCATION INITIATIVE

### *Increases*

#### **Financial Aid (\$162.7 million in Workforce Education Investment Account)**

Pursuant to Engrossed Second Substitute House Bill 2158 (Workforce education), the State Need Grant is replaced by the Washington College Grant (WCG). Funding is provided to reduce the WCG waitlist by one-third in the 2019-20 academic year and eliminate the waitlist in the 2020-21 academic year. Funding is included to expand the income eligibility of the WCG to 100 percent median family income in the 2020-21 academic year.

#### **High Demand Faculty Compensation (\$60.1 million in Workforce Education Investment Account)**

Funding is provided for nurse educator salary increases and other high-demand faculty salary increases such as computer science, information technology, trades and other health-related professions.

### **Compensation and Central Services Support (\$45.1 million in Workforce Education Investment Account)**

Since the 2017-18 academic year, tuition operating fees for resident undergraduates have been capped at approximately two percent annually. Funding is included in recognition that institution operating costs, including compensation and central services, exceed estimated increases in undergraduate operating fee revenue.

### **Guided Pathways (\$30.1 million in Workforce Education Investment Account)**

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

### **Foundational Support (\$20.4 million in Workforce Education Investment Account)**

Funding is provided to the State Board for Community and Technical Colleges and the University of Washington for employee compensation, academic program enhancements, student support services, and other institutional priorities.

### **STEM and Other Enrollments (\$17.1 million in Workforce Education Investment Account)**

Funding is provided for science, technology, engineering, and math enrollments at institutions of higher education. Funding is also provided for other high-demand enrollments such as education and psychology.

### **WSU Medical Education (\$14.4 million in Workforce Education Investment Account)**

Funding is provided to the Washington State University Elson S. Floyd College of Medicine to complete funding for 240 students and to increase the cohort size for students entering in Fall 2019 and Fall 2020 to 80 students.

### **Career Connected Learning Programs (\$11.5 million in Workforce Education Investment Account)**

Funding is provided for a Career Connected Learning grant program and other Career Connected Learning initiatives at schools and community and technical colleges.

### **Working Connections Child Care for Student Parents (\$4.2 million in Workforce Education Investment Account)**

Beginning August 1, 2020, Engrossed Second Substitute House Bill 2158 (workforce education), allows full-time students that are single parents and pursuing a professional or technical degree at a community or technical college to not have to work in order to receive Working Connections Child Care (WCCC) subsidy benefits. Funding is included for the increased WCCC caseload and staffing levels.



# EARLY LEARNING & CHILD CARE

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## *Increases*

### **Family Child Care Collective Bargaining Agreement (\$52.8 million NGF-O; \$115.1 million 4-year NGF-O total)**

Consistent with the 2019-21 Collective Bargaining Agreement (CBA) with the Service Employees Union International 925, funding is provided for base rate and tiered reimbursement rate increases for licensed family home providers; hourly wage rate increases for Family, Friend, and Neighbor providers; removing the cap on the non-standard hours bonus; a \$500 per provider increase to the quality improvement awards; increased access to the substitute pool; additional training needs; and increased health care premium coverage.

### **Child Care Center Rate Increase (\$24.6 million NGF-O; \$86.2 million Federal; \$49.3 million 4-year NGF-O total)**

Funding is provided to bring child care center rates to the 55th percentile of the market, based on the 2018 child care market survey, once subsidy providers reach level 3 in the Early Achievers program. The tiered reimbursement increases provided to child care center providers serving subsidy children and participating in Early Achievers is increased from 4 to 8 percent at level 3, from 10 to 15 percent at level 4 and from 15 to 20 percent at level 5.

### **Early Childhood and Education Assistance Program (ECEAP) Expansion (\$19.6 million NGF-O; \$66.7 million 4-year NGF-O total)**

The ECEAP program provides preschool and wrap-around services to low-income 3 and 4 year olds. Funding is provided for 509 ECEAP slots in FY 2020 and 662 ECEAP slots in FY 2021, for a total of 1,171 new slots. Eighty-eight percent of these slots are for a full day during the school year and the remainder of the slots are funded for ten hours all year. An additional 2,466 slots are provided in FY 2023 when ECEAP becomes an entitlement for eligible children.

### **ECEAP Rate Increase (\$15.2 million NGF-O; \$31.9 million 4-year NGF-O total)**

Funding is provided for an across the board 6 percent slot rate increase in the ECEAP program effective July 1, 2019.

### **Expand Home Visiting (\$3.8 million NGF-O; \$3.8 million Federal; \$8.8 million 4-year NGF-O total)**

Home visiting is a program to educate expectant and new parents about prenatal care, infant care, child development, and parenting skills. Funding is provided for an additional 420 home visiting slots in FY 2020 and 840 slots in FY 2021. Fifty percent of the funding is assumed to be available as federal Title IV-E reimbursement through the Family First Prevention Services Act.

### **ECLIPSE (\$3.2 million NGF-O; \$1.1 million Federal; \$5.4 million 4-year NGF-O total)**

Funding is provided to continue delivering the Early Childhood Intervention Prevention Services (ECLIPSE) program and replace the federal Medicaid dollars, which were disallowed in 2014. The ECLIPSE program provides early intervention and treatment for children exposed to environmental, familial, and biological risk factors that impact development, behavior, and mental health.

### **Early Achievers (\$1.8 million NGF-O; \$6.1 million Other; \$2.8 million 4-year NGF-O total)**

Existing subsidized child care providers are required to rate, or request to be rated, in the Early Achievers quality rating and improvement system by December 2019. Funding is provided for the increased demand for coaching, scholarships and needs-based grants. Funding is also provided to implement Engrossed Second Substitute House Bill 1391 (Early Achievers program), which includes various recommendations of the Joint Select Committee on the Early Achievers program including revising rating levels, deadlines and requirements, providing trauma informed care training, convening a cost of child care regulations work group and submitting various reports.

### **Children's Mental Health (\$1.5 million NGF-O; \$3.1 million 4-year NGF-O total)**

Funding is provided pursuant to Second Substitute Senate Bill 5903 (Children's mental health) for the department to contract for one qualified mental health consultant in each of the six department-designated regions. The six consultants will provide resources, information, and guidance regarding challenging behavior and expulsions to Early Achievers program coaches and child care providers. The department must report on the outcomes of the consultant activities by June 30, 2021.

### **Working Connections Child Care for Student Parents (\$1.4 million NGF-O; \$6.2 million 4-year NGF-O total)**

Beginning August 1, 2020, Second Substitute House Bill 1303 (Child care/higher education) allows full-time students pursuing a certificate in nursing, early childhood education, a mental health profession, or paraeducation to not have to work in order to receive Working Connections Child Care (WCCC) subsidy benefits. Funding is provided for the increased WCCC caseload, staffing, and IT enhancements.

### ***Savings***

#### **One-time Fund Shift (-\$43.0 million NGF-O; \$43.0 million Federal)**

There is a one-time reduction of General Fund-State that will be offset by using increased federal Child Care Development Funds.

# DEPARTMENT OF SOCIAL & HEALTH SERVICES

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## LONG TERM CARE & DEVELOPMENTAL DISABILITIES

### *Increases*

#### **Vendor Rate Increases (\$217.8 million NGF-O; \$255.1 million Federal; \$528.5 million 4-year NGF-O total)**

Funding is provided to implement collective bargaining agreements for individual providers (IPs) of in-home personal care and adult family home owners; for parity between home care agencies and IPs; and to increase rates for assisted living facilities, nursing services, skilled nursing facilities, home care agency administration, adult day services, community respite providers, and community residential service providers including supported living.

#### **Residential Habilitation Centers (RHC) Compliance & State-Operating Living Alternatives (\$22.9 million NGF-O; \$22.0 million Federal; \$44.2 million 4-year NGF-O total)**

Funding is provided to address Centers for Medicare and Medicaid Services requirements for RHC Intermediate Care Facilities, and to support the transitions of RHC residents and other Developmental Disabilities Administration (DDA) clients with high-level care needs to appropriate settings including State-Operated Living Alternative (SOLA) homes in the community.

#### **Long-Term Services and Supports Program (\$16.5 million NGF-O; \$16.5 million Other Funds; \$16.5 million 4-year NGF-O total)**

Funding is provided to the Department of Social and Health Services and Employment Security Department to prepare for implementation of the Long-Term Services and Supports (LTSS) Trust program, pursuant to Second Substitute House Bill 1087 (Long-term services & support). The LTSS Trust program establishes an employee payroll premium, beginning in January 2022, to fund the provision of benefits for eligible individuals beginning January 2025. General Fund-State is appropriated into the LTSS Trust to pay for initial implementation costs, and will be repaid with LTSS Trust revenue.

#### **High School Transition Students (\$2.2 million NGF-O; \$1.8 million Federal; \$6.5 million 4-year NGF-O total)**

Funding is provided to expand access to waived employment and community inclusion services for DDA clients who have completed high school.

#### **Electronic Visit Verification (\$5.7 million NGF-O; \$7.2 million Federal; \$11.7 million 4-year NGF-O total)**

Funding is provided for home care agencies to implement electronic visit verification systems that comply with the federal 21st Century Cures Act.

#### **Community Respite Beds (\$3.7 million NGF-O; \$700K Federal; \$7.6 million 4-year NGF-O total)**

Funding is provided to expand community respite beds, at increased rates, for children and adults with developmental disabilities.

## *Savings*

### **Supported Living Investigators (-\$2.3 million NGF-O; \$11.4 million other funds; \$4.8 million 4-year NGF-O total)**

General Fund-State savings are achieved by refinancing the cost of supported living investigation staff with an annual provider fee, pursuant to Senate Bill 5359 (Supported living/investigate). Providers will be reimbursed for the fee with federal Medicaid matching funds.

### **Remove Indirect Staff (-\$14.3 million NGF-O; -\$8.4 million Federal; -\$38.6 million 4-year NGF-O total)**

Ongoing savings are assumed from removing funding for additional non-direct care staff that are provided in maintenance-level of the budget to support projected workload growth.

### **Nursing Home Discharges (-\$15.8 million NGF-O; -\$13.7 million Federal; -\$51.8 million 4-year NGF-O total)**

Ongoing savings are assumed by adding staff to facilitate the transitions of nursing home residents to community or in-home placements when appropriate for the residents' needs.

### **Updated Facility Definition (-\$10.7 million NGF-O; -\$4.9 million Federal; -\$21.7 million 4-year NGF-O total)**

Savings result in Adult Protective Services workload is avoided due to a revision in the definition of "facility" pursuant to Engrossed Second Substitute Senate Bill 5432 (behavioral health integration).

## **ECONOMIC SERVICES ADMINISTRATION**

### *Increases*

### **Temporary Assistance for Needy Families (TANF) Policy Change (\$1.6 million NGF-O; \$2.7 million 4-year NGF-O total)**

Funding is provided for increased TANF and Working Connections Child Care caseloads as a result of Second Substitute House Bill 1603 (Economic assistance programs), which no longer allows the department to permanently disqualify TANF households that were terminated due to noncompliance sanctions three or more times and allows the department to exempt individuals experiencing homelessness from the 60-month time limit. A portion of the funding is provided through the reallocation of underspending in WorkFirst services and allows the department to exempt individuals experiencing homelessness from the 60-month time limit.

### **Naturalization Services (\$1.8 million NGF-O; \$3.6 million 4-year NGF-O total)**

Funding is provided to the Office of Refugee and Immigrant Assistance to expand the capacity of the Naturalization Services Program to help more legal immigrants receiving public assistance to become United States citizens.

### *Savings*

### **WorkFirst Activities (-\$4.0 million NGF-O)**

A one-time savings to the General Fund is achieved by utilizing available fund balance in the Administrative Contingency Account for WorkFirst activities.

# BEHAVIORAL HEALTH

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## TRUEBLOOD

### **Trueblood Settlement- Community Programs (\$36.5 million NGF-O; \$4.8 million Federal; \$96.2 million 4-year NGF-O total)**

Funding is provided for community based elements of the settlement agreement under Trueblood, et. al. v. Department of Social and Health Services including implementing provisions related to outpatient restoration, crisis diversion and supports, education and training, and workforce development.

### **Trueblood Settlement- Competency Restoration Beds (\$27.4 million NGF-O, \$3.1 million Federal; \$54.3 million 4-year NGF-O total)**

Funding is provided for increasing the number of competency restoration beds pursuant to the settlement agreement under Trueblood, et. al. v. Department of Social and Health Services. This includes funding for 50 additional competency restoration beds at Eastern State Hospital. Western State Hospital must increase competency restoration capacity by converting 42 civil beds to forensic. In addition, funding is provided to enhance staffing levels in a new forensic residential treatment facility to be opened on the grounds of Western State Hospital. The budget outlook assumes the opening of 60 additional forensic beds at Western State Hospital to be constructed during the 2019-21 biennium and the closure of contracted beds in Yakima and Maple Lane pursuant to the timeframes set out in the settlement agreement.

### **Trueblood Settlement- Competency Evaluators (\$5.1 million NGF-O; \$11.2 million 4-year NGF-O total)**

Funding is provided for an additional 13 forensic evaluators in FY 2020 and 18 forensic evaluators in FY 2021 pursuant to the settlement agreement under Trueblood, et. al. v. Department of Social and Health Services. Four additional FTEs are funded to facilitate the work of the competency evaluators.

### **Trueblood Mental Health Response and CIT Training (\$4.9 million NGF-O; \$15.2 million 4-year NGF-O total)**

Funding is provided for the Mental Health Field Response Program administered by the Washington Association of Sheriffs and Police Chiefs. Funding is also provided for crisis intervention training for law enforcement officers on patrol duty and for 911 dispatch operators.

## STATE HOSPITALS

### **State Hospital Operations and Safety Initiatives (\$91.2 million NGF-O; \$117.2 million 4-year NGF-O total)**

Funding is provided to implement a new staffing model at the state hospitals and for a variety of safety initiatives. This includes one-time funding for 292 FTEs during the 2019-21 biennium. In addition to increasing funding for the staffing model, a variety of initiatives are funded to improve care to individuals with intensive behavioral health needs in order to increase patient and staff safety.

### **System for Integrated Leave, Attendance and Scheduling (\$4.9 million NGF-O; \$1.4 million Federal; \$5.7 million 4-year NGF-O total)**

Funding and staff are provided to continue the work on a System for Integrated Leave, Attendance and Scheduling (SILAS) for Western State Hospital.

### **Ross Settlement (\$5.2 million NGF-O; \$10.6 million 4-year NGF-O total)**

Funding is provided to implement a compliance plan pursuant to a settlement at the state hospitals. This will increase the resources available to support patients at the state hospitals who were adjudicated not guilty by reason of insanity in participating in activities to prepare for release from the facilities.

### **Child Study Treatment Center (\$4.3 million NGF-O; \$2.1 million Federal; \$12.3 million 4-year NGF-O total)**

Funding is provided for staff to operate a new 16-bed cottage at the Child Study and Treatment Center (CSTC). It is assumed that staff will be hired beginning in January 2021 and patients will be admitted beginning in April 2021.

## **COMMUNITY**

### **Behavioral Health Community Bed Expansion (\$51.3 million NGF-O; \$45.8 million Federal; \$148.7 million 4-year NGF-O total)**

Funding is provided to expand community capacity to provide behavioral health inpatient and residential treatment services. This includes phasing in funding for community beds which can provide long-term commitment services traditionally provided at the state hospitals. Funding is provided for an increase of 119 beds in hospitals or evaluation and treatment centers by FY 2021 and it is assumed that this will increase to 227 by fiscal year 2023. In addition, funding is provided for intensive behavioral health residential programs and crisis respite services provided by mental health peers.

### **Enhanced Discharge Placements (\$26.5 million NGF-O; \$22.9 million Federal; \$89.5 million 4-year NGF-O total)**

Funding is provided to prioritize the transition of aging state psychiatric hospital clients to a variety of community settings, including adult family homes, nursing homes, enhanced services facilities, and specialized dementia beds. 526 client placements in the community are funded by the end of FY 2023. Funding is also provided for case management staff at the Area Agencies on Aging to support clients with mental health needs.

### **Substance Use Disorder Enhancements (\$19.0 million NGF-O; \$76.3 million Federal; \$37.0 million 4-year NGF-O total)**

Funding is provided for a variety of substance use disorder enhancements including funding for two new 16-bed secure withdrawal management and stabilization facilities as well as a rate increase for existing facilities. Funding is also provided for implementation of substance use disorder peer support services under the Medicaid program. In addition, a variety of increases are provided to enhance treatment and recovery support services for individuals with substance use disorders.

### **Intensive Community Services (\$8.8 million NGF-O; \$18.5 Federal; \$19.9 million 4-year NGF-O total)**

Funding is provided for eight Program of Assertive Community Treatment (PACT) teams statewide. In addition, funding is provided for wraparound services for adults discharging or being diverted from the state psychiatric hospitals into assisted living and other community placements.

### **Enhanced State-Operated Living Alternatives and Behavioral Health Training Homes (\$6.4 million NGF-O; \$5.2 million Federal; \$29.2 million 4-year NGF-O total)**

Funding is provided to prioritize the transition of state psychiatric hospital clients who are eligible for Developmental Disability Administration (DDA) services in enhanced SOLAs in the community. 61 enhanced SOLA placements are funded by the end of FY 2023. Funding is also provided to create a six-bed state-operated behavioral health group training home that will serve as a step-down placement for DDA clients following hospital stays.

### **Behavioral Health and Psychotherapy Rates (\$5.7 million NGF-O; \$10.1 million Federal; \$12.1 million 4-year NGF-O total)**

Funding is provided to increase bi-directional behavioral health rates by ten percent for the health and behavior codes and psychotherapy codes that were identified through the stakeholder workgroup process required under Chapter 226, Laws of 2017 (SSB 5779).

### **Tele-Behavioral Health Call Center (\$3.6 million NGF-O; \$1.6 million Federal; \$9.1 million 4-year NGF-O total)**

Funding is provided to create and operate a tele-behavioral health video call center staffed by the University of Washington's Department of Psychiatry and Behavioral Sciences. The center will provide emergency department providers, primary care providers, and county and municipal correctional facility providers with on-demand access to psychiatric and substance use disorder clinical consultation. When clinically appropriate and technically feasible, the clinical consultation may also involve direct assessment of patients using tele-video technology. The center will be available from 8am to 5pm in fiscal year 2020 and 24-hours a day in fiscal year 2021.

### **Alternatives to Arrest and Jail (\$3.4 million NGF-O; \$5.8 million Federal; \$4.7 million 4-year NGF-O total)**

Funding is provided for a variety of programs which provide alternatives to arrest and jail for individuals with behavioral health disorders. This includes funding for Second Substitute House Bill 1767 (alternatives to arrest and jail) to create a grant program administered through the Washington Association of Sheriffs and Police Chiefs (WASPC) to support local initiatives to persons who become involved in the criminal justice system and who have substance use disorders and other behavioral health needs. In addition, funding is provided for rural diversion pilot programs and to provide temporary support for the Whatcom County crisis stabilization center.

### **Behavioral Health Workforce (\$2.2 million NGF-O; \$6.4 million 4-year NGF-O total)**

Funding is provided for a variety of activities to enhance the behavioral health workforce including an increase in the number of psychiatric residency positions at the University of Washington. In addition, funding is provided for the implementation of E2SHB 1593 (UW behavioral health campus), which creates the Behavioral Health Innovation and Integration campus within the University of Washington School of Medicine (UWSOM) and requires UWSOM to create a plan to develop and site a teaching facility that provides inpatient care and workforce training.

### **Crisis Hotlines (\$1.2 million NGF-O; \$2.3 million 4-year NGF-O total)**

Funding is provided for the Department of Health's continued partnership with the National Suicide Prevention Lifeline and continued partnership with the Crisis Text Line, which provide real-time crisis support and intervention. The funding will also provide an incentive for two additional call centers to become National Suicide Prevention Lifeline-affiliated crisis centers and respond to increased call volumes from across the state.

### **Clubhouses (\$3.1 million NGF-O; \$12.2m Federal; \$8.0 million 4-year NGF-O total)**

Funding is provided to increase the number of clubhouse programs which provide peer supportive services to individuals with mental health disorders.

### ***Savings***

#### **BHO Reserve Savings (-\$35 million NGF-O; -\$26.0 million Federal; -\$35 million 4-year NGF-O total)**

Effective January 1, 2020, all regions of the state are required to transition to fully integrated physical and behavioral health care, meaning funding for these services will shift from Behavioral Health Organizations (BHOs) to fully integrated managed care contracts. The current BHOs are required to return state and federal Medicaid reserves remaining after termination of their contract, resulting in a one-time savings.

#### **Disproportionate Share Hospital funding Delay (-\$31.7 million NGF-O; \$31.7 million General Fund-Federal; -\$111.3 million 4-year NGF-O total)**

Under the Affordable Care Act, disproportionate share hospital (DSH) funding was scheduled to be reduced beginning in 2014. The federal government has extended this reduction to federal fiscal year 2020. Funding is adjusted for both the certified public expenditure hold harmless payment and federal DSH appropriation in anticipation of another federal extension. Savings reflect the amount of federal dollars that will be available to offset state funds for services at Eastern State Hospital.



# HEALTH CARE

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## *Increases*

### **Savings Restoration (\$42.9 million NGF-O; \$69.1 million General Fund-Federal; \$56.7 million 4-year NGF-O total)**

Funding is provided to restore assumed savings that will not be realized at the levels or within the time-frames originally anticipated. This includes: \$27.7 million NGF-S for the Healthier Washington Initiative; \$11.3 million NGF-S for reduction in emergency dental use assumed in the transition to managed care dental that did not occur at the levels originally anticipated; and \$7.0 million NGF-S to offset pharmacy savings assumptions associated with moving to a single preferred drug list that have not materialized as projected.

### **Dental Health Aid Therapists (\$6.7 million NGF-O; \$6.7 million 4-year NGF-O total)**

Funding is provided to reimburse dental health aid therapists for services performed in tribal facilities for Medicaid clients. The authority must leverage any federal funding that may become available as a result of appeal decisions from the Centers for Medicare and Medicaid services.

### **Medically Intensive Children's Program Rate Increase (\$2.9 million NGF-O; \$2.9 million General Fund-Federal; \$6.9 million 4-year NGF-O total)**

Funding is provided to increase the rates for skilled nursing performed by registered nurses and licensed practical nurses who provide services to Medically Intensive Children's Program clients by ten percent. This rate increase is for both clients served in their own home and clients served in a group home setting. The rate increase begins on January 1, 2020. Additional amounts are provided for adult clients in the Department of Social and Human Services.

### **Sole Community Hospital Temporary Rate Increase (\$2.8 million NGF-O; \$7.0 million General Fund-Federal; \$2.8 million 4-year NGF-O total)**

One-time funding is provided to increase the rates paid to certain rural hospitals, with less than one hundred fifty acute care licensed beds to 150 percent of the hospitals fee-for-service rate.

### **Public Option (\$500,000 NGF-O; \$1.6 million other funds; \$500,000 4-year NGF-O total)**

The Legislature passed Engrossed Substitute Senate Bill 5526 (Individual health insurance market), which requires the Health Benefit Exchange to develop standardized health plans and requires the Health Care Authority (HCA) to contract with health carriers to offer standardized qualified health plans through the exchange. It further requires the HCA to develop a plan for premium subsidies for individuals purchasing coverage through the exchange. Funding is provided for actuarial consulting and contract management activities needed to implement ESSB 5526.

## *Savings*

### **Program Integrity Staffing (-\$101.8 million NGF-O; -\$249.8 million General Fund-Federal; -\$247.4 million 4-year NGF-O total)**

Funding is provided for additional program integrity staff and IT upgrades. These enhancements are assumed to increase amounts recovered from managed care plans beginning in January 2020.

**Disproportionate Share Hospital Funding Delay (-\$45.1 million NGF-O; \$165.1 million General Fund-Federal; -\$132.8 million 4-year NGF-O total)**

Under the Affordable Care Act, disproportionate share hospital (DSH) funding was scheduled to be reduced beginning in 2014. The federal government has extended this reduction to federal fiscal year 2020. Funding is adjusted for both the certified public expenditure hold harmless payment and federal DSH appropriation in anticipation of another federal extension. Additional savings are assumed in DSHS.

**I-502 Revenue (-\$9.8 million NGF-O; \$9.8 million Dedicated Marijuana Account-State; -\$47.5 million 4-year NGF-O total)**

Initiative 502, passed by voters in 2012, authorizes the regulation, sale, and taxation of marijuana for adults over the age of 21. The initiative directed a portion of the tax revenue to fund primary, dental, migrant, and maternity health care services through contracts with community health centers. It also directed a portion of revenue to the Basic Health Plan Trust Account. The Basic Health Plan was eliminated on January 1, 2014, and replaced by the Medicaid expansion and subsidized coverage sold through the Health Benefit Exchange. The Health Care Authority will use these tax revenues in lieu of state general fund payments to Medicaid managed care organizations and to community health centers for services provided to Medical Assistance clients.

# OTHER HUMAN SERVICES

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## DEPARTMENT OF HEALTH

### *Increases*

#### **Fruit and Vegetable Incentives (\$2.5 million NGF-O; \$2.5 million 4-year NGF-O)**

Funding is provided to establish the Food Insecurity Nutrition Incentives program in the Department of Health to increase access to produce from farmers' markets and grocery stores by patients screened for food insecurity by a health professional and by recipients of Supplemental Nutrition Assistance Benefits.

#### **Lead Testing in Public Schools (\$1.0 million NGF-O; \$1.0 million 4-year NGF-O)**

Funding is provided for the Department of Health (DOH) to conduct lead testing in public schools. The DOH must determine which school districts have the highest priority and test those districts first. The DOH must also communicate to parents, educators, school staff and the public regarding the test results and their potential consequences.

#### **AIDS/Community Services (\$18.0 million other funds total)**

Funding is provided to allow the Department of Health to continue providing core medical services, case management and support services for people living with HIV/AIDS.

## CRIMINAL JUSTICE TRAINING COMMISSION

#### **Law Enforcement and Corrections Officer Training (\$4.5 million NGF-O; \$1.9 million other funds; \$4.5 million 4-year NGF-O total)**

Funding is provided for nine additional Basic Law Enforcement Academy classes each fiscal year, increasing the number of classes from 10 to 19, providing training for 270 additional students annually. Funding is also provided for three additional Corrections Officer Academy classes and to corrections officer training from four weeks to six weeks. The additional training will address crisis intervention and mental health awareness, crime scene preservation, de-escalation and defensive tactics, and emotional survival.

## DEPARTMENT OF VETERANS AFFAIRS

#### **Revenue Shortfall for Orting and Walla Veterans Homes (\$4.4 million NGF-O; \$4.4 million 4-year NGF-O total)**

Funding is provided to meet the revenue shortfalls at the state veterans' skilled nursing facilities in Orting and Walla Walla.

## DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

### *Increases*

#### **Behavioral Rehabilitation Services (BRS) Rate Increase (\$21.8 million NGF-O; \$13.4 million Federal; \$43.9 million 4-year NGF-O total)**

Funding is provided to increase BRS rates through a setting-based rate system. BRS serves dependent youth with behavioral, mental health, or medical needs that cannot be met in a family foster home placement.

### **Increased Staffing Levels at Juvenile Rehabilitation Institutions (\$8.3 million NGF-O; \$16.6 million 4-year NGF-O total)**

Funding is provided for 57 FTEs to increase the staffing levels at the Juvenile Rehabilitation (JR) institutional facilities, which will lower the resident to staff ratios and increase the level of supervision of JR youth.

### **Extending Juvenile Court Jurisdiction Until Age 25 (\$3.1 million NGF-O; \$7.9 million 4-year NGF-O total)**

Engrossed Second Substitute House Bill 1646 (Juvenile rehabilitation confinement) extends the maximum age of confinement for individuals convicted in adult court of a crime that was committed while under age 18 from age 21 to 25. Funding is provided for the increased bed utilization and programming for the young adult population staying at Juvenile Rehabilitation (JR) institutions.

## **DEPARTMENT OF LABOR AND INDUSTRIES**

### ***Increases***

#### **Crime Victims Compensation Rates (\$6.7 million NGF-O; \$10.9 million 4-year NGF-O total)**

The Crime Victims Compensation Program pays certain medical and non-medical benefits for qualifying victims of a crime. Funding is provided to support medical and health care provider payment rates equal to 100 percent of workers' compensation provider payment rates beginning in fiscal year 2020.

#### **Workers' Compensation System Replacement (\$81.9 million other funds)**

Funding is provided to begin the Workers' Compensation System Replacement Project. The project will replace many of the IT systems that support the Claims and Employer Services Programs.

#### **Program Staff Increases (\$11.1 million other funds)**

Funding is provided to increase staffing in the Division of Occupational Safety & Health, the Apprenticeship Program, and the Claims Program. Targeted positions include claim managers, safety and health specialists, industrial hygienists, and apprenticeship consultants.

# PUBLIC SAFETY AND THE JUDICIARY

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## DEPARTMENT OF CORRECTIONS

### *Increases*

#### **Increased Capacity and Programming (\$31.5 million NGF-O; \$72.0 million 4-year NGF-O total)**

Funding is provided for operating costs related to three capital projects included in the 2017-2019 capital budget: a 128-bed minimum security prison at Maple Lane, a 41-bed expansion at the Ahtanum View work release facility, and additional programming space at the Washington State Penitentiary. Funding is also provided for a phased in 200-bed work release expansion, a contract for 60 beds at the Yakima County Jail, and to implement Substitute Senate Bill 5876 (DOC gender, trauma workgroup).

#### **Health Care Services (\$14.0 million NGF-O; \$26.6 million 4-year NGF-O total)**

Funding is provided to cover costs related to health care delivery within the Department of Corrections, including funding to provide additional nursing posts, custody staff, and for the Department to revise its current model for funding direct patient health care for incarcerated individuals. Funding is also provided for additional chemical dependency professionals to complete substance use disorder assessments at reception centers, as well as for additional registered nurses to help support releasing individuals who have medication needs and will require behavioral health services or substance use disorder treatment upon release.

#### **Violator Bed Rate Increases (\$3.9 million NGF-O; \$9.1 million 4-year NGF-O total)**

Funding is provided for the Department to negotiate contract rate increases with local and tribal governments for the provision of jail capacity to house offenders who violate the terms of their community supervision.

## WASHINGTON STATE PATROL

### *Increases*

#### **Sexual Assault Examination Kit Testing (\$9.0 million NGF-O; \$1.3 million other funds, \$12.2 million 4-year NGF-O total)**

Funding is provided for an additional 20 FTEs and laboratory equipment to address backlogs in the testing of sexual assault examination kits. This funding will help the State Patrol implement Chapter 93, Laws of 2019 (2SHB 1166) which, among other provisions, establishes deadlines for the submission and testing of sexual assault kits (SAKs).

## JUDICIAL PROGRAMS

### *Increases*

#### **Parents Representation Program and Child Permanency (\$11.8 million NGF-O; \$4.3 million other funds; \$23.8 million 4-year NGF-O total)**

Funding is provided for a vendor rate increase for state-contracted public defense attorneys representing indigent parents involved in dependency and termination cases. Funding is also provided for additional Parents Representation contract attorneys, social workers, and support staff to reduce attorney caseloads.

Funding is also provided for the Office of the Attorney General and Department of Social and Health Services to address an increase in parental rights termination caseloads.

#### **Civil Justice Reinvestment (\$3.0 million NGF-O; \$9.4 million 4-year NGF-O total)**

Funding is provided to expand civil legal aid services statewide by contracting for an additional 20 attorneys. A vendor rate increase is also provided for current attorney and program contracts.

#### **Trail Court Language Access (\$2.2 million NGF-O; \$6.0 million 4-year NGF-O total)**

Funding is provided to expand the state Interpreter Reimbursement Program and provide additional testing and training for qualified interpreters.

#### **Judicial Information Systems (\$25.8 million other funds)**

Expenditure authority is provided for judicial information technology projects. The Administrative Office of the Courts is directed to manage information technology costs within available resources in the Judicial Information Systems Account.

### *Savings*

#### **Using Federal Funds for Legal Services (-\$10.7 million NGF-O; \$14.1 million Federal; -\$21.5 million 4-year NGF-O total)**

Federal appropriation authority is provided to allow for Title IV-E reimbursement on legal services for eligible children and parents in dependency and termination of parental rights proceedings, effective July 1, 2019. The Office of Public Defense and the Office of Civil Legal Aid will partner with the Department of Children, Youth, and Families to receive pass through Title IV-E funds for these services.

# NATURAL RESOURCES

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## *Increases*

### **Model Toxics Control Act (MTCA) Funding (\$36.8 million Model Toxics Operating Account)**

The Model Toxics Control Act (MTCA) accounts are funded by the Hazardous Substance Tax (HST) and are used for a variety of environmental work in the operating and capital budgets. Assuming the passage of Engrossed Substitute Senate Bill 5993 (Model toxics control program), the HST on petroleum is modified from a percentage basis to a per-barrel basis. The three current MTCA accounts are also replaced with three new MTCA accounts dedicated to operating, capital, and stormwater purposes. Total operating spending from MTCA accounts at the Department of Ecology and other natural resource agencies is increased by \$36.8 million compared to the 2017-19 biennium. Examples of spending increases include residential hazardous substance collections, chemical action plans, product testing for toxic chemicals, and site cleanup managers.

### **Fish and Wildlife (\$39.7 million NGF-O; \$46.4 million 4-year NGF-O total)**

The Department of Fish and Wildlife is provided with \$24.2 million to support the agency's operating budget, including a mix of new policy enhancements and current program costs that are not fully supported by revenue in the State Wildlife Account.

A total of \$15.2 million is provided for hatchery production, surveys of forage fish populations, strategies to re-establish salmon runs, and a variety of other activities that are prioritized to increase salmon availability for Southern Resident orcas.

### **Wildfire Suppression and Forest Health (\$20.7 million NGF-O; \$4.0 million Forest Fire Protection Assessment Account; \$34.0 million 4-year NGF-O total)**

The Department of Natural Resources (DNR) is provided an additional \$24.7 million to increase DNR's forest health planning and ability to respond to wildfires, including additional full-time engine leaders, trainers, helicopters, correctional camp firefighting crews, and wildfire prevention education. The budget bill directs another \$13.5 million from DNR's base funding to be used for wildfire preparedness, for a total of \$38.2 million. Through the combination of the 2019 supplemental budget and House Bill 2159 (Budget stabilization account), DNR is provided \$12.5 million from General Fund-State, \$42.3 million from the Budget Stabilization Account, and \$26.0 million from other funds for the costs of wildfire suppression that have occurred in fiscal year 2019.

### **State Parks Support (\$7.5 million NGF-O; \$2.5 Parks Renewal and Stewardship Account; \$15.0 million 4-year NGF-O total)**

A total of \$10.0 million in support for the State Parks and Recreation Commission is continued on an ongoing basis. Of this amount, \$7.5 million is provided from General Fund-State and \$2.5 million is provided by directing litter tax revenue into the Parks Renewal and Stewardship Account.

# GENERAL GOVERNMENT AND OTHER

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## DEPARTMENT OF COMMERCE

### *Increases*

#### **Reducing Homelessness (\$44.1 million NGF-O; \$15.4 million other funds; \$50.5 million 4-year NGF-O total)**

Total funding of \$44.1 million is provided for homelessness-related programs in Department of Commerce (Commerce). Of this funding, an additional \$14.5 million is provided for the Housing and Essential Needs Program (HEN). An additional \$7.0 million is provided for the operating, maintenance, service, and administrative costs of permanent supportive housing projects. An additional \$4.5 million is provided for permanent supportive housing targeted at families who are chronically homeless and where at least one member of the family has a disability. The Office of Youth Homelessness is also provided an additional \$8.5 million for the Anchor Community Initiative and to increase shelter beds, outreach, and housing.

Other General Fund-State increases include grants for homeless women support and young adult street outreach. Funding is also provided for a contract with one or more Accountable Communities of Health to work with hospitals and permanent supportive housing providers; and for an initiative to advance affordable housing and education centers on public or tax-exempt land.

Funding for the new Relocation Coordination and Assistance Programs is provided for Commerce to distribute financial grants for eligible manufactured/mobile home park tenants through the Mobile and Manufactured Home Relocation Assistance Program.

#### **Clean Energy and Buildings (\$5.0 million NGF-O; \$7.8 million 4-year NGF-O total)**

Total funding of \$5.0 million is provided for energy-related programs in Commerce. Of this funding, \$2.5 million is provided for Commerce to develop a state energy strategy to implement Engrossed Second Substitute Senate Bill 5116 (clean energy). Funding of \$2.0 million is provided to implement Third Substitute House Bill 1257 (energy efficiency), which directs Commerce to establish by rule a state energy performance standard for covered commercial buildings by July 1, 2020. Other funding is provided for smart building education and for a workgroup to make recommendations for green economic development investment opportunities.

## OFFICE OF FINANCIAL MANAGEMENT

### *Increases*

#### **ORCA Transit Passes and Flexible Spending Arrangement Plans (\$25.3 million other funds)**

Funding is provided for the Office of Financial Management to administer ORCA pass benefits included in the 2019-2021 collective bargaining agreements, as well as a flexible spending arrangement plan.

#### **2020 Census Promotion (\$15.2 million NGF-O; \$15.2 million 4-year NGF-O total)**

Funding is provided to support activities required to promote a complete and accurate census count in 2020.



### **One Washington Program (\$10.0 million IT Systems Development Revolving Account)**

Funding is provided to continue readiness activities for the One Washington program to integrate a cloud-based Enterprise Resource Planning (ERP) solution that provides finance, procurement, budget, and human resources/payroll services.

#### ***Transfers***

#### **Enterprise Applications (No net change)**

Funding is transferred from Consolidated Technology Services (WaTech) to the Office of Financial Management for staff and costs related to the state's enterprise applications.

## **OFFICE OF THE SECRETARY OF STATE**

#### **Prepaid Postage (\$4.8 million NGF-O; \$9.1 million 4-year NGF-O)**

Funding is provided for prepaid postage on all return envelopes for election ballots to improve access to voting for Washington citizens.

#### **Administration of Public Records Requests (\$1.2 million other funds; \$1.2 million total)**

Funding is provided for the Office of the Secretary of State to provide consultation and training services to local jurisdictions regarding requests made pursuant to the Public Records Act.

## **OFFICE OF THE STATE AUDITOR**

#### **Cybersecurity Performance Audit (\$2.8 million other funds; \$2.8 million total)**

Funding is provided for additional FTEs for the Office of the State Auditor to conduct cybersecurity audits for state agencies and local governments to assess security controls within agencies and to identify weaknesses in their security posture.

## **CONSOLIDATED TECHNOLOGY SERVICES (CTS)**

#### ***Increases***

#### **State Data Center (\$5.5 million CTS Revolving Account)**

Funding is provided to cover the cost of WaTech's operation of the State Data Center. Current revenues from agency customers do not cover the cost of operations.

## **LIQUOR AND CANNABIS BOARD**

#### ***Increases***

#### **Modernization and Regulatory systems (\$9.9 million other funds)**

Funding is provided to continue replacement of older regulatory systems. This is expected to increase the efficiency of operations and reduce risks associated with the current manual, paper-based licensing, enforcement, and fee collection processes.

#### **Cannabis Enforcement and Licensing (\$2.0 million other funds)**

Funding is provided for additional FTEs for cannabis enforcement and licensing activities.

## MILITARY DEPARTMENT

### *Increases*

#### **Disaster Response Account (\$118.2 million other funds)**

Disaster Response Account expenditure authority of \$118.2 million is provided for the Military Department to continue managing recovery projects for seven open presidentially-declared disasters, including completion of ongoing state, local and tribal infrastructure projects.

## DEPARTMENT OF LICENSING

### *Increases*

#### **Replace Firearms System (\$4 million NGF-O; \$4.4 million 4-year NGF-O total)**

Funding is provided to replace the Firearms computer system. The Department uses the Firearms system to maintain records of license and pistol transfer applications submitted by law enforcement agencies and firearms dealers.

## DEPARTMENT OF REVENUE

### *Increases*

#### **2019 Revenue Legislation (\$6.0 million NGF-O)**

Funding is provided for the estimated cost of legislation impacting revenue.

## STATE TREASURER

### *Increases*

#### **Debt Service (\$40.5 million NGF-O)**

Funding is provided for the estimated debt service for a 2019-21 Capital budget.

## SPECIAL APPROPRIATIONS

### *Increases*

#### **Streamline Sales Tax Mitigation (\$16.4 million NGF-O; \$16.4 million NGF-O total)**

Funding is provided for cities that are disproportionately impacted when streamlined sales tax mitigation payments are scheduled to end in October 2019.

#### **Information Technology Cost Pool (\$12.8 million NGF-O; \$70.0 million other accounts; \$12.8 million NGF-O total)**

Funding is provided for information technology projects that are subject to Office of the Chief Information Officer (OCIO) oversight.

#### **Foundational Public Health (\$10.0 million NGF-O; \$12.0 million Foundational Public Health Services Account; \$20.0 million 4-year NGF-O total)**

Funding is provided for foundational public health services to address communicable disease, environmental health, and assessment and support activities for these areas.

**Lease Cost Pool (\$7.9 million NGF-O; \$6.2 million other accounts; \$7.9 million 4-year NGF-O total)**

One-time funding is provided for the relocation of state agency offices in the 2019-21 biennium.

***Savings***

**Efficiencies in State Spending (\$22.3million NGF-O; \$-45.2 million NGF-O total)**

Funding is adjusted for selected agency and institution appropriations to reflect savings assumed from achieving lower overtime costs, professional service contracts, travel, goods and services, and capital outlays by one percent.

# STATE EMPLOYEE COMPENSATION

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## *Increases*

### **State Employee Collective Bargaining Agreements (\$296.1 million NGF-O; \$248.6 million other funds; \$657.1 million 4-year NGF-O total)**

Collective bargaining agreements between state agencies and higher education institutions and employee bargaining units are approved, and funding is provided for them. Employee bargaining unit agreements that are approved include those represented by the Washington Federation of State Employees, the Service Employees' International Union, the Teamsters', the Washington Public Employees' Association, the Coalition of Unions, and others. Approval and funding is provided for the bargaining agreement reached between the University of Washington and the Washington Federation of State employees and ratified after the normal October 1st statutory deadline. Many of the collective bargaining agreements contain general salary increases of 3 percent on July 1, 2020 and July 1, 2020, class-specific adjustments, premium pay adjustments, though some contain other or different terms that are generally described in the budget. Each are approved and funded according to the terms negotiated. Funding is not provided for contingent provisions in agreements negotiated by the University of Washington that require the state to provide a permanent non-university source of funds, although those agreements are otherwise approved and funded.

### **Non-Represented Employee Compensation Increases (\$169.4 million NGF-O; \$168.1 million other funds; \$388.1 million 4-year NGF-O total)**

Funding is provided for non-represented state agency and higher education institution employee compensation increases. For most agencies and higher education institutions, funding is provided for general salary increases of 3 percent on July 1, 2019, and on July 1, 2020. Funding is also provided for premium pay adjustments, salary schedule revisions, and targeted pay increases.

### **University of Washington Non-Represented and Contingent Wage Increases (\$20.1 million NGF-O; \$156.6 million other funds; \$46.9 million 4-year NGF-O total)**

Funding is provided for a 3 percent salary increase on July 1, 2019 and July 1, 2020 for non-represented employees of the University of Washington. The increase is provided in two items: the first item provides 2 percent increases on July 1, 2019 and July 1, 2020 to non-represented employees, the second provides an additional contingent 1 percent increase on July 1, 2019 and July 1, 2020 to all represented and non-represented employees. This additional increase is provided from all University of Washington Funds, and the whole amount is contingent on the negotiation of an addendum to specified collective bargaining agreements to provide the 1 percent increases to represented employees.

### **State Employee Health Benefits (\$46.8 million NGF-O; \$59.8 million other funds; \$185.9 million 4-year NGF-O total)**

Funding is provided to increase state employee health benefit funding rates to \$939 in fiscal year 2020, and \$976 in fiscal year 2021. The funding levels are sufficient to support the projected cost of employee benefits negotiated with the state employee bargaining coalition, assuming approximately a five percent rate claims and benefit cost trend. The totals in this section reflect: (1) policy and maintenance level adjustments from the \$916 funding rate from fiscal year 2019, (2) the 2021-23 fiscal biennium impact of the one-time use of approximately \$97 million of surplus employer contributions in fiscal year 2021, and (3) an increase in the Medicare-eligible retiree subsidy from \$168 per month to \$183 per month beginning January 1, 2020.

## *Savings*

### **Local Public Safety Enhancement Account/LEOFF 2 Benefit Enhancement Fund (-\$50 million NGF-O; -\$100 million 4-year NGF-O total)**

Based on of House Bill 2144 (LEOFF 2 Benefit Funding), savings of \$50 million per biennium is recognized from ending transfers from the General Fund to the Local Public Safety Enhancement Account, one half of which is directed by law to the Law Enforcement Officers' and Firefighters' Plan 2 Benefit Enhancement Fund (Benefit Enhancement Fund). In ending the scheduled transfers, House Bill 2144 also transfers \$300 million from the LEOFF 2 pension fund into the Benefit Enhancement Fund, which is an account within the LEOFF 2 pension fund used for future benefit improvements enacted by the Legislature.

**2019-21 Omnibus Operating Budget**

**Conference Report**

**Funds Subject to Outlook**

(Dollars in Millions)

	2017-19			2019-21			2021-23		
	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2019-21	FY 2022	FY 2023	2021-23
<b>Beginning Balance</b>	<b>1,149</b>	<b>2,111</b>	<b>1,149</b>	<b>1,862</b>	<b>1,183</b>	<b>1,862</b>	<b>446</b>	<b>19</b>	<b>446</b>
<b>Current Revenues</b>	<b>22,143</b>	<b>23,964</b>	<b>46,106</b>	<b>24,715</b>	<b>25,840</b>	<b>50,555</b>	<b>27,003</b>	<b>28,218</b>	<b>55,221</b>
March 2019 Revenue Forecast	22,143	23,964	46,106	24,715	25,840	50,555	26,730	27,629	54,358
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	273	589	863
<b>Other Resource Changes</b>	<b>-198</b>	<b>-542</b>	<b>-740</b>	<b>-44</b>	<b>136</b>	<b>92</b>	<b>188</b>	<b>148</b>	<b>336</b>
GF-S Transfer to BSA (1%)	-216	-223	-440	-243	-255	-497	-263	-273	-536
GF-S Extraordinary Revenue to BSA	0	-1,696	-1,696	0	0	0	0	0	0
Extraordinary Revenue from BSA to GF-S	0	1,078	1,078	0	0	0	0	0	0
Prior Period Adjustments	91	20	111	20	20	41	20	20	41
CAFR Adjustments	-26	0	-26	0	0	0	0	0	0
Budget Driven Revenue	0	-2	-2	-11	-9	-20	-3	-3	-6
Other Legislation	0	0	0	-51	-50	-101	-32	7	-25
Revenue Legislation	0	0	0	149	312	460	319	328	647
Fund Transfers	59	281	340	91	118	209	147	68	215
McCleary Penalty Account	-105	0	-105	0	0	0	0	0	0
<b>Total Revenues and Resources</b>	<b>23,094</b>	<b>25,532</b>	<b>46,515</b>	<b>26,533</b>	<b>27,159</b>	<b>52,509</b>	<b>27,637</b>	<b>28,386</b>	<b>56,003</b>
<b>Enacted Appropriations</b>	<b>21,036</b>	<b>23,626</b>	<b>44,661</b>	<b>21,035</b>	<b>23,626</b>	<b>44,661</b>	<b>23,815</b>	<b>24,009</b>	<b>47,824</b>
<b>Carryforward Level Adjustments</b>				<b>3,037</b>	<b>406</b>	<b>3,442</b>	<b>418</b>	<b>424</b>	<b>842</b>
<b>Maintenance Level Total</b>		<b>87</b>	<b>87</b>	<b>650</b>	<b>1,731</b>	<b>2,381</b>	<b>2,566</b>	<b>2,910</b>	<b>5,476</b>
<b>Policy Level Total</b>		<b>100</b>	<b>100</b>	<b>796</b>	<b>1,138</b>	<b>1,934</b>	<b>973</b>	<b>1,081</b>	<b>2,054</b>
K-12 Education	0	13	13	105	181	287	170	158	328
SEBB Rate	0	0	0	95	224	319	253	255	509
Low Income Health Care & Comm Behavioral Health	0	8	8	45	-43	1	-28	-16	-44
Hospital Safety Net	0	0	0	0	0	0	-146	-146	-292
Social & Health Services	0	57	57	123	132	255	87	76	162
Trueblood Lawsuit Fines	0	-28	-28	-48	-48	-96	-48	-48	-96
Higher Education	0	1	1	34	36	70	35	43	79
Corrections	0	12	12	30	40	70	39	39	77
All Other	0	40	40	170	169	340	87	140	227
ECEAP Entitlement	0	0	0	6	14	20	14	4	18
Debt Service	0	0	0	3	37	40	111	180	291
Employee Compensation	0	0	0	182	286	468	286	286	571
Non-Employee CBAs	0	0	0	70	117	186	126	130	255
Employee Health & Benefits	0	0	0	-18	3	-16	3	3	6
Utilize I-502 Revenue for Low Income Health Care	0	-3	-3	0	-10	-10	-15	-23	-38
<b>Reversions</b>	<b>-53</b>	<b>-142</b>	<b>-195</b>	<b>-167</b>	<b>-188</b>	<b>-356</b>	<b>-155</b>	<b>-140</b>	<b>-295</b>
<b>Revised Appropriations</b>	<b>20,983</b>	<b>23,670</b>	<b>44,653</b>	<b>25,350</b>	<b>26,713</b>	<b>52,063</b>	<b>27,617</b>	<b>28,284</b>	<b>55,901</b>
<b>Projected Ending Balance</b>	<b>2,111</b>	<b>1,862</b>	<b>1,862</b>	<b>1,183</b>	<b>446</b>	<b>446</b>	<b>19</b>	<b>102</b>	<b>102</b>
<b>Budget Stabilization Account</b>									
Beginning Balance	1,638	1,369	1,638	1,729	2,019	1,729	2,339	2,680	2,339
GF-S Transfer to BSA (1%)	216	223	440	243	255	497	263	273	536
GF-S Extraordinary Revenue to BSA	0	1,696	1,696	0	0	0	0	0	0
Extraordinary Revenue from BSA to GF-S	0	-1,078	-1,078	0	0	0	0	0	0
BSA Transfer to Pension Stabilization Acct	-463	-463	-925	0	0	0	0	0	0
Appropriations from BSA	-41	-42	-84	0	0	0	0	0	0
Prior Period Adjustments	2	0	2	0	0	0	0	0	0
Interest Earnings	16	23	39	47	66	113	78	92	170
<b>Budget Stabilization Account Ending Balance</b>	<b>1,369</b>	<b>1,729</b>	<b>1,729</b>	<b>2,019</b>	<b>2,339</b>	<b>2,339</b>	<b>2,680</b>	<b>3,045</b>	<b>3,045</b>
<b>Total Reserves</b>	<b>3,480</b>	<b>3,590</b>	<b>3,590</b>	<b>3,201</b>	<b>2,785</b>	<b>2,785</b>	<b>2,699</b>	<b>3,147</b>	<b>3,147</b>

**Fund Transfers, Revenue Legislation, and Budget Driven Revenues**  
**Conference Report**  
**General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts**  
(Dollars in Millions)

	Account	2017-19	2019-21	2021-23
<b>Revenue Legislation</b>				
HB 2157 Tax Structure/Tax Preferences	GF-S	0.000	24.213	20.685
SB 6016 International Investment Management	GF-S	0.000	59.420	66.120
SB 5998 Graduated REET	GF-S	0.000	23.000	32.500
SB 5998 Graduated REET	ELTA-S	0.000	220.500	322.300
HB 2140 K-12 Education Funding	ELTA-S	84.716	0.000	0.000
HB 2140 K-12 Education Funding	GF-S	-84.716	0.000	0.000
HB 2167 Specified Financial Institutions	GF-S	0.000	133.200	205.600
<b>SubTotal</b>		<b>0.000</b>	<b>460.333</b>	<b>647.205</b>
<b>Other Legislation</b>				
HB 1406 Affordable Housing Sales Tax	GF-S	0.000	-51.000	-53.000
HB 1074 Tobacco & Vapor Products/Age	GF-S	0.000	-8.901	-12.077
SB 5116 Renewable Energy M&E Extension	GF-S	0.000	-0.029	-0.034
SB 5596 Health Science & Service Authority	GF-S	0.000	0.000	-1.125
HB 1839 Arena Projects	GF-S	0.000	-40.700	43.768
HB 1257 Energy Efficiency	GF-S	0.000	0.000	-3.193
HB 1301 Arenas/Leasehold Excise Tax	GF-S	0.000	-0.028	-0.044
HB 2024 Medicaid Incentive Payments	GF-S	0.000	-0.271	-0.248
HB 1001 Service Contract Providers	GF-S	0.000	0.006	0.013
HB 1652 Paint Stewardship	GF-S	0.000	0.325	1.401
HB 1997 Manufactured Mobile Homes	GF-S	0.000	-0.063	-0.071
<b>SubTotal</b>		<b>0.000</b>	<b>-100.661</b>	<b>-24.610</b>
<b>Fund Transfers</b>				
Disaster Response Account	GF-S	0.000	28.000	14.000
Energy Freedom Account	GF-S	0.000	1.000	0.000
Financial Services Regulation Account	GF-S	0.000	7.000	0.000
Local Toxics Control Account	GF-S	35.000	0.000	0.000
Long-Term Services and Supports Trust Account	GF-S	0.000	0.000	16.795
Public Works Assistance Account	ELTA-S	0.000	160.000	132.000
School Employees' Insurance Admin Acct	GF-S	0.000	0.000	40.100
State Toxics Control Account	GF-S	38.000	0.000	0.000
State Treasurer's Service Account	GF-S	0.000	16.000	12.000
Statewide Tourism Marketing	GF-S	0.000	-3.000	0.000
<b>SubTotal</b>		<b>73.000</b>	<b>209.000</b>	<b>214.895</b>
<b>Budget Driven Revenue</b>				
Liquor Control Board (Liquor)	GF-S	0.000	-9.585	1.420
Liquor Control Board (Marijuana)	GF-S	-3.014	-6.311	-7.370
Lottery	GF-S	-0.003	-1.530	-1.882
Vessel Renewal	GF-S	0.807	1.630	1.630
Payment in Lieu of Taxes	GF-S	0.000	-3.993	0.000
<b>SubTotal</b>		<b>-2.210</b>	<b>-19.789</b>	<b>-6.202</b>
<b>Grand Total</b>		<b>70.790</b>	<b>548.883</b>	<b>831.288</b>