

WASHINGTON STATE



Ways & Means Committee

**PROPOSED
2022 SUPPLEMENTAL
OPERATING BUDGET
HIGHLIGHTS
PSSB 5693**

SENATE CHAIR

**SENATE WAYS & MEANS COMMITTEE
February 2022**

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Omnibus Operating Budget Overview

Context

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

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

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

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

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

Summary of Chair Rolfes' Budget Proposal

Chair Rolfes' budget proposal is \$63.7 billion NGF-O and \$130.3 billion in total funds for the 2021-23 biennium, and \$64.2 billion NGF-O and \$117 billion in total funds for the 2023-25 biennium. In addition, Chair Rolfes proposes 11 bills that impact the near general fund. The details of the budget proposal are discussed below and in the pages that follow. Detailed agency budgets are found in the "Agency Detail" document, or at fiscal.wa.gov.

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

Federal Funds

- \$256 million for COVID-19 response in the public health system - diagnostic testing, case investigation, outbreak response, care coordination, and other activities
- \$100 million for utility assistance, including grants to reduce or eliminate arrearages

- \$94 million for a variety of solar energy infrastructure projects
- \$82 million for electric vehicle charging infrastructure, fleet electrification, and planning
- \$42 million for COVID-19 response in the Department of Corrections - health care costs, overtime usage, and building modification to support social distancing
- -\$134 million from less-than-anticipated use of Pandemic Leave Assistance grants

Significant Spending Items

- \$345 million to stabilize school districts that experienced enrollment declines
- \$232 million for wage increases and other compensation changes for state employees
- \$209 million for various salmon recovery projects across the state, including the Duckabush estuary restoration project
- \$208 million to increase rates for vendors providing services to individuals with a developmental disability or with long-term care needs
- \$199 million in total funds to extend the Medicaid transformation project for five years
- \$172 million to address the physical and social emotional needs of students
- \$125 million for reinvestment grants to communities disproportionately impacted by criminal laws and penalties for illegal drug sales, possession, and use
- \$100 million to address workforce shortages and other challenges in behavioral health
- \$95 million to increase rates for Working Connections Child Care, Behavioral Rehabilitation Services, Child Visitation, and Combined In-Home Services
- \$93 million for costs associated with resentencing, as required under *State v. Blake*
- \$75 million for the Farmers-to-Families Food Box Program
- \$58 million for clients living in a shared living situation under the *Liang* settlement
- \$41 million to transition encamped individuals from rights-of-way to permanent housing
- \$38 million for expansions within the Aged, Blind, or Disabled program
- \$29 million in total funds for projects within the Information Technology pool
- \$29 million for nursing education and support within higher education
- \$18 million for cybersecurity training programs within higher education
- \$18 million for a benefit increase for eligible retirees of TRS1 and PERS1
- \$17 million for investments in the Early Childhood Education & Assistance Program

Significant Savings Items

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

Appropriations and Transfers into Other Accounts

- \$2 billion to support the transportation budget (Multimodal Account)
- \$1.5 billion for emergency response (Washington Rescue Plan Transition Account)
- \$500 million for IT projects (Strategic Enterprise Reserve Planning Technology Account)
- \$400 million for seismic upgrades (School Seismic Safety Grant Account)
- \$350 million for paid family leave (Paid Family Medical Leave Insurance Account)
- \$217 million for legal expenses (Self-Insurance Liability Account)
- \$100 million for salmon recovery efforts (Salmon Recovery Account)
- \$30 million for cancer research (Andy Hill Cancer Research Endowment Account)

Major Revenue Changes

- \$35 million from revisions to the Uniform Unclaimed Property Act
- -\$17 million from modifications to the Washington Motion Picture Competitiveness Program
- -\$16 million from a tax deduction for credit card processing companies
- -\$16 million from stopping transfers from transportation accounts to the general fund
- -\$11 million from extending the deferral period for sales and use taxes associated with the SR 520 bridge replacement and high occupancy vehicle project

The Four-Year Outlook

Chair Rolfes' proposal, under the provisions of the four-year budget outlook (Chapter 8, Laws of 2012), is projected to end the 2023-25 biennium with \$362 million in the projected ending fund balance and \$1.6 billion in total reserves.

(The outlook is on the following page.)

2021-23 Omnibus Operating Budget -- 2022 Supplemental

PSSB 5693 (Senate Chair)

Funds Subject to Outlook

(Dollars in Millions)

	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25
Beginning Balance	4,161	4,733	4,161	212	160	212
Forecasted Revenues	30,683	31,008	61,691	32,078	33,290	65,368
February 2022 Revenue Forecast (NGF-O)	30,683	31,008	61,691	32,078	33,290	65,368
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	325	571	896
2023-25 Use Forecast/Not 4.5% Additional	0	0	0	-325	-571	-896
Other Resource Changes	-292	-1,918	-2,210	-335	-993	-1,327
GF-S Transfer to BSA (1%)	-293	-294	-588	-304	-315	-619
Prior Period Adjustments	20	20	41	20	20	41
Enacted Fund Transfers	41	9	50	254	-247	7
Budget Driven Revenue	2	-22	-20	-3	-4	-7
Proposed Fund Transfers	-62	-1,598	-1,660	-219	-354	-573
Revenue Legislation	0	-34	-34	-82	-94	-176
Total Revenues and Resources	34,552	33,822	63,642	31,955	32,458	64,252
Enacted Appropriations	28,399	30,667	59,067	30,491	30,690	61,181
Maintenance Level Total	-584	-572	-1,156	-492	-460	-952
Policy Level Total	2,160	3,677	5,837	1,949	2,018	3,967
K-12 Education	244	349	593	391	442	833
Low Income Health Care & Comm Behavioral Health	19	236	255	160	202	361
Social & Health Services	104	394	498	320	318	638
Higher Education	-3	99	96	66	63	130
Corrections	3	29	32	40	36	76
Compensation & Benefits	1	257	258	208	209	417
All Other	150	606	756	647	633	1,280
Fund Source Changes (FMAP, I-502, and CRF)	-604	2	-602	1	1	2
Appropriations to Other Budgets (Transportation)	2,000	0	2,000	0	0	0
Appropriations to Other Budgets (Capital)	0	400	400	0	0	0
Appropriations to Other Accounts	246	1,305	1,551	115	115	231
Reversions	-157	-161	-318	-152	-153	-305
Revised Appropriations	29,819	33,610	63,429	31,795	32,096	63,890
Projected Ending Balance	4,733	212	212	160	362	362
Budget Stabilization Account						
Beginning Balance	19	312	19	609	920	609
GF-S Transfer to BSA (1%)	293	294	588	304	315	619
Interest Earnings	0	2	2	7	14	21
Budget Stabilization Account Ending Balance	312	609	609	920	1,249	1,249
Total Reserves	5,045	821	821	1,081	1,611	1,611
Percentage of Reserves to Revenues and Other Resources	16.6%	2.8%		3.4%	5.0%	
NGF-O	15.6%	0.7%		0.5%	1.1%	
Budget Stabilization Account	1.0%	2.1%		2.9%	3.9%	

Functional Areas of Government

K-12 Public Schools

Increases

STUDENT SUPPORT STAFFING – \$172 MILLION (2021-23), \$614 MILLION (2023-25)

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

SCHOOL SEISMIC SAFETY GRANT PROGRAM – \$400 MILLION (2023)

Funding is deposited into a dedicated account to support the school seismic safety grant program created in SSB 5933 (school seismic safety grants). The school seismic safety grant program provides construction grants to schools in high seismic hazard areas. Grants are distributed through the capital budget.

ENROLLMENT STABILIZATION – \$345 MILLION (2021-23), \$16 MILLION (2023-25)

Funding is provided for the superintendent of public instruction to provide an allocation to stabilize school districts that experienced enrollment declines as a result of the COVID-19 pandemic that led to a loss of revenue in the 2021-22 school year when compared to 2019-20 revenue.

TRANSITIONAL KINDERGARTEN – \$13 MILLION (2021-23), \$35 MILLION (2023-25)

Funding is provided for expected increases to enrollment in Transitional Kindergarten programs.

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

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

LOCAL FOOD PROCUREMENT & SUPPLY CHAIN ASSISTANCE FOR SCHOOLS – \$22 MILLION (FEDERAL) (2021-23)

Federal funding is provided to school districts for purchases of domestic local foods available for distribution through the U.S. Department of Agriculture Local Food Purchase Assistance Cooperative Agreement Program, and for reimbursement of local education agency expenditures for the acquisition of unprocessed or minimally processed domestic food products.

RESIDENTIAL OUTDOOR SCHOOL – \$10 MILLION (2021-23), \$50 MILLION (2023-25)

Funding is provided to school districts to support residential outdoor education programs for 5th and 6th grade students.

Behavioral Health

Increases

BEHAVIORAL HEALTH WORKFORCE STABILIZATION FUND – \$100 MILLION (2021-23)

Funding is provided for the Health Care Authority (HCA) to provide grants on a one-time basis to behavioral health agencies serving Medicaid and state-funded clients to address the current workforce crisis and to improve access to services in community behavioral health. Funds are to be distributed based on a formula-based allocation proportional to provider Medicaid claims, and funds are to be distributed directly to providers.

BEHAVIORAL HEALTH MEDICAID RATE INCREASE – \$18 MILLION (2021-23), \$72 MILLION (2023-25)

Funding is provided to increase rates for Medicaid behavioral health services paid through managed care organizations, effective January 1, 2023. This rate increase is effective for inpatient, residential, and outpatient providers.

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

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

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

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

NALOXONE DISTRIBUTION – \$9 MILLION (2021-23), \$17 MILLION (2023-25)

Funding is provided to increase naloxone distribution for individuals participating in opioid treatment programs and provide mail access to kits.

OPIOID TREATMENT PROVIDER RATES – \$5 MILLION (2021-23), \$18 MILLION (2023-25)

Funding is provided for HCA to adopt Medicare rates and bundled payment approach to reimbursing opioid treatment providers.

CCBHC BRIDGE FUNDING – \$10 MILLION (2021-23)

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

CHILDREN’S LONG-TERM INPATIENT BEDS – \$3 MILLION (2021-23), \$6 MILLION (2023-25)

Funding is provided for the Children’s Long-Term Inpatient Program beds, to increase the number of contracted beds for this service by 16.

Higher Education

Increases

NURSING EDUCATION & SUPPORT – \$29 MILLION (2021-23), \$22 MILLION (2023-25)

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

CYBERSECURITY TRAINING PROGRAMS – \$18 MILLION (2021-23), \$26 MILLION (2023-25)

Funding is provided for 1) an information assurance major and cybersecurity operation bachelor’s degree at Washington State University; 2) a cybersecurity bachelor’s degree and a cyber operations master’s degree at Eastern Washington University; 3) a cybersecurity bachelor’s degree and a cybersecurity certificate at Central Washington University; 4) a cybersecurity certificate at The Evergreen State College; 5) Cyber Range Poulsbo upgrades and current cybersecurity certificate expansion at Western Washington University; and 5) expansion of cybersecurity enrollments by 500 FTE students and a Center of Excellence in Cybersecurity at the Community and Technical Colleges.

STUDENT RETENTION & FINANCIAL AID ACCESS – \$12 MILLION (2021-23), \$24 MILLION (2023-25)

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

COMPENSATION SUPPORT – \$13 MILLION (2021-23), \$23 MILLION (2023-25)

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

REGIONAL INSTITUTIONS STUDENT SUPPORT – \$5 MILLION (2021-23), \$9 MILLION (2023-25)

Funding is provided for 1) coordinated wrap-around student support services at Eastern Washington University; 2) a trauma-informed peer mentoring program, extended orientation, and a faculty group hire with diverse experiences and backgrounds to support underserved students at Central Washington University; 3) student mental health and wellness, supplemental lab and studio support, and instructional design at The Evergreen State College; and 4) student support services at the Bellingham and Western on the Peninsula campuses of Western Washington University.

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

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

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

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

COMMERCIAL DRIVER’S LICENSE FINANCIAL ASSISTANCE – \$5 MILLION (2021-23)

One-time funding is provided for competitive awards to provide financial assistance to individuals seeking to obtain commercial driver certification, including training costs.

Health Care and Public Health

Increases

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

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

COVID-19 PANDEMIC RESPONSE – \$156 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

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

COVID-19 VACCINE ADMINISTRATION – \$100 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

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

CHILDREN'S DENTAL SERVICES RATE INCREASE – \$15 MILLION (2021-23), \$29 MILLION (2023-25)

Funding is provided to increase children's dental rates, including sealants, by 100 percent effective July 1, 2022.

CONTINUOUS ENROLLMENT FOR CHILDREN – \$6 MILLION (2021-23), \$24 MILLION (2023-25)

Funding is provided to ensure children between the ages of zero and six have continuous Medicaid enrollment and do not experience coverage gaps.

PUBLIC HEALTH DATA SYSTEMS – \$16 MILLION (2021-23), \$16 MILLION (2023-25)

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

ADULT ACUPUNCTURE & CHIROPRACTIC COVERAGE – \$1 MILLION (2021-23), \$12 MILLION (2023-25)

Funding is provided to add an adult acupuncture and chiropractic Medicaid benefit beginning January 1, 2023.

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

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

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

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

PRIVATE DUTY NURSING – \$1 MILLION (2021-23), \$6 MILLION (2023-25)

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

Savings or Decreases

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

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

Long-Term Care, Developmental Disabilities

Increases

VENDOR RATE INCREASES – \$208 MILLION (2021-23), \$174 MILLION (2023-25)

Funding is provided for vendor rate increases, including an extension of the temporary rate add-ons through June 2022; lowering the occupancy threshold for skilled nursing facilities to 80 percent for purposes of the July 1, 2022 rate rebase; increasing the base rates for assisted living facilities to 68 percent of full methodology funding; increasing base rates for community residential providers; increasing contracted rates paid to providers of community engagement, supported parenting, private duty nursing, and respite providers; and adjusting the employer tax rate paid to home care agencies. The temporary rate add-ons that were in effect in December 2021 will continue through June 2022 and then will be adjusted to reflect base rate increases funded in the 2021-23 biennial budget before being phased out by June 2024 by reducing them by 20 percent every two quarters.

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

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

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

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

COVID-19 RESPONSE – \$51 MILLION (2021-23), \$22 MILLION (2023-25)

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

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

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

CASE MANAGEMENT – \$13 MILLION (2021-23), \$31 MILLION (2023-25)

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

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

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

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

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

AFH AIR CONDITIONING – \$5 MILLION (2021-23)

One-time funding is provided for a grant program to expand the use of air conditioning in adult family homes that serve Medicaid clients or clients receiving services through state-funded long-term care programs. An adult family home may receive up to \$5,000 to install portable air conditioning units or upgrade the home’s heating, ventilation, and air conditioning system to include air conditioning.

Economic Services

Increases

AGED, BLIND, OR DISABLED EXPANSIONS – \$38 MILLION (2021-23), \$91 MILLION (2023-25)

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

INTEGRATED ELIGIBILITY SYSTEM FOUNDATION – \$6 MILLION (2021-23), \$27 MILLION (2023-25)

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

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES EXPANSIONS – \$1 MILLION (FEDERAL) (2021-23), \$15 MILLION (FEDERAL) (2023-25)

Funding is provided to increase the monthly payment standard for Temporary Assistance for Needy Families (TANF) households with nine or more members, which will increase the grant for this population by \$127 to \$250 per month. Funding is also provided for IT system changes to implement a \$100 monthly diaper subsidy for those households receiving TANF with a child under the age of three, effective November 1, 2023, pursuant to ESSB 5838 (diaper study/TANF).

AFGHAN REFUGEE SUPPORT SERVICES – \$15 MILLION (FEDERAL) (2021-23)

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

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

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

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

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

Department of Children, Youth, and Families

Increases

WORKING CONNECTIONS CHILD CARE RATE INCREASES – \$49.9 MILLION & \$75.8 MILLION (FEDERAL) (2021-23)

Funding is provided for Working Connections Child Care (WCCC) rate increases and other enhancements, including the waiver of WCCC household co-payments from July through September 2022; for enrollment based payments from April through June 2022; for a fiscal year 2023 cost-of-care enhancement for licensed family home providers in response to the negotiated collective bargaining agreement with Service Employees International Union 925; and for a 16 percent increase to child care center subsidy rates in fiscal year 2023. Federal funds from the American Rescue Plan Act, as well as Coronavirus Response and Relief Supplemental Appropriations, cover the cost of this item in the 2021-23 Biennium.

CHILD VISITATION RATE INCREASES – \$22 MILLION (2021-23), \$34 MILLION (2023-25)

Funding is provided to increase the hourly reimbursement rate for child visitation services, known as family time, from \$24.49 to \$37.19. Additional funding is provided to reimburse mileage starting from the first mile and to provide an Indian Child Welfare contracting structure and training.

BEHAVIORAL REHABILITATION SERVICES RATE INCREASES – \$15 MILLION (2021-23), \$24 MILLION (2023-25)

Funding is provided to increase the Behavioral Rehabilitation Services (BRS) facilities monthly rate from \$12,804 to \$17,511, and to increase the BRS Treatment Foster Care monthly rate from \$8,226 to \$10,517. Additional funding is provided to increase case aide rates from \$26 to \$30 hourly.

EARLY CHILDHOOD EDUCATION & ASSISTANCE PROGRAM ENHANCEMENTS – \$17 MILLION (2021-23), \$20 MILLION (2023-25)

Funding is provided to convert 2,077 Early Childhood Education and Assistance Program (ECEAP) part-day slots to full-day (1,765) and extended-day (312) slots. Funding is also provided to continue the ECEAP \$54 quality support rate that has historically been funded with a private grant, and to provide for a nine-week Summer 2022 ECEAP program for 2,212 school day slots.

COMBINED IN-HOME SERVICE RATE INCREASES – \$8 MILLION (2021-23), \$17 MILLION (2023-25)

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

INDIAN CHILD WELFARE ACT COMPLIANCE – \$5 MILLION (2021-23), \$14 MILLION (2023-25)

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

FOSTER CARE SERVICES & PARENT SUPPORT – \$5 MILLION (2021-23), \$6 MILLION (2023-25)

Funding is provided for foster parent and parent supportive services, including individualized education, training, and support to facilitate reunification with children in a shorter amount of time and with fewer incidence of return to care; to expand the number of hub home foster and kinship family constellations from 12 to 15 to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care; for four additional education advocate positions with a community-based organization to reduce educational barriers for students in foster care; and to develop a report with recommendations on how to improve access to private, self-controlled bank accounts for dependent youth ages 14 and above, as well as other strategies for improving financial capability of dependent youth.

EXTENDED FOSTER CARE ENHANCEMENTS & ASSESSMENT – \$11 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

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

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

Funding is provided for a workload study of the Department's child welfare division, to include an evaluation of how changes to federal and state laws, as well as recent court decisions, have impacted the workloads of case-carrying child welfare workers. The workload study will include recommendations to streamline administrative processes. Additional funding is provided for six staff to conduct shared planning and family team decision-making meetings, and for 15 staff to support statewide implementation of the kinship caregiver engagement unit, which is currently funded as a pilot in two regions.

YOUTH SUPPORTIVE HOUSING PROGRAMS – \$3 MILLION (2021-23), \$3 MILLION (2023-25)

Funding is provided for an emergency adolescent housing pilot, which will provide a supportive housing option for youth aged 16 and older. Additional funding is provided to extend the child welfare housing assistance pilot program through June 2023 due to delays in implementation. Funding is also provided to expand the ongoing child welfare housing program, which serves families with a child at risk of out-of-home placement where a lack of housing support is a contributing factor.

EARLY LEARNING MENTAL HEALTH SUPPORT – \$1 MILLION (2021-23), \$2 MILLION (2023-25)

Funding is provided for prenatal substance use exposure treatment for children involved in the child welfare system, and for peer support, resource, and referral to new and expecting parents experiencing, or at risk of, postpartum depression or other mental health issues. Funding is also provided to contract with two tribal mental health consultants who specialize in providing culturally appropriate services to tribal children and families.

Corrections & Other Criminal Justice

Increases

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

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

PATIENT & BEHAVIORAL CENTERED CARE – \$14 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23), \$28 MILLION (2023-25)

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

RESTORE REDUCTIONS – \$20 MILLION (2021-23)

One-time funding is provided to restore reductions taken in the 2021-23 biennial budget.

RETAIN SUPERVISION STAFFING – \$13 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

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

BASIC LAW ENFORCEMENT ACADEMY – \$7 MILLION (2021-23), \$4 MILLION (2023-2025)

Funding is provided for an additional 4.5 classes in fiscal year 2022 (for a total of 19.5 classes) and 8.5 additional classes in fiscal year 2023 (for a total of 23.5 classes) to eliminate the current waitlist.

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

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

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

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

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

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

OFFICE OF INDEPENDENT INVESTIGATIONS – \$4 MILLION (2021-23), \$2 MILLION (2023-2025)

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

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

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

HELEN B RATCLIFF WORK RELEASE – \$3 MILLION (2023-25)

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

Housing and Homelessness

Increases

RIGHT-OF-WAY RESPONSE & OUTREACH – \$41 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2023), \$82 MILLION (2023-25)

Funding is provided for grants for administrative costs of alternative response teams, and the costs to transition encamped individuals from rights-of-way to permanent housing.

RIGHT-OF-WAY ENCAMPMENT MITIGATION – \$5 MILLION (2021-23), \$9 MILLION (2023-25)

Funding is provided for regional teams, staffed by public benefits specialists, social workers, and security staff, to work with local partners to address and mitigate camping on public rights-of-way.

LANDLORD-TENANT RELATIONS – \$4 MILLION (2023)

Additional funding is provided to assist tenant and landlord relations in follow up to Chapter 115, Laws of 2021 (E2SSB 5160). This assistance includes providing dispute resolution services to indigent tenants involved in an eviction proceeding, and legal advice and assistance to tenants prior to the filing of an eviction action.

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

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

Other Human Services

Increases

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

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

PAID FAMILY & MEDICAL LEAVE ACTUARIAL SERVICES – \$2 MILLION (TOTAL FUNDS) (2021-23), \$1 MILLION (TOTAL FUNDS) (2023-25)

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

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

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

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

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

WORKSOURCE SYSTEM REPLACEMENT – \$5 MILLION (TOTAL FUNDS) (2021-23), \$14 MILLION (TOTAL FUNDS) (2023-25)

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

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

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

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

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

CAREER CONNECT WASHINGTON GRANTS EXPANSION – \$4 MILLION (TOTAL FUNDS) (2021-23), \$6 MILLION (TOTAL FUNDS) (2023-25)

Funding is provided to expand the Career Connect Washington's intermediary grants to industry sector leads and four-year universities to create new programs and scale existing ones across the state.

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

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

Savings or Decreases

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

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

Natural Resources

Increases

SALMON RECOVERY PROJECTS – \$209 MILLION (2021-23), \$264 MILLION (2023-25)

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

FARMERS TO FAMILIES FOOD BOX PROGRAM – \$75 MILLION (2021-23)

State funding is provided in addition to existing federal funds to implement the Farmers to Families Food Box Program.

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

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

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

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

STATE FORESTLAND PURCHASE – \$20 MILLION (2021-23)

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

DROUGHT PREPAREDNESS – \$2 MILLION (2021-23), \$2 MILLION (2023-25)

Funding is provided in anticipation of drought preparedness needs.

General Government

Increases

WASHINGTON RESCUE PLAN TRANSITION ACCOUNT – \$1.5 BILLION (2021-23), \$500 MILLION (2023-25)

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

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

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

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

One-time funding is provided in fiscal year 2022 to adjust the liability account cash deficit.

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

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

ELECTIONS INFORMATION & SECURITY – \$13 MILLION (2021-23), \$24 MILLION (2023-25)

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

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

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

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

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

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

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

SEEP ELECTRIC VEHICLE INFRASTRUCTURE – \$3 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23), \$5.3 MILLION (2023-25)

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

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

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

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

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

PREJUDGMENT INTEREST – \$3 MILLION (TOTAL FUNDS) (2021-23), \$3 MILLION (TOTAL FUNDS) (2023-25)

Funding is provided to implement the provisions of E2SSB 5155 (prejudgment interest).

AUTOMATING STATE LIBRARY COLLECTION – \$3 MILLION (2021-23), \$2 MILLION (2023-25)

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

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

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

Savings or Decreases

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

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

Judicial

Increases

STATE V. BLAKE DECISION – \$93 MILLION (2023)

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

CASE MANAGEMENT SYSTEM FOR COURTS OF LIMITED JURISDICTION – \$28 MILLION (2023)

Funding is provided for completion of the case management system for courts of limited jurisdiction, to include the addition of e-filing technology for District and Municipal Courts across the state.

TRIAL COURT BACKLOG AND PANDEMIC RESPONSE – \$19 MILLION (2023)

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

Other Changes

Increases

MULTIMODAL ACCOUNT – \$2 BILLION (2022)

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

STRATEGIC ENTERPRISE RESOURCE PLANNING TECHNOLOGY ACCOUNT – \$500 MILLION (2021-23)

A new account is created. Funding is provided for strategic enterprise resource planning information technology projects that are projected to cost more than \$250 million dollars and benefit the statewide enterprise.

COMMUNITY REINVESTMENT GRANTS – \$125 MILLION (2021-23)

Funding is provided for support grants to communities affected by disparities in historical criminal laws and penalties for illegal drug sales, possession, and use.

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

Federal funding is provided for the Low-Income Home Energy Assistance Program, for the Low-Income Household Water Assistance Program, and for grants to utilities to reduce or eliminate low-income customer arrearages.

SOLAR ENERGY – \$94 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23), \$94 MILLION (2023-25)

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

ELECTRIC VEHICLE TRANSITIONING – \$82 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23), \$82 MILLION (2023-25)

Funding is provided for grants to projects that will support electric vehicle charging infrastructure in rural areas, office buildings, multifamily housing, ports, and state and local government offices. Funding is also provided for agencies to develop fleet electrification and charging build-out plans as well as to build out a mapping tool that provides locations and essential information of charging and refueling infrastructure.

CONVENTION ECONOMY SUPPORT – \$40 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

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

ANDY HILL CANCER RESEARCH – \$30 MILLION (2023)

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

INFORMATION TECHNOLOGY POOL – \$29 MILLION (TOTAL FUNDS) (2021-23)

Funding is provided for information technology projects. This includes 13 discreet projects that must follow oversight requirements in section 701 of the LEAP omnibus document, IT-2022, dated February 20, 2022.

BUSINESS ASSISTANCE FOR ARTS – \$20 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

Federal funding is provided to increase existing business assistance grants for the arts, heritage, and science sectors.

HOTEL RELIEF FUND – \$15 MILLION (CORONAVIRUS STATE FISCAL RECOVERY FUND) (2021-23)

Federal funding is provided for grants to hotels that have experienced revenue losses as a result of the eviction moratorium.

APPRENTICESHIP PROGRAMS – \$10 MILLION (2021-23), \$1 MILLION (2023-25)

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

**Revenue-Related Bills
Funds Subject to Outlook
(Dollars in Millions)**

	2021-23	2023-25	4 Yr
Revenue Related Bills			
5459 - Credit Card Processing/B&O	-20.0	-55.0	-75.0
5760 - Motion Picture Program	-16.5	-33.0	-49.5
5974 - Transportation Resources	-15.6	-31.6	-47.2
5899 - SR 520 Sales Tax Deferral	-11.2	-22.4	-33.5
5714 - Solar Canopies Tax Deferral	-5.4	-17.9	-23.3
5705 - SR 167 & I-405 Tax Deferral	-0.4	-14.1	-14.5
5755 - Vacant Land Redevelopment	0.0	-5.4	-5.4
1765 - Health Benefit Ex./B&O Tax	0.0	-2.1	-2.1
5799 - Workforce Surcharge/Clinics	-1.1	0.7	-0.4
5901 - Economic Dev. Tax Incentives	1.1	0.8	1.8
5531 - Uniform Unclaimed Property	35.4	3.6	39.0
SubTotal	-33.7	-176.3	-210.0

Increases

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

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

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

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

Savings or Decreases

CREDIT CARD PROCESSING/B&O – \$20 MILLION (2021-23), \$55 MILLION (2023-25)

SB 5459 (credit card processing/B&O) creates a business and occupation tax deduction for credit card processing companies.

MOTION PICTURE PROGRAM – \$17 MILLION (2021-23), \$33 MILLION (2023-25)

SSB 5760 (motion picture program) increases the amount of Business and Occupation (B&O) tax credits that may be taken per year, per business entity, from \$750,000 to \$1 million, and total amount of B&O tax credits taken annually from \$3.5 million to \$20 million. The bill also establishes a goal and an enhancement award for productions in rural communities and makes developing resources for filming in rural communities an allowable use of funds for the Washington Motion Picture Competitiveness Program (Program). It modifies the membership of the board of directors of the Program and exempts certain entities contributing to the Program and receiving a tax credit from certain annual reporting requirements.

TRANSPORTATION RESOURCES – \$16 MILLION (2021-23), \$32 MILLION (2023-25)

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

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

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

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

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

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

SB 5705 (SR 167 & I-405 tax deferral) provides a sales and use tax deferral for qualified Interstate 405/State Route 167 Corridor construction projects.

VACANT LAND REDEVELOPMENT – NO IMPACT (2021-23), \$5 MILLION (2023-25)

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

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

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

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

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

Fund Transfers & Budget-Driven Revenue

Funds Subject to Outlook

(Dollars in Millions)

	2021-23	2023-25	4 Yr
Fund Transfers In Budget Bill			
WA Rescue Plan Transition Acct (GF-S)	-1,500.0	-500.0	-2,000.0
Wildfire Resp, Forest Restoratn, & Comm Resilience (GF-S)	-87.1	-94.8	-181.9
Clean Energy Transition Workforce Account (GF-S)	0.0	-24.8	-24.8
Aquatic Invasive Species Management Account (GF-S)	-8.6	-12.2	-20.7
Disaster Response Account (GF-S)	-14.6	0.0	-14.6
State Drought Preparedness (GF-S)	-11.0	0.0	-11.0
Fair Account (GF-S)	-0.5	-1.0	-1.5
School Employees' Insurance Account (GF-S)	-1.0	0.0	-1.0
Gambling Revolving Account (GF-S)	0.0	0.0	0.0
Long-Term Services and Supports Trust Account (GF-S)	-37.1	59.8	22.8
SubTotal	-1,659.8	-572.9	-2,232.7
Budget Driven Revenue			
Liquor Control Board (Liquor)	-15.4	3.2	-12.2
Liquor Control Board (Marijuana)	-4.8	-5.9	-10.6
5796 - Cannabis Revenue	1.2	-3.5	-2.3
Lottery	-0.6	-1.1	-1.7
Marijuana Distribution Changes	0.0	0.0	0.0
SubTotal	-19.6	-7.2	-26.8

2021-23 Omnibus Operating Budget -- 2022 Supplemental
PSSB 5693 Senate Chair
Funds Subject to Outlook
(Dollars in Thousands)

	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
<i>Appropriations Into Other Accounts</i>			
Multimodal Account	2,000,000	2,000,000	2,000,000
Strategic Enterprise Technology Acct	500,000	500,000	500,000
School Seismic Safety Grant Account	400,000	400,000	400,000
Paid Family Med Leave Ins Acct	350,000	350,000	350,000
SILA Cash Deficit Adjustment	217,000	217,000	217,000
Judicial Stabilization Trust Acct	157,500	157,500	157,500
Community Reinvestment Account	125,000	125,000	125,000
Cancer Research Endowment	30,000	30,000	30,000
Judicial Information Systems	26,200	26,200	26,200
Long-Term Services and Supports	22,486	22,486	22,486
Other Increases	11,898	13,347	10,740
<i>Appropriations Into Other Accounts Total</i>	3,840,084	3,841,533	3,838,926
<i>K-12 Education</i>			
Enrollment Stabilization	346,451	346,451	362,596
Student Support Staffing	173,751	173,751	790,155
Learning Assistance Program	27,404	27,404	35,360
Other Increases	21,841	43,709	28,569
Transitional Kindergarten	12,976	12,976	48,075
Residential Outdoor School	10,000	10,000	60,000
Distinct Passenger Transportation	63	63	100,113
<i>K-12 Education Total</i>	592,486	614,354	1,424,868
<i>Higher Education</i>			
Nursing Shortage	34,864	34,864	61,419
Other Increases	20,748	20,894	42,382
Cybersecurity Programs	17,560	17,560	43,040
Compensation Support	12,868	0	35,970
Financial Aid Access	9,570	15,570	32,784
Regionals: Student Support	3,872	3,872	11,030
<i>Higher Education Total</i>	99,482	92,760	226,624
<i>State Employee Compensation (Excl. Higher Ed.)</i>			
Employee Salary & Wages (Rep.)	150,220	235,434	354,668
PEBB Rates	35,836	64,128	107,508
Employee Salary & Wages (Non-Rep.)	25,090	48,517	75,427
PERS & TRS Plan 1 Benefit Increase	17,698	19,921	64,046
Agency Specific Salary Items	2,810	5,529	8,279
Employee Health Benefits (Rep.)	612	1,052	1,836
Employee Health Benefits (Non-Rep.)	173	328	519
Other Increases	101	5,110	235
<i>State Employee Compensation (Excl. Higher Ed.) Total</i>	232,540	380,019	612,518

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	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Higher Education Employee Compensation			
Employee Salary & Wages (Non-Rep.)	44,188	124,349	126,187
PEBB Rates	19,828	59,312	59,484
Employee Salary & Wages (Rep.)	8,436	42,352	17,499
PERS & TRS Plan 1 Benefit Increase	393	1,662	1,337
Employee Health Benefits (Non-Rep.)	296	544	888
Employee Health Benefits (Rep.)	77	643	231
Agency Specific Salary Items	64	92	192
Adjust Compensation Double Count	-12,761	-18,599	-38,548
Higher Education Employee Compensation Total	60,521	210,355	167,270
Natural Resources			
Salmon Recovery	209,238	311,521	473,137
Fire Suppression	98,945	112,594	98,945
Other Increases	45,420	88,742	58,086
Climate Related Items	18,110	61,286	31,611
Recreation Related Items	18,080	27,197	53,060
Fire Suppression Administration	17,739	0	34,681
Conservation Related Items	15,999	16,767	30,362
Forest Practices Funding Shift	6,917	0	20,751
Invasive Species	5,808	7,165	7,118
MTCA Related Items	4,703	14,805	9,813
European Green Crab Control	0	8,568	0
Water Banking Pilot Budget Shift	-9,000	-9,000	-9,000
Natural Resources Total	431,959	639,645	808,564
Health Care			
Other Increases	32,262	103,314	85,153
Children's Dental Services	14,450	29,532	44,602
Continuous Enrollment for Children	6,090	12,215	31,505
School-Based Health Services	5,191	2,078	20,389
Health Care for Uninsured Adults	3,250	3,250	22,985
Other Savings	1,445	-36,016	2,061
Medicaid Transformation Project	0	251,884	0
Outpatient Directed Payment Program	0	217,649	0
Community Health Center Stability	0	24,600	0
I-502 Related Revenues	-24,314	0	-40,879
Health Care Total	38,374	608,506	165,816
Behavioral Health			
Behavioral Health Provider Relief	100,000	100,000	100,000
Other Increases	43,653	58,170	119,409
IMD Federal Waiver	20,042	20,042	20,042
MCO Behavioral Health Rate Increase	18,066	53,248	93,458
CCBHC Bridge Funding	10,000	10,000	10,000

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	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Trueblood Diversion Programs	9,031	9,250	9,031
Naloxone Distribution	8,500	8,500	26,236
State Hospital Direct Care Staffing	6,091	6,091	33,355
Opioid Treatment Provider Rates	4,550	16,850	23,538
Children's Long-Term Inpatient Prog	2,646	5,292	8,167
Behavioral Health Personal Care	2,323	2,323	5,593
Youth Crisis Stabilization	48	97	10,755
Other Savings	-19,917	-22,858	-20,410
Community Long-Term Inpatient Beds	-32,941	-68,375	-32,941
Behavioral Health Total	172,092	198,630	406,233
Long Term Care & DD			
Targeted Provider Rates	208,164	423,203	381,716
SEIU and Liang Settlements	57,913	131,585	64,968
Other Increases	36,314	69,232	80,035
Increase In-Home PNA	28,745	58,117	89,077
In-Home Care Provider Agreement	27,551	62,617	92,655
Reduce Hospital Census	20,000	40,000	20,000
Transitional Care Center	10,694	22,333	10,694
Adult Family Home Award/Agreement	10,311	19,801	30,933
In-Home Provider PPE	7,062	16,332	20,013
Agency Provider Agreement-Parity	6,981	15,864	23,491
Case Management Ratios	6,186	12,860	19,179
DDA No-Paid Caseload	2,581	4,641	10,472
Community Supports for Children	1,309	2,271	10,324
Long Term Care & DD Total	423,811	878,856	853,556
Children, Youth, & Families			
WCCC: Provider Rate Increase	49,600	49,600	360,934
Other Increases	28,061	70,485	55,839
Family Time Rates	21,468	26,180	55,816
Increase BRS Facility Rates	11,170	15,514	29,042
ICWA Updated Standards	9,791	21,212	23,607
ECEAP Slot Conversions	9,327	9,327	27,981
Combined In-Home Services	8,440	8,440	25,320
Summer ECEAP	5,970	5,970	5,970
SEIU Cost of Care Enhancement	0	45,347	0
Children, Youth, & Families Total	143,827	252,075	584,509
Corrections and Other Criminal Justice			
Other Increases	25,481	28,157	57,665
OMNI Sentencing Module Project	5,658	5,658	6,301
Basic Law Enforcement Academy	5,254	7,005	9,980
Body Scanners at WCCW and WCC	4,166	4,166	9,236
COVID-19 Response	0	42,307	0

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	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Restore Reduction	0	20,311	0
Patient & Behavioral Centered Care	0	14,139	27,811
Retain Supervision Staffing	0	13,367	0
Corrections and Other Criminal Justice Total	40,559	135,110	110,993
Other Human Services			
Farmers to Families Food Box	74,838	74,838	74,838
Other Increases	61,477	135,664	112,683
Aligning the ABD Grant Standard	36,860	36,860	130,153
Public Health Data	15,895	19,088	32,683
Veterans Homes Revenue Shortfall	9,568	8,079	13,648
Refugee Supports	7,862	22,849	16,307
Continue Economic Security for All	6,208	6,208	18,624
Integrated Eligibility System	5,938	19,700	33,020
Community Support Services	5,087	5,322	16,356
COVID-19 Contain the Spread	0	156,099	0
Continue COVID-19 Vaccinations	0	100,149	0
Other Savings	0	-153,031	0
Other Human Services Total	223,733	431,825	448,311
Housing & Homelessness			
Other Increases	8,721	16,221	21,664
Housing First Opportunities	6,027	8,036	17,760
Foreclosure Assistance	4,500	4,500	4,500
Independent Youth Housing Program	4,092	4,092	12,276
Right of Way Response & Outreach	3,640	45,150	92,485
Utility Assistance	0	101,053	0
Hotel Relief Fund	0	15,000	0
Landlord Mitigation	0	11,271	0
Housing & Homelessness Total	26,980	205,323	148,686
All Other Policy Changes			
Other Increases	131,451	264,065	271,294
Central Services: All Other	41,958	51,409	90,980
Judicial: All Other Increases	34,275	34,275	44,528
Gated IT Pool	20,726	28,660	20,726
Judicial: IT & Related	8,988	34,388	16,922
Diversity, Equity, Inclusion	2,832	2,832	14,338
Blake v. Wa	2,339	91,839	2,339
Refugee Supports	2,200	2,200	2,200
Central Services: OFM	834	2,310	2,848
Electric Vehicle Transitioning	167	82,173	164,197
Unanticipated Receipts	0	156,821	0
Disaster Response Account	0	133,974	0
Community Reinvestment Grants	0	125,000	0

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	2021-23		4-Yr Total
	NGF-O	Total	NGF-O
Solar Energy	0	95,000	190,000
Andy Hill Cancer Research	0	30,000	0
Business Assistance for Arts	0	20,000	0
Other Savings	-256	-6,256	-256
Blake Fund Shift	-68,000	0	-68,000
Forest Health Funding Shift	-87,107	0	-181,907
CRF Savings	-274,289	-273,543	-274,289
FMAP Changes	-305,696	-66,349	-288,966
<i>All Other Policy Changes Total</i>	-489,578	808,798	6,954
Grand Total	5,836,870	9,297,789	9,803,829

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