

**Proposed 2023-25 Biennial &  
2023 Supplemental Budget**

# **OPERATING BUDGET**

## **Summary**

**Conference Report  
ESHB 5187  
(H-2006)**

April 22, 2023



**OFFICE of  
PROGRAM RESEARCH**  
WASHINGTON STATE  
HOUSE OF REPRESENTATIVES

# Overview

## Context

In developing the 2023 supplemental and 2023-25 biennial operating budgets the Legislature faces a changing budget environment. The federal public health emergency declaration for the COVID-19 pandemic is set to end on May 11, 2023. Temporary enhancements of various federal funding streams are beginning to be phased out. Provisions related to Medicaid eligibility redeterminations are being phased in. While inflation has slowed, it remains higher than prior to the pandemic. While revenue collections in the current biennium have remained strong, revenue over the next two biennia is expected to grow at a slower than average rate.

### Revenue

The March 2023 revenue forecast for Near General Fund-Outlook (NGF-O) funds subject to the state's four-year balanced budget requirement shows that growth has slowed to 3.8 percent from fiscal year 2022 to fiscal year 2023, after annual growth of 13.3 percent and 11.6 percent in the two previous years (inclusive of both economic and non-economic factors). Revenue growth is forecasted to decline by 1.3 percent from fiscal year 2023 to fiscal year 2024 after a decade of positive growth, before increasing to 3.7 percent growth from fiscal year 2024 to fiscal year 2025.

\$64.1 billion in NGF-O revenues are forecasted for the current 2021-23 biennium. The March 2023 revenue forecast also projects \$65.7 billion in NGF-O revenues for the upcoming 2023-25 biennium. Applying the 4.5 percent revenue growth assumption under the four-year balanced budget statute leads to a projected revenue of \$71.5 billion NGF-O in the 2025-27 biennium.

## **Proposed Conference Report for ESSB 5187 (H-2006)**

### Description of Summary and Detail Documents for the Proposed Conference Report for ESSB 5187

Summary and detail documents related to the proposed conference report describe spending from Near General Fund Outlook (NGF-O) accounts and Total Budgeted funds. NGF-O accounts subject to the four-year budget outlook include General Fund-State, the Education Legacy Trust Account, the Opportunity Pathways Account, and the Workforce Education Investment Account. Total Budgeted funds include expenditures from NGF-O accounts in addition to all other budgeted funds.

## **Proposed Conference Report**

For the 2023-25 biennium, the proposed conference report appropriates \$69.8 billion NGF-O and \$133.6 billion in total budgeted funds, including \$28.2 million in total budgeted funds appropriated in other legislation. This includes a net increase of \$2.4 billion NGF-O and \$1.8 billion total budgeted funds at maintenance level to continue current programs and meet statutory obligations, with the largest NGF-O cost drivers being K-12 staff salary inflation and statutory provisions around early learning and child care

services. At policy-level, the focus of this document, NGF-O increases by \$4.7 billion and total budgeted funds increase by \$15.1 billion. Appropriation changes made in other legislation result in a net increase of \$4.0 million NGF-O and \$28.2 million total funds, with the largest portion related to E2SSB 5536 (Controlled substances).

For the 2023 supplemental operating budget modifying the current 2021-23 biennium, also included in ESSB 5187, the proposed conference report appropriates \$63.3 billion NGF-O and \$132.5 billion total budgeted funds, including appropriations in other legislation. This includes a net increase of \$400.1 million NGF-O and \$1.9 billion total funds at maintenance level, with the largest cost driver being mandatory caseload adjustments for Health Care Authority (HCA) medical assistance. Policy-level changes in the proposed 2023 supplemental reduce expenditures in the current biennium by \$668.3 million NGF-O, and increase total budgeted funds by \$210.5 million. Appropriation changes made in other legislation result in a net reduction of \$522.0 million NGF-O with the largest portion related to ESSB 5294 (Retirement system funding).

Policy-level expenditures contained in the proposed conference report for ESSB 5187 for the 2023 supplemental and 2023-25 biennial budget proposals are described later in this document.

#### Expenditure Summary

Below this initial summary, this document includes a five-page report that lists major policy-level spending items in broad categories.

The NGF-O balance sheet associated with the proposal reflects transfers included in the proposed conference report for ESSB 5187 as well as reversion assumptions. For the 2021-23 and 2023-25 biennia, the proposed conference report assumes the following changes:

- \$1.3 billion is transferred from the Washington Rescue Plan Transition Account (WRPTA) to the General Fund-State in fiscal year 2024.
- \$198.5 million is transferred from other dedicated accounts to the General Fund-State, including:
  - \$64.3 million from the Long-Term Services and Supports (LTSS) Trust in fiscal year 2024 for the repayment of loans to the account for the LTSS Trust program's startup costs, with interest;
  - \$50.0 million from the Model Toxics Operating Account-State in fiscal year 2025; and
  - \$40.0 million from the Washington Student Loan Account in fiscal year 2024.
- In addition to required transfers to the Budget Stabilization Account, \$243.3 million is transferred from the General Fund-State to various dedicated accounts, including \$85.8 million to the Disaster Response Account and \$89.8million to the Wildfire Response, Forest Restoration, and Community Resilience Account.
- \$253.1 million in anticipated reversions is assumed for fiscal year 2023 (in part by assuming that 1 percent of General Fund-State will be reverted), described further in the proceeding bullet;
- \$493.1 million in anticipated reversions for the 2023-25 biennium, including:
  - \$258.5 million in fiscal year 2024 from assuming 0.8 percent reversions. Actual reversions over the past three years have been higher than the previously assumed 0.5 percent. Beginning in fiscal year2025, reversions are assumed to return to an average of

- 0.5 percent as temporary federal funding is exhausted and workforce shortages impacting both the state employee workforce and contracted service providers are filled.
- \$65.0 million in savings from larger-than-average K-3 class size reversions based on the most recent data.

## **2023-25 NGF-O Ending Balance and the Four-Year Outlook**

The proposed conference report for ESSB 5187 leaves a projected ending fund balance for the 2023-25 biennium of \$1.4 billion NGF-O and \$3.6 billion in total reserves, including \$1.3 billion in the Budget Stabilization Account (BSA) and \$798 million in WRPTA.

Under the four-year balanced budget requirement pursuant to Chapter 8, Laws of 2012 (SSB 6636), the proposed conference report for ESSB 5187 is projected to end the 2025-27 biennium with a \$105 million NGF-O balance and \$3.0 billion in total reserves including \$2.1 billion in the Budget Stabilization Account (BSA) and \$798 million in WRPTA.

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

The proposed conference report for ESSB 5187 assumes a net increase of \$56.7 million NGF-O from revenue legislation in the 2023-25 biennium. The single largest driver of the increase is from Hospital Safety Net Assessment (HSNA) premium tax changes pursuant to Substitute House Bill 1850, which contributes \$54.2 million in NGF-O revenues.

A listing of all legislation impacting revenues and their assumed fiscal impacts, as well as budget driven revenue, is included later in this document.

# **Additional Information**

This information is provided in explanation of the conference proposal. The proposal makes supplemental changes to the 2021-23 biennial budget and adopts a budget for the 2023-25 biennium.

A complete set of materials produced by the House Office of Program Research (OPR) is available at <https://fiscal.wa.gov/statebudgets/2023proposals/ho2325bien>. In addition to this summary document, materials include:

- bill text;
- 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 Commerce, and Department of Children, Youth, and Families, as well as K-12 Public Schools);

- a detailed four-year budget outlook;
- comparisons to ESSB 5187 as it passed each chamber; and
- various documents and schedules (commonly referred to as LEAP documents).

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

This summary document was prepared by non-partisan 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;
- a summary grouping of expenditures by major category;
- a summary of larger items included in the proposal; and
- a four-year budget outlook including resource changes.

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.

## 2023-25 Omnibus Operating Budget

### Conference Proposal

#### Funds Subject to Outlook

(Dollars in Thousands)

	2023 Supp		2023-25		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
<b><i>FMAP, Fund Source Changes and Larger Savings Items</i></b>					
Termination of Plan 1 UAAL Rate	-550,000	-550,000	-803,777	-888,336	-2,472,516
Hospital Safety Net	0	0	-160,000	2,172,217	-612,000
FMAP	-652,998	0	-106,709	0	-759,707
DSH Payments	0	0	-75,144	0	-154,060
Paid Family Med Leave Ins Acct	-150,000	-165,618	0	0	-150,000
Fund Source Change/MTCA	0	0	-7,274	0	-14,548
Veterans Homes Revenue Adjustments	-3,928	-2,687	-20,666	-8,288	-50,434
Rainier PAT C	-8,907	-16,392	-34,010	-67,275	-78,758
Federal Fund Swap (CRSSA)	0	0	-106,658	-106,658	-233,105
Lease Savings	-3,031	-3,031	-5,054	-5,054	-21,844
Program Underspends (DSHS)	-36,678	-63,084	-15,000	-15,000	-67,431
Savings from STAR Ward Closure	0	0	-19,134	-19,134	-39,229
Shift From Operating Budget	0	-98,000	0	0	0
Other Appropriation Adjustments	37,629	-246,136	-2,179	244,874	-29,027
<b><i>FMAP, Fund Source Changes and Larger Savings Items Total</i></b>	<b>-1,367,913</b>	<b>-1,144,948</b>	<b>-1,355,605</b>	<b>1,307,346</b>	<b>-4,682,659</b>
<b><i>State Employee Compensation (Excl. Higher Ed.)</i></b>					
Employee Salary & Wages (Rep.)	0	0	569,620	904,062	1,174,445
Employee Salary & Wages (Non-Rep.)	0	0	116,549	221,746	245,801
Updated PEBB Rate	0	0	24,610	43,731	61,118
PERS & TRS Plan 1 Benefit Increase	0	0	38,677	43,299	84,022
Other Increases	301	301	19,039	53,190	33,498
Other Savings	0	0	0	-420	0
<b><i>State Employee Compensation (Excl. Higher Ed.) Total</i></b>	<b>301</b>	<b>301</b>	<b>768,495</b>	<b>1,265,608</b>	<b>1,598,884</b>
<b><i>Higher Education Employee Compensation</i></b>					
Employee Salary & Wages (Rep.)	0	0	40,992	407,063	85,616
Employee Salary & Wages (Non-Rep.)	0	0	101,982	364,053	232,380
Updated PEBB Rate	0	0	12,564	36,306	31,182
PERS & TRS Plan 1 Benefit Increase	0	0	796	3,195	1,664
Other Increases	0	0	1,482	5,052	2,981
<b><i>Higher Education Employee Compensation Total</i></b>	<b>0</b>	<b>0</b>	<b>157,816</b>	<b>815,669</b>	<b>353,823</b>
<b><i>K-12 Education</i></b>					
K-12: Special Education	0	0	372,295	390,636	821,285
Passenger Reimbursement	0	0	26,000	26,000	26,000
K-12: Salary Inflation	0	0	261,377	261,377	888,402
Updated SEBB Rate	0	0	259,541	259,541	646,897
K-12: School Food Support	0	26,500	49,173	85,242	144,719
Transition to Kindergarten	0	0	58,098	99,946	176,705
ESSER Adjustments	0	-93,140	0	992,750	0
K-12: Local Effort Assistance	6,993	6,993	-20,142	-20,142	-13,149
Federal Funding Adjustment	0	-41,848	0	9,253	0
Incremental Regionalization Rebase	0	0	23,369	23,369	23,369

## 2023-25 Omnibus Operating Budget

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(Dollars in Thousands)

	2023 Supp		2023-25		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Other Increases	72	14,863	71,317	82,581	105,357
Other Savings	-34,347	-34,347	-200	-200	-35,047
<b>K-12 Education Total</b>	<b>-27,282</b>	<b>-120,979</b>	<b>1,100,828</b>	<b>2,210,353</b>	<b>2,784,538</b>
<b>Children, Youth, &amp; Families</b>					
CBA: Family Child Care Providers	0	0	199,786	256,186	281,078
ECEAP: Rates/Other	0	0	60,631	60,631	125,277
ECEAP: Slots	0	0	29,587	29,587	69,459
Early Learning: All Other	6,350	41,350	48,640	58,237	75,198
Caregiver Placement Supports	0	0	28,478	35,079	77,866
WCCC Eligibility Expansion	0	0	13,268	13,268	29,776
Prevention, Early Intervention, & Transitional Svc	0	0	24,896	31,431	46,738
Foster Care Maintenance Payments	0	0	18,578	19,825	37,030
Child Care for Children with Complex Needs	0	0	15,396	15,396	30,792
Naselle Closure Adjustment	-3,009	-3,009	-10,717	-10,717	-27,968
ARPA Fund Shift	0	0	-51,500	0	-51,500
D.S. Settlement Compliance	651	741	21,390	24,246	42,301
Family Visitation Provider Rates	3,725	4,543	13,392	16,332	30,509
Program Support Federal Correction	19,675	-3,500	44,600	-1,750	110,625
Other Increases	2,254	22,210	37,285	41,808	72,849
Other Savings	-1,074	-1,074	-200	-200	-1,474
<b>Children, Youth, &amp; Families Total</b>	<b>28,572</b>	<b>61,261</b>	<b>493,510</b>	<b>589,359</b>	<b>948,556</b>
<b>Long Term Care &amp; DD</b>					
CDE Rates (Incl. AP Parity)	0	0	336,353	762,089	755,819
CBA: Adult Family Homes	0	0	151,730	338,957	314,030
Nursing Home Rates	0	0	106,583	219,193	141,930
Assisted Living Rates	0	0	56,392	118,492	112,059
Supported Living Rates	0	0	16,515	33,252	39,796
Employment/Community Inc Rates	0	0	24,296	43,502	52,067
Provider Rates & Reimbursements	451	791	31,766	64,396	66,210
Hospital Transition Supports	18,352	36,178	58,819	82,014	95,338
Transitional Care Center	0	0	40,713	82,120	40,713
WA Cares Fund	0	0	0	41,454	0
Other Increases	3,678	9,577	21,544	35,273	45,756
Other Savings	-652	-1,269	-1,372	-4,550	-3,871
<b>Long Term Care &amp; DD Total</b>	<b>21,829</b>	<b>45,277</b>	<b>843,339</b>	<b>1,816,192</b>	<b>1,659,847</b>
<b>Behavioral Health</b>					
MCO Behavioral Health Rate Increase	0	0	96,413	270,931	230,292
Provider Rates & Reimbursements	0	0	29,887	80,390	69,212
Non-Medicaid Funding	0	0	55,705	55,705	133,196
Behavioral Health Crisis, Outreach, and Diversion	0	0	21,245	55,052	52,927
Maple Lane Campus	4,612	4,043	65,148	65,538	184,428
Trueblood Settlement/Forensic Mental Health	5,215	5,215	101,873	108,759	220,323
Residential Treatment Facility (Vancouver Campus)	0	0	47,391	47,391	132,237

## 2023-25 Omnibus Operating Budget

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(Dollars in Thousands)

	2023 Supp		2023-25		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
State Hospital: Direct Care Staffing	0	0	13,831	14,873	37,918
BH Community Capacity	1,207	5,201	48,254	122,967	135,814
State Hospital: WSH Civil Ward	0	0	15,725	15,725	31,850
State Hospital: Violence Reduction	0	0	12,529	13,201	30,616
Behavioral Health Personal Care	3,044	3,044	9,400	9,400	22,251
Substance Use Disorder Prevention/Treatment	500	500	27,047	142,960	44,027
Behavioral Health- Intensive Youth Services	0	0	17,482	28,832	32,790
Behavioral Health Workforce	53	81	8,655	21,344	9,875
Children's Long Term Inpatient - Facility Delay	-3,028	-6,056	-6,056	-12,112	-15,402
988: Crisis Response & IT Solution	0	0	0	69,342	0
988: Call Centers	0	-5,224	0	-15,330	0
Other Increases	1,325	7,903	39,445	76,372	74,768
Other Savings	-7,660	-11,681	-1,135	-1,703	-8,795
<b>Behavioral Health Total</b>	<b>5,268</b>	<b>3,026</b>	<b>602,839</b>	<b>1,169,637</b>	<b>1,418,325</b>
<b>Housing &amp; Homelessness</b>					
Emergency Housing & Rental Assistance	270	6,270	85,310	140,810	225,914
Homeless Services Contracts	0	0	45,605	45,605	91,211
Covenant Homeownership Program	0	0	0	150,000	0
Encampment Response & Outreach	0	-6,000	60,000	60,000	60,000
Support for Local Housing Programs	0	0	18,000	18,000	18,000
Housing & Essential Needs	0	0	26,520	26,520	53,040
Children & Youth Homelessness	580	580	20,957	29,662	43,722
Housing Supply	0	0	9,165	9,165	10,899
Behavioral Health Housing & Employment	0	0	6,750	17,050	16,000
Other Increases	0	0	8,700	21,757	8,734
<b>Housing &amp; Homelessness Total</b>	<b>850</b>	<b>850</b>	<b>281,007</b>	<b>518,569</b>	<b>527,520</b>
<b>Public Health</b>					
Foundational Public Health Services	0	0	51,916	76,934	132,900
COVID-19 Response	0	49,746	500	20,500	500
Reproductive Health	7,276	7,276	16,514	16,514	39,901
Public Health Data Systems	0	0	17,752	40,818	17,752
Statewide Medical Logistics Center	0	0	7,355	14,377	23,561
HIV Antiviral Drug Coverage	0	0	0	112,000	0
Maternal Health & Child Development	0	0	3,288	3,688	6,802
Credentialing Staff	0	0	10,756	10,756	10,756
Other Increases	10,155	10,817	29,901	63,779	56,014
<b>Public Health Total</b>	<b>17,431</b>	<b>67,839</b>	<b>137,982</b>	<b>359,366</b>	<b>288,186</b>
<b>Health Care</b>					
Healthcare for the Uninsured	-1,300	-1,300	53,239	53,239	198,821
Provider Rates & Reimbursements	129	315	31,659	91,299	93,199
Restore Program Integrity Savings	0	0	35,100	115,200	35,100
Hospital Payments	0	0	9,360	304,703	9,360
Electronic Health Records	0	0	20,000	20,000	20,000



## 2023-25 Omnibus Operating Budget

### Conference Proposal

#### Funds Subject to Outlook

(Dollars in Thousands)

	2023 Supp		2023-25		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Cascade Care	0	-30,000	260	25,260	260
Other Increases	445	4,140	17,857	70,368	44,202
<b>Health Care Total</b>	<b>-726</b>	<b>-26,845</b>	<b>167,475</b>	<b>680,069</b>	<b>400,941</b>
<b>Higher Education</b>					
Fund Split Support	0	0	85,601	0	207,530
UW Hospital Support	0	50,000	80,000	100,000	80,000
Health Care Workforce/Training	0	0	36,645	48,020	70,078
Dual Credit	0	0	34,745	34,745	70,400
Washington College Grant	0	0	12,963	12,963	26,719
Washington Student Loan Program	0	-150,000	0	90,000	0
High Demand Enrollment	0	0	8,854	8,854	20,979
Other Increases	0	150	67,120	87,815	120,605
Transfers	0	0	0	0	0
<b>Higher Education Total</b>	<b>0</b>	<b>-99,850</b>	<b>325,928</b>	<b>382,397</b>	<b>596,311</b>
<b>Other Human Services</b>					
Food Assistance & Related	28,187	61,067	68,895	95,109	128,800
Cash Assistance	0	0	23,505	43,879	52,999
Eliminate ABD Recoveries	0	0	0	0	53,662
Earned Income Disregard	0	0	4,541	4,562	19,662
Support for Refugees & Other Recent Arrivals	1,000	68,691	31,490	81,235	39,851
TANF Changes	0	0	830	19,809	2,490
Asset Limits for Public Assistance	0	0	4,563	4,563	16,091
Sex Trafficking Support	0	0	5,700	5,700	11,400
Other Increases	-35	9,858	56,352	105,935	69,772
Other Savings	-61	-882	0	-4,159	-61
<b>Other Human Services Total</b>	<b>29,091</b>	<b>138,734</b>	<b>195,876</b>	<b>356,633</b>	<b>394,666</b>
<b>Corrections and Other Criminal Justice</b>					
Criminal Justice Training & Certification	186	186	18,575	22,375	30,591
Collaboration & Training (Amend Program)	0	0	4,656	4,656	12,249
Victims Services	-1,054	-4,551	64,415	65,713	78,431
DOC Re-Entry & Family Involvement	0	0	9,648	9,648	14,387
DOC Work Release	0	0	5,559	5,559	11,223
Firearm/Violence Prevention Grants	0	0	12,036	12,036	24,072
Other Increases	2,611	2,611	58,551	61,434	100,518
Other Savings	-6,099	-6,099	7	7	-6,092
<b>Corrections and Other Criminal Justice Total</b>	<b>-4,356</b>	<b>-7,853</b>	<b>173,447</b>	<b>181,428</b>	<b>265,378</b>
<b>Natural Resources</b>					
Climate Commitment Act	0	394	1,345	405,986	2,225
Forest Health & Wildfire Protection	95,785	165,243	14,802	45,433	127,931
Natural Disasters	0	587,792	3,050	1,245,657	3,800
Biodiversity Conservation	0	0	24,570	24,870	55,570

## 2023-25 Omnibus Operating Budget

### Conference Proposal

#### Funds Subject to Outlook

(Dollars in Thousands)

	2023 Supp		2023-25		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Salmon Production, Habitat, & Recovery	240	240	25,103	35,594	38,335
Land Management	0	0	24,628	25,528	36,828
Invasive Species	3,303	3,693	8,553	14,434	12,032
Other Increases	0	5,313	47,419	132,728	68,758
Other Savings	0	0	-149	-346	-298
<b>Natural Resources Total</b>	<b>99,328</b>	<b>762,675</b>	<b>149,321</b>	<b>1,929,884</b>	<b>345,181</b>
<b>All Other Policy Changes</b>					
Community Reinvestment Account	0	0	0	200,000	0
DEI Initiatives	514	683	66,402	87,541	84,298
Debt Service on New Projects	0	0	59,663	59,663	493,209
Working Families Tax Credit	0	0	39,706	39,706	74,225
Therapeutic Courts	0	0	20,630	20,630	41,248
Information Technology	0	0	42,623	142,075	52,089
Judicial: Other Increases	1,447	1,447	71,614	78,140	147,297
Judicial: IT & Related	0	6,700	21,714	41,714	30,244
IT Pool	0	0	38,772	47,093	38,772
OneWashington	0	0	0	60,681	0
Blake v. Wa	0	0	3,589	115,829	3,589
LCB Regulatory Systems	0	-7,000	0	35,687	0
Apprenticeships & Supports	0	0	15,696	18,198	19,943
Americorps	0	0	13,614	13,732	29,786
Central Services: OFM	0	0	28,869	44,030	35,110
Central Services: Legal Services	0	0	26,394	48,120	53,167
Central Services: All Other	0	0	53,070	133,572	99,814
Other Increases	5,372	7,181	125,238	306,347	178,020
Appropriations into Other Accounts	0	0	45,505	66,655	84,752
Other Savings	0	0	-8,650	-8,650	-17,300
<b>All Other Policy Changes Total</b>	<b>7,333</b>	<b>9,011</b>	<b>664,449</b>	<b>1,550,763</b>	<b>1,448,264</b>
<b>Grand Total</b>	<b>-1,190,274</b>	<b>-311,501</b>	<b>4,706,707</b>	<b>15,133,273</b>	<b>8,347,760</b>

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

# K-12 EDUCATION

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## *Increases*

### **K-12 Salaries and Health Benefits (\$544.3 million NGF-O 2023-25; \$1.56 billion 5-year NGF-O total)**

Salary allocations are increased for inflation as provided in Chapter 50, Laws of 2023 (ESB 5650) and rebasing. Budgeted inflation for salaries is 3.7 percent in the 2023-24 school year (SY) and 3.9 percent in the 2024-25 SY. School Employee's Benefits Board health benefit rates are increased to \$1,100 per employee per month in the 2023-24 SY and \$1,157 per employee per month in the 2024-25 SY. These amounts are in addition to the \$734 million NGF-O in 2023-25 and \$2.3 billion 5-year NGF-O for salary inflation at maintenance level.

### **Special Education Enhancements (\$371 million NGF-O 2023-25; \$817.3 million 5-year NGF-O total)**

Funding is provided to increase excess cost multipliers, raise the funded enrollment limit, support inclusionary practices, and lower the safety net threshold as required under Engrossed Substitute House Bill 1436 (Special education funding).

### **Free School Meal Expansion (\$46.5 million NGF-O 2023-25; \$83 million Federal FY2023 and 2023-25; \$144.6 million 5-year NGF-O total)**

Funding is provided to support expanded access to free meals through the federal Community Eligibility Provision pursuant to Chapter 7, Laws of 2022 (SHB 1878) and Engrossed Second Substitute House Bill 1238 (Free school meals).

### **Special Passenger Reimbursement (\$26.0 million NGF-O 2023-25)**

Funding for special passenger excess cost reimbursement is provided for school districts with a demonstrated need for funding beyond the amounts provided through the Student Transportation Allocation Reporting System for special passengers.

### **Dual Credit Enrollment Enhancements (\$9.7 million NGF-O 2023-25; \$21.3 million 5-year NGF-O total)**

Funding is provided to increase the Running Start combined maximum enrollment cap from 1.2 FTE to 1.4 FTE.

## *Other Items:*

### **Transition to Kindergarten (\$48.6 million NGF-O savings 2023-25; \$41.8 million Federal 2023-25; \$56.4 million 5-year NGF-O total savings)**

\$114.0 million is appropriated in a new program, Transition to Kindergarten (TTK). Funding for TTK enrollments previously included in General Apportionment are transferred to the new TTK budget program. Net savings are achieved by removing funding from the Opportunity Pathways Account. Funding is sufficient to support the projected caseloads for participating school districts, charter schools authorized pursuant to RCW 28A.710.080 (2), and tribal-compact schools based on the February 2023 caseload forecast.

### **Federal Reappropriations for Schools (\$1.1 billion Federal 2023-25)**

Remaining funding from the Elementary and Secondary School Emergency Relief (ESEER) fund, the Governor's Emergency Education Relief (GEER) fund, and other emergency federal funding

for schools appropriated in the 2021-23 biennium are reappropriated in the 2023-25 biennium. Reappropriations include remaining ESSER subgrants to districts, non-subgrant ESSER and GEER funding for learning recovery, free school meal programs, Transition to Kindergarten, community-based organizations, mastery-based learning, and other items.

# HIGHER EDUCATION

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## *Increases*

### **Student Loan Program**

#### **State Student Loan Program (\$90 million other funds 2023-25)**

Funding was provided in the 2022 supplemental budget of \$150 million for implementation of Chapter 206, Laws of 2022 (E2SHB 1736). Multiple changes were made this session to the amounts appropriated in the Washington Student Loan Account, \$10 million is transferred to the Health Professions Loan Repayment Account; \$10 million is transferred to the Behavioral Health Loan Repayment Account; and \$40 million is transferred back to General Fund-State. Pursuant to Engrossed House Bill 1823 (WA student loan program), \$90 million is appropriated for student loans and administration of a state student loan program, for loans to be issued beginning in FY 2026.

### **Financial Aid**

#### **Washington College Grant (\$14.3 million NGF-O 2023-25; \$28.7 million 5-year NGF-O total)**

Funding is provided for the maximum award for the Washington College Grant (WCG) to be provided to students with a median family income (MFI) up to 65 percent starting in fiscal year 2024.

### **Institutional Support**

#### **Fund Split Support (\$85.6 million NGF-O 2023-25; \$208 million 5-year NGF-O total)**

Funding is provided for institutional support in recognition that compensation costs exceed estimated increases in undergraduate operating fee revenue. A corresponding reduction in the assumption of tuition used for compensation increases is made to equal the increase of General Fund-State.

#### **University of Washington Hospital Support (\$50 million CSFRF 2023 Supplemental; \$80 million NGF-O 2023-25; \$150 million 5-year NGF-O and CSFRF total)**

Funding is provided to support operations at the University of Washington's Medical Center and Harborview Medical Center.

## *Other Increases*

#### **New Enrollments/Programs (\$29.4 million NGF-O 2023-25; \$66.2 million 5-year NGF-O total)**

Funding is provided for new bachelor and master programs, including social work, public health, and nursing. Funding is also provided to support expansion of enrollments in computer science, nursing, and teaching programs.

#### **College in the High School Fees (\$23.8 million NGF-O 2023-25; \$47.9 million 5-year NGF-O total)**

Funding is provided for a new funding structure for College in the High School courses as provided in Second Substitute Senate Bill 5048 (College in high school fees). Beginning September 1, 2023, institutions of higher education must provide enrollment and registration in

College in the High School courses at no cost for students in the 9th, 10th, 11th, and 12th grade at public high schools.

**CTC Diversity, Equity, and Inclusion (\$20.8 million NGF-O 2023-25; \$28.1 million 5-year NGF-O total)**

Funding is provided for continued implementation of diversity, equity, and inclusion provisions of Chapter 272, Laws of 2021 (E2SSB 5194) and Chapter 275, Laws of 2021 (E2SSB 5227). One-time funding of \$12 million is provided to support ongoing diversity, equity, and inclusion initiatives, including further implementation of campus strategic plans and closing equity gaps.

# HEALTH CARE

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## *Increases*

### **Health Care for Uninsured Adults (\$49.9 million NGF-O 2023-25; \$198 million 5-year NGF-O total)**

Funding is provided to the Health Care Authority and Health Benefit Exchange for the expansion of Medicaid-equivalent health care coverage for uninsured adults with income up to 138 percent of the federal poverty level, regardless of immigration status. This coverage begins July 1, 2024.

### **Behavioral Health, Primary Care, and Professional Service Rates (\$12.5 million NGF-O 2023-25; \$28.7 million Federal 2023-25; \$39.4 million 5-year NGF-O total)**

Funding is provided to maintain and increase access for behavioral health, primary care, and professional services for Medicaid-enrolled patients through increased reimbursement rates. Beginning January 1, 2024, the rates for certain behavioral health services for adults and children are increased by up to 7 percent. Beginning January 1, 2025, the rates for adult and pediatric primary care services are increased by at least 2 percent. Beginning July 1, 2024, professional and physician service categories including intense outpatient, emergency room, inpatient and outpatient surgery, inpatient visits, office administered drugs, diagnostics, opioid treatment programs, low-level behavioral health, and other physician services are increased to 50 percent of Medicare rates; professional and physician office or home consults are increased to 65 percent of Medicare rates; and physician maternity services are increased to 100 percent of Medicare rates. Additionally, increases to behavioral health provider rates paid through the Medicaid Managed Care Organizations and Behavioral Health Administrative Service Organizations are separately described under behavioral health (below).

### **Other Provider Rates & Reimbursements (\$25.1 million NGF-O 2023-25; \$34.8 million Federal 2023-25; \$55.3 million 5-year NGF-O total)**

Funding is provided to maintain and increase access to services for Apple Health clients through other increased provider rates and reimbursements. These services include maternity, health home, developmental screenings, kidney dialysis, pediatric palliative care, applied behavior analysis therapy, and children's dental cleanings. Additionally, Medicaid reimbursement for service and mileage rates for emergent, non-emergent, and air ambulance transports are increased beginning July 1, 2023.

### **Apple Health Benefit Expansion (\$4.3 million NGF-O 2023-25; \$6.3 million Federal 2023-25; \$22.4 million 5-year NGF-O total)**

Funding is provided to expand medical assistance benefits for low-income adults for services including acupuncture, chiropractic, cochlear implants, periodontal treatments, and the Medicare Services Program.

## *Savings*

### **Hospital Safety Net Program (\$160 million NGF-O savings 2023-25; \$160 million Other 2023-25; \$612 million 5-year NGF-O total savings)**

The Hospital Safety Net Assessment program (HSNA) allows the Health Care Authority (HCA) to collect assessments from Washington State hospitals and use the proceeds for payments to hospitals. The HSNA program is set to expire on June 30, 2025. Pursuant to Substitute House Bill 1850 (Hospital safety net program), funding is adjusted to maintain a similar but expanded Hospital Safety Net Program. The new program allows intergovernmental transfers for designated public hospitals; creates a Medicaid directed payment program; increases assessment amounts on hospitals; changes the payments to hospitals from the Hospital Safety Net Assessment Fund; and increases the amount of assessment dollars that the state may use in lieu of General Fund-State for Medicaid payments. The HSNA expiration date is eliminated. Hospitals are expected to retain approximately \$2.6 billion a biennium in additional funding through the program.



# BEHAVIORAL HEALTH

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## *Increases*

### **Trueblood and Forensic Mental Health (\$99.7 million NGF-O 2023-25; \$6.9 million Federal 2023-25; \$218.1 million 5-year NGF-O total)**

Funding is provided for the Department of Social & Health Services (DSHS) and the Health Care Authority (HCA) to continue implementation of the Trueblood, et. al. v. DSHS settlement. This includes funding for forensic navigators, outpatient competency restoration, housing, crisis, diversion, and other community support services required under the settlement agreement. Pursuant to the agreement, services are to be implemented in the phase III region (Thurston, Mason, Kitsap, Jefferson, and Clallam counties). Funding is provided for implementation of Engrossed Second Substitute Senate Bill 5440 (Competency evaluations), which, among other changes to the forensic system, modifies thresholds for competency evaluations and for diversions to community services. Additional funding is provided to maximize forensic bed availability and to expand forensic mental health support, including a jail-based competency evaluation pilot at the King County Correctional Facility and for the provision of jail-based behavioral health services to Trueblood class members in King County.

### **Maple Lane Campus (\$65.1 million NGF-O 2023-25; \$10.6 million Federal 2023-25; \$184.4 million 5-year NGF-O total)**

Funding is provided for the continued operation of the Oak Cottage for civil conversion patients, the Columbia Cottage for not guilty by reason of insanity (NGRI) patients, and the Cascade Cottage for NGRI patients after fiscal year 2024. Additional funding is provided for expansion of the campus with the addition of the Baker and Chelan cottages. In considering placements at Maple Lane, DSHS must maximize forensic bed capacity at the state hospitals for Trueblood class members.

### **Vancouver Campus (\$47.4 million NGF-O 2023-25; \$132.2 million 5-year NGF-O total)**

Funding is provided for DSHS to operate the 48-bed Residential Treatment Facility (RTF) campus in Vancouver. The facility will provide services to civil conversion patients. In considering placements at the Vancouver RTF, DSHS must maximize forensic bed capacity at the state hospitals for Trueblood class members.

### **State Hospital Direct Care Staffing (\$13.8 million NGF-O 2023-25; \$1.0 million Federal 2023-25; \$37.9 million 5-year NGF-O total)**

Funding is provided for additional direct care staffing at Western State Hospital and Eastern State Hospital based on the Hospital Acuity Resource Tool (HART). Direct care staff includes registered nurses, mental health technicians, psychiatric security attendants, and licensed practical nurses.

### **Western State Hospital Civil Ward (\$15.7 million NGF-O 2023-25; \$31.9 million 5-year NGF-O total)**

Funding is provided for the restoration of a civil ward at Western State Hospital that had previously been used as the Specialized Treatment Assessment and Recovery (STAR) ward. This will increase the civil capacity at Western State Hospital to 287 beds.

**State Hospital Violence Reduction (\$12.5 million NGF-O 2023-25; \$672,000 Federal 2023-25; \$30.6 million 5-year NGF-O total)**

Funding is provided for DSHS to hire direct care staff for a violence reduction and prevention strategy that uses distributed teams throughout the state hospitals.

**Medicaid Provider Rate and non-Medicaid Increases (\$172 million NGF-O 2023-25; \$212.2 million Federal 2023-25; \$409.6 million 5-year NGF-O total)**

Funding is provided to increase behavioral health provider rates paid through the Medicaid Managed Care Organizations and Behavioral Health Administrative Service Organizations by 15 percent effective January 1, 2024. Funding is provided to increase behavioral health fee for service provider rates paid for tribal members and others who opt out of managed care services in the Medicaid program by 22 percent. Funding is provided for the increased costs of a rebase of psychiatric hospital rates and for an increase for room and board in behavioral health residential programs.

**Crisis and Residential Treatment Services (\$33.1 million NGF-O 2023-25; \$84.0 million Other 2023-25; \$100.9 million 5-year NGF-O total)**

Funding is provided for a variety of efforts to improve crisis and residential treatment services for individuals with mental health and substance use disorders. This includes funding for treatment services at new crisis stabilization and residential treatment facilities that are coming on-line as a result of investments in prior capital budgets. In addition, funding is provided to expand mobile rapid response crisis services and implement other changes to enhance the behavioral health crisis response system pursuant to Engrossed Second Substitute House Bill 1134 (988 System).

**Community Civil Long-term Involuntary Treatment Beds (\$8.2 million NGF-O 2023-25; \$37.8 million Federal 2023-25; \$25.6 million 5-year NGF-O total)**

Funding is provided to increase the number of civil long-term involuntary inpatient beds. These beds provide community alternatives for services historically provided at the state hospitals. This item includes funding for additional beds in a variety of community hospital and evaluation and treatment center settings including a new behavioral health inpatient teaching facility to be operated by the University of Washington. A rate enhancement shall be available to providers who are not reimbursed based on costs for services to patients committed pursuant to the dismissal of criminal charges and a civil evaluation ordered under RCW 10.77.086 or 10.77.088.

**Opioid Response and Substance Use Disorder Services (\$6.8 million NGF-O 2023-25; \$126.6 million Other 2023-25; \$13.7 million 5-year NGF-O total)**

Funding is provided for a variety of initiatives to respond to the opioid epidemic and expand substance use disorder treatment services including funding for implementation of pretrial diversion and other programs and services specified in Engrossed Second Substitute Senate Bill 5536 (Controlled substances). Funding is also provided for a variety of prevention, outreach, treatment, and recovery support services; opioid reversal medication to fill access gaps in community behavioral health and other community settings; and for increasing capacity for case management and residential treatment services for pregnant and parenting women. Specific amounts are provided for grants to tribes and urban Indian health programs with flexibility to implement strategies to address and mitigate the effects of the misuse and abuse of opioid related products in their communities. A pilot program to provide neonatal abstinence syndrome services to infants who have prenatal substance exposure is included on a one-time

basis. Other fund sources include federal mental health substance abuse block grant funding, including additional one-time funds made available through the American Rescue Plan Act (ARPA), and settlement funds that are designated to be used by the state of Washington to abate the opioid epidemic.

**Behavioral Health Housing, Community Services, and Personal Care Services (\$16.2 million NGF-O 2023-25; \$25.3 million Federal 2023-25; \$38.3 million 5-year NGF-O total)**

Funding is provided for expansion of community behavioral health services. This includes increased funding for individuals receiving exceptional behavioral health personal care services and grants to support the housing needs of individuals with behavioral health disorders that are being diverted from criminal prosecution to treatment or transitioning from crisis stabilization facilities. Other fund sources include federal mental health substance abuse block grant funding, including additional one-time funds made available through the ARPA.

**Intensive Youth Services (\$13.8 million NGF-O 2023-25; \$10.6 million Federal 2023-25; \$20.2 million 5-year NGF-O total)**

Funding is provided for efforts to improve intensive services available to children and youth including enhanced funding for the children's long-term inpatient program and expansion of youth navigator programs.

*Savings*

**Star Ward Closure (\$19.1 million NGF-O savings 2023-25; \$39.2 million 5-year NGF-O total savings)**

Savings are achieved through the closure of the Specialized Treatment, Assessment and Recovery (STAR) ward at Western State Hospital. This ward was intended to provide specialized treatment to patients experiencing higher levels of violence, and is closed as part of a new violence reduction strategy that distributes violence reduction teams across the civil wards at the hospital. Separate funding is provided to open a new civil ward using capacity made available by the STAR ward closure.

**Disproportionate State Hospital (DSH) Revenue (\$75.1 million NGF-O savings 2023-25; \$154.1 million 5-year NGF-O total savings)**

State and federal appropriations are adjusted to reflect estimated changes in federal DSH revenue, which results from payments made to states under a grant program meant to offset the costs of uncompensated care for Medicaid and uninsured patients.

# DEPARTMENT OF SOCIAL & HEALTH SERVICES

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## LONG TERM CARE & DEVELOPMENTAL DISABILITIES

### *Increases*

#### **Consumer Directed Employer (\$336 million NGF-O 2023-25; \$426 million Federal 2023-25; \$759 million 5-year NGF-O total)**

Funding is provided for a new labor rate for home care providers and increased administrative rates for home care agencies and the consumer-directed employer.

#### **Adult Family Home Collective Bargaining (\$152 million NGF-O 2023-25; \$188 million Federal 2023-25; \$316 million 5-year NGF-O total)**

Funding is provided to implement the 2023-25 collective bargaining agreement and for the settlement of an unfair labor practice filing from the Adult Family Home Council.

#### **Nursing Home Provider Rates (\$107 million NGF-O 2023-25; \$113 million Federal 2023-25; \$142 million 5-year NGF-O total)**

Funding is provided for rate adjustments for the base and specialty rates paid to skilled nursing facilities.

#### **Other Rate Increases and Adjustments (\$121 million NGF-O 2023-25; \$120 million Federal 2023-25; \$252 million 5-year NGF-O total)**

Funding is provided for rate increases for various services, including assisted living, supported living, employment and community inclusion, specialty dementia care, enhanced service facilities, and case management services for Area Agencies on Aging.

#### **Acute Care Hospital Discharge Supports (\$75.2 million NGF-O 2023-25; \$63.5 million Federal 2023-25; \$108 million 5-year NGF-O total)**

Funding is provided for a variety of efforts to transition clients from acute care hospitals to community placements, including a pilot program for clients with high support needs, support for home and community-based service providers, transitional support, and incentive payments to providers for those transitioning out of acute care hospitals.

#### **Long-Term Services and Supports (LTSS) (\$41.2 million other funds 2023-25)**

Funding is provided for outreach, provider network development, actuarial services, and the development and operation of information technology systems in support of the LTSS Trust program, also known as the WA Cares Fund.

#### **Behavioral Health and Support Services (\$27.4 million NGF-O 2023-25; \$16.7 million Federal 2023-25; \$74.1 million 5-year NGF-O total)**

Funding is for increasing the capacity of behavioral health beds, establishing diversion beds, conducting training for providers and staff working with clients with behavioral health requirements, creating facilities for Intensive Habilitative Services and Enhanced-Outpatient Habilitative Services for young people, enabling staff involvement in youth inpatient navigator team discussions, and initiating pilot projects for improved daily rates and specialized adult family home agreements.

### *Savings*

#### **Rainier School Program Area Team C (\$34.0 million NGF-O savings 2023-25; \$33.3 million other funds savings 2023-25; \$78.8 million 5-year NGF-O total savings)**

Funding is adjusted to recognize savings from the closure of Program Area Team C at Rainier School.

#### **Program Underspend (\$15.0 million NGF-O savings 2023-25; \$53.4 million 5-year NGF-O total savings)**

Savings are achieved by capturing anticipated under-expenditures in the employment and day budget unit that has historically underspent its budgeted allotments.

## ECONOMIC SERVICES ADMINISTRATION

### *Increases*

#### **Grant Increases for Economic Assistance Programs (\$21.6 million NGF-O 2023-25; \$20.4 million Federal 2023-25; \$51.1 million 5-year NGF-O total)**

Funding is provided for an 8 percent grant increase for the Temporary Assistance to Needy Families (TANF); Aged, Blind, or Disabled (ABD); Refugee Cash Assistance (RCA); Pregnant Women Assistance (PWA), and Consolidated Emergency Assistance (CEAP) programs, effective January 1, 2024.

#### **TANF and Related Benefits (\$9.9 million NGF-O 2023-25; \$19 million Federal 2023-25; \$38.2 million 5-year NGF-O total)**

Funding is provided to implement Second Substitute House Bill 1447 (Assistance programs), which raises the resource limits for cash grant eligibility, implements a \$500 earned income disregard, and eliminates the 60-month time limit for TANF families without an eligible adult. Additionally, the budget adds a diaper benefit of \$100 per month for TANF families with children under the age of three.

#### **Eliminate ABD Recoveries (\$53.7 million 5-year NGF-O total)**

Funding is provided to implement Engrossed Substitute House Bill 1260 (Work-limiting disability), which eliminates DSHS' garnishment of a portion of the Supplemental Security Income (SSI) lump-sum payment received by ABD participants, effective October 1, 2025.

# TEMPORARY FMAP INCREASES

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## *Savings*

### **Temporary FMAP Increases (\$107 million NGF-O savings 2023-25; \$760 million 5-year NGF-O total savings)**

The Families First Coronavirus Response Act was enacted March 18, 2020. This act enhances the federal financial participation in the Medicaid program by 6.2 percent. The Consolidated Appropriations Act, 2023, begins to phase down the enhancement from 6.2 percent to 5.0 percent from April 1, 2023, to June 30, 2023; to 2.5 percent from July 1, 2023, to September 30, 2023; and to 1.5 percent from October 1, 2023, to December 31, 2023. The enhancement ends December 31, 2023. Enhancement savings include impacts for the Health Care Authority, Department of Social and Health Services, and Department of Children, Youth and Families.

# VICTIMS SERVICES

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## *Increases*

### **Crime Victim Services (\$52.2 million NGF-O 2023-25; \$50.0 million total funds; \$62.7 million 5-year NGF-O total)**

Funding is provided for crime victims services programs in the Departments of Commerce, Labor & Industries, and Children, Youth, and Families. This includes funding for grant programs to provide services for victims of sex and other forms of human trafficking in the Department of Commerce; additional funding for crime victim service providers who receive grants under the federal Victims of Crime Act administered by the Office of Crime Victims Advocacy; additional funding for Children's Advocacy Centers who contract with the Department of Children, Youth, and Families; and adjustments for the Crime Victims Compensation program administered by the Department of Labor & Industries.

### **Domestic Violence Victims Services (\$15.5 million NGF-O 2023-25; \$28.3 million 5-year NGF-O total)**

Funding is provided for services for victims of domestic violence. This includes increased funding for domestic violence shelters and supportive services administered by the Department of Social and Health Services - Economic Services Administration, and funding for implementation of Engrossed Second Substitute House Bill 1715 (Domestic violence), which among other things creates a pilot program for domestic violence high-risk teams and expands training for law enforcement and judicial officers regarding domestic violence.

# HOUSING AND HOMELESSNESS

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## DEPARTMENT OF COMMERCE

### *Increases*

#### **Emergency Housing and Shelter (\$55.5 million NGF-O 2023-25; \$55.5 million CSFRF 2023-25; \$166.5 million 5-year NGF-O total)**

Funding is provided for grants to support emergency housing, shelter capacity, and associated support services previously funded through temporary state and federal programs, including federal Emergency Solutions Grant funds provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and grants distributed through the state Shelter Program. Grantees must maintain or increase their emergency housing capacity compared to previously funded levels.

#### **Homeless Services Contracts Increase (\$45.6 million NGF-O 2023-25; \$91.2 million 5-year NGF-O total)**

Funding is provided to increase current homeless service grantee contracts. The Department of Commerce must distribute funding in a manner that will prioritize both maintaining current levels of homeless subsidies and services and stabilizing the homeless service provider workforce.

#### **Document Recording Fee Funding Support (\$66.0 million NGF-O 2023-25; \$66.0 million 5-year NGF-O total)**

One-time funding is provided to support state and local housing and homelessness programs in response to lower than anticipated revenues from document recording fees. Of the total, \$40.0 million is transferred into the Home Security Fund, which supports homeless housing services and programs; \$8.0 million is appropriated into the Landlord Mitigation Program Account, which supports programs providing reimbursement to landlords for unpaid rent or damages for certain low-income tenants; and \$18.0 million is provided for grants to local governments to maintain programs and services supported through document recording fee revenues retained by local governments.

#### **Encampment Response and Outreach (\$60.0 million NGF-O 2023-25; \$60.0 million 5-year NGF-O total)**

Additional funding is provided on a one-time basis for grants to local governments and nonprofits to provide housing and other wraparound services for individuals who reside on state rights-of-way and in other encampments, including encampments located on state parks and public lands.

#### **Housing and Essential Needs (\$26.5 million NGF-O 2023-25; \$53.0 million 5-year NGF-O total)**

Funding is provided to increase the number of individuals served through the Housing and Essential Needs program.



**Permanent Supportive Housing OMS (\$25.0 million NGF-O 2023-25; \$50.0 million 5-year NGF-O total)**

Funding is provided for operations, maintenance, and services (OMS) grants for permanent supportive housing projects funded through the Housing Trust Fund.

**Children and Youth Housing Supports (\$22.0 million NGF-O 2023-25; \$36.8 million 5-year NGF-O total)**

Funding is provided for various programs providing housing supports and homeless services for children and youth who are currently or at risk of homelessness at the Department of Commerce and the Department of Children, Youth, and Families. This includes increases for the Homeless Student Stability Program and the Homeless Prevention & Diversion Fund administered by the Office of Homeless Youth, and for costs for DCYF to implement Substitute Senate Bill 5256 (Child welfare housing), which makes the Child Welfare Housing Assistance Program pilot permanent.

**Covenant Homeownership Program (\$150 million other funds 2023-25)**

Funding is provided pursuant to Second Substitute House Bill 1474 (Covenant homeownership prg.), which authorizes the Washington State Housing Finance Commission to administer special purpose credit programs to assist specified populations impacted by historical discrimination that impacted their ability to attain homeownership. The program is funded through a proposed \$100 document recording fee. The Department of Commerce will contract with the Commission to administer the program.

# OTHER HUMAN SERVICES

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## DEPARTMENT OF HEALTH

### *Increases*

#### **Foundational Public Health (\$51.9 million NGF-O 2023-25; \$25.0 million other funds 2023-25; \$132.9 million 5-year NGF-O total)**

Funding is provided for the state, local health jurisdictions, and tribes for foundational public health services, which include communicable disease control, prevention of injury and chronic disease, and maternal and child health.

#### **Public Health Response to COVID-19 (\$20.0 million CSFRF 2023-25)**

Funding is provided for the state, local health jurisdictions, and tribes for testing, contact tracing, mitigation activities, vaccine administration and distribution, and other allowable uses to respond to the COVID-19 pandemic. In addition to the amounts displayed above, \$38.5 million CSFRF is provided for fiscal year 2023.

#### **Reproductive Health Services (\$15.5 million NGF-O 2023-25; \$37.2 million 5-year NGF-O total)**

Funding is provided to maintain access to abortion care, including grants to providers, grants for workforce retention and recruitment, and support for patient outreach and security investments.

#### **Statewide Medical Logistics Center (\$7.4 million NGF-O 2023-25; \$7.0 million CSFRF; \$23.6 million 5-year NGF-O total)**

Funding is provided for the statewide medical logistics center, which houses personal protective equipment and a 60-day inventory of support materials and equipment for public health and health care response.

## EARLY LEARNING & CHILD CARE

### *Increases*

#### **Working Connections Child Care (WCCC) Enhancements (\$385.9 million NGF-O 2023-25; \$110.3 million Federal 2023-25; \$722.2 million 5-year NGF-O total)**

Funding is provided to fund the Service Employees International Union (SEIU) 925 collective bargaining agreement for family child care providers, which also increases rates for family child care providers to the 85th percentile beginning July 1, 2023, and includes a \$2,100 per month per provider cost of care enhancement for family child care providers in fiscal year 2024 and fiscal year 2025. Funding is provided to increase the current nonstandard hours bonus to \$135 per month per child and to remove the 12-month homeless grace period restriction. Funding is also provided for Second Substitute Senate Bill 5225 (Working conn. child care). Finally, funding is provided in maintenance level to increase Working Connections Child Care (WCCC) center rates to the 85th percentile of market rates as determined by the 2021 Market Rate Survey, beginning July 1, 2023.

#### **Early Childhood Education and Assistance Program (ECEAP) Enhancements (\$84.4 million NGF-O 2023-25; \$260.0 million 5-year NGF-O total)**

Funding is provided for the conversion of 2,000 part-day Early Childhood Education and Assistance Program (ECEAP) slots to full day slots during the 2023-25 biennium. Funding is also provided for an additional 1,000 full day slots during the 2023-25 biennium, with sufficient funding provided to meet the required number of ECEAP entitlement slots by July 1, 2026. Funding is provided for an 18 percent ECEAP rate increase for full day slots, a 9 percent rate increase for extended day slots, and a 7 percent rate increase for part-day slots beginning July 1, 2023. Funding is also provided to support the Early ECEAP program. A portion of this funding was included as part of maintenance level.

#### **Early Learning Grants (\$33.9 million NGF-O 2023-25; \$49.3 million 5-year NGF-O total)**

Funding is provided for grants to early learning providers, including increased funding for the ECEAP complex needs fund and the child care complex needs fund. Additional funding is provided for the current Early Childhood Equity Grants program, and new funding is provided for tribal early learning grants to provide culturally appropriate early learning opportunities for tribal children.

## CHILD & YOUTH WELFARE

### *Increases*

#### **Caregiver Supports (\$54.8 million NGF-O 2023-25; \$8.0 million federal 2023-25; \$141.5 million 5-year NGF-O total)**

Funding is provided for the Department of Children, Youth, and Families to support caregivers, including expanded access to community-based support services for all caregivers regardless of whether they are licensed or unlicensed; increased monthly maintenance payments for children in foster care in all age groups and for youth in extended foster care; assistance for relatives and kinship caregivers through caregiver engagement units to navigate the process of becoming licensed; and, providing foster care maintenance payments for up to 90 days for kinship caregivers who are approved for an initial license.

Funding is provided to implement both Engrossed Substitute Senate Bill 5124, which expands eligibility for guardianship assistance payments, and Senate Bill 5683, which allows the department to issue a child-specific foster care license to an Indian child's family or extended family member in certain circumstances and provide foster care maintenance payments to those caregivers once approved.

#### **Provider Rates & Reimbursements (\$15.4 million NGF-O 2023-25; \$2.9 million federal 2023-25; \$33.0 million 5-year NGF-O total)**

In addition to the expanded services and supports for caregivers listed above, funding is also provided to increase rates and reimbursements for a variety of child welfare service providers including to reimburse parent-child visitation service providers for work associated with court-required reports and cancelled or no-show visits, to increase independent living service provider rates, and to increase the new foster home incentive rate for child-placing agencies.

#### **D.S. v. DCYF Settlement Agreement (\$21.4 million NGF-O 2023-25; \$2.9 million federal 2023-25; \$42.3 million 5-year NGF-O total)**

Funding is provided for the Department of Children, Youth, and Families to implement provisions under the D.S. et al. v. Department of Children, Youth and Families et al. settlement agreement that requires the agency to make system improvements and offer services and supports to class members.

#### **Prevention & Early Intervention (\$14.8 million NGF-O 2023-25; \$30.2 million 5-year NGF-O total)**

Funding is provided for a variety of supports and programs to prevent or shorten out-of-home placements for children and youth, including supports for families experiencing substance use disorder, expanded in-home services, and programs to facilitate interactions between foster families and biological families.

## DEPARTMENT OF VETERANS AFFAIRS

### *Savings*

#### **Veterans Homes Revenue Shift (\$20.7 million NGF-O 2023-25 savings; \$8.3 million other funds 2023-25 savings; \$50.4 million 5-year NGF-O total savings)**

Funding for the state veterans homes is adjusted in response to expected shifts in state, federal, and local resources, as a result of anticipated nursing home caseload.

# PUBLIC SAFETY AND THE JUDICIARY

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## LAW ENFORCEMENT

### *Increases*

#### **Law Enforcement Officer Recruitment and Training (\$15.8 million NGF-O 2023-25; \$3.8 million other funds 2023-25; \$26.5 million 5-year NGF-O total)**

Funding is provided for three additional Basic Law Enforcement Academy (BLEA) classes at the main Burien campus each fiscal year and for three new regional training academies (one in Pasco, Skagit County, and Clark County) to support six additional BLEA classes per year. Funding is also provided to increase the number of law enforcement equivalency classes from three to five each year.

Funding is provided to study ways to expand the pool of candidates who may be hired as peace officers and to develop recommendations on how to further increase law enforcement training capacity, including meeting the capacity needs of limited law enforcement and Tribal law enforcement.

Finally, funding is provided to implement a State Trooper Recruitment Incentive Program that directs the Washington State Patrol to establish hiring procedures and an accelerated training program for lateral trooper hires from other law enforcement agencies and that provides hiring bonuses to cadets and lateral hires.

#### **Law Enforcement Accreditations, Certifications, and Decertifications (\$8.2 million NGF-O 2023-25; \$14.1 million 5-year NGF-O total)**

Funding is provided for: (1) additional certification investigators to assist with investigations and provide support within the Criminal Justice Training Commission's (CJTC) Certification Division; and (2) for increased staffing and IT capacity to investigate allegations of law enforcement officer misconduct.

Funding is also provided to distribute accreditation incentive awards totaling up to \$50,000 to each law enforcement agency that receives an accreditation during the biennium from an accrediting entity recognized by the CJTC.

## JUDICIAL BRANCH AND THE COURTS

### *Increases*

#### **Therapeutic Courts (\$20.6 million NGF-O 2023-25; \$41.3 million 5-year NGF-O total)**

Additional funding is provided to support new and existing therapeutic courts in Washington's courts of limited jurisdiction.

#### **Attorney Vendor Rate Adjustments (\$18.9 million NGF-O 2023-25; \$44.7 million 5-year NGF-O total)**

Funding is provided for vendor rate increases for the Office of Public Defense's (OPD) contracted attorneys working in OPD's Parent Representation, Appellate, and the Chapter 71.09 RCW Civil Commitment programs. Funding is also provided for vendor rate increases for the Office of Civil Legal Aid's contract attorneys providing services under the Children's' Representation Program, Tenant Right to Counsel Program, and for the Northwest Justice Project and their subcontracted and specialty legal aid providers.

#### **Technology Restructures and IT Infrastructure Upgrades (\$23.4 million NGF-O 2023-25; \$31.9 million 5-year NGF-O total)**

Funding is provided to automate court forms, to assist with electronically processing and filing of court documents, to provide additional IT maintenance and support for courts and judicial agencies, to replace outdated IT equipment that has reached its end-of-life, to assist in integrating IT systems between the Administrative Office of the Courts and local courts systems, to provide cyber security upgrades, to expand an online delivery system for training court staff and judicial officers, and to assist attorneys in gaining electronic access to court documents.

# CLIMATE COMMITMENT ACT

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## *Increases*

### **Clean Energy Siting and Permitting (\$54.8 million other funds 2023-25)**

Funding is provided to multiple agencies for permitting, siting, and development of clean energy projects. Agencies receiving funding include the Departments of Ecology (ECY) and Commerce (COM), the University of Washington, and the Energy Facility Site Evaluation Council. This item also includes funding for the implementation of Engrossed Second Substitute House Bill 1216 (Clean energy siting), which creates an Interagency Clean Energy Siting Coordinating Council; creates a new process for clean energy permitting; requires non-project Environmental Impact Statements for renewable hydrogen, solar, and onshore wind energy; and requires training for clean energy project developers on consultation with federally recognized Indian tribes, among other activities.

Funding is provided for COM to provide grants to jurisdictions to support clean energy siting and permitting, and for to entities conducting dual-use solar projects. Funding is provided to ECY for additional grants to Tribal governments to support their review and consultation on clean energy projects. Other agencies receiving clean energy-related funding include the Department of Fish and Wildlife, Washington State University, the Department of Archaeology and Historic Preservation, the Department of Agriculture, and the Department of Natural Resources.

### **Local Government Climate Planning (\$44.0 million other funds 2023-25)**

Funding is provided to multiple agencies, including COM, ECY, the Departments of Fish and Wildlife, Health, and Natural Resources, and the University of Washington, to implement Engrossed Second Substitute House Bill 1181 (Climate change/planning). The bill incorporates considerations for climate change into local government planning through the Growth Management Act. COM's responsibilities include a grant program to assist cities and counties with implementation of the bill. Other agency responsibilities include various forms of technical assistance and guidance.

### **Energy Assistance (\$35.0 million other funds 2023-25)**

Funding is provided for the Department of Commerce to implement an energy utility bill assistance program serving low-income households through the network of Low-Income Home Energy Assistance Program (LIHEAP) grantees. Households receiving assistance through the program will also be offered an energy assessment and may be offered funds to replace their heating and cooling systems. A portion of the funding may be used to provide heating and cooling system replacements for certain qualifying multifamily residential buildings.

### **Community and Tribal Participation Support (\$65.0 million other funds 2023-25)**

Funding is provided for a participatory budgeting process with the Environmental Justice (EJ) Council and overburdened communities, and for grants through the Department of Health (DOH) to mitigate climate change in areas selected through that process. Funding is also provided for capacity grants through DOH for tribes, overburdened communities, and vulnerable populations to provide guidance and input on implementation of the Healthy Environment for All Act and on updates to the Environmental Health Disparities (EHD) map.

# NATURAL RESOURCES

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## *Increases*

### **Wildfires and Forest Health (\$6.8 million NGF-O 2023-25; \$54.4 million other funds 2023-25; \$109 million 5-year NGF-O total)**

Funding is provided to the Department of Natural Resources (DNR) for multiple wildfire and forest health activities. These include: a) the costs of fire suppression in fiscal year 2023, b) pass-through to a variety of other entities for forest health and wildfire protection and prevention activities, c) electric utility wildfire mitigation planning under Second Substitute House Bill 1032 (Wildfires/electric utilities), d) fire risk modeling, community wildfire preparedness programs, smoke readiness programs, and other activities under Second Substitute House Bill 1578 (Wildland fire safety), e) coordination on local and tribal aerial response during initial attack under Engrossed Substitute House Bill 1498 (Aviation assurance funding), f) treatments on forested lands in western Washington, g) reforestation activities, and h) thinning for the purpose of restoring spotted owl and riparian habitat.

Funding is provided to the State Conservation Commission for fire prevention grants to local governments and for community-based wildfire and forest health activities, such as engagement with landowners, removal of fire hazard materials, and brush clearing. Funding is provided to the Washington State Patrol for the costs of fire mobilization in fiscal year 2023 that have exceeded base amounts previously provided. Funding is provided to the Department of Fish and Wildlife (DFW) for forest health and fuels reduction. Finally, funding of \$89.8 million is transferred from General Fund-State to the Wildfire Response, Forest Restoration & Community Resilience Account to support a portion of these costs.

### **Species Conservation and Recovery (\$42.4 million NGF-O 2023-25; \$17.6 million other funds 2023-25; \$79.9 million 5-year NGF-O total)**

Funding is provided to DFW for activities that contribute to increased biodiversity and recovery of threatened and endangered species. Examples include habitat protection and restoration, technical assistance for growth management planning, fish passage improvements, conservation education, and scientific research for species and ecosystem protection.

Funding is also provided to multiple agencies for activities related to salmon recovery. Funding to DFW includes increased Endangered Species Act permitting work for the Columbia River, reduced pinniped predation, monitoring of streams and invasive species that prey on salmon, prioritization of fish barrier removal, funding for Regional Fisheries Enhancement Groups, and suppression of predatory fish species in Lake Washington. Funding to the Recreation and Conservation Office includes pass-through funding to regional salmon organizations and a riparian coordinator. Funding to DNR includes salmon recovery activities in the Snohomish watershed. Funding is also provided to the Department of Commerce for local government salmon recovery planning and the Conservation Commission for outreach on riparian habitat projects.



**Emergency Food (\$58.0 million NGF-O 2023-25; \$15.0 million CSFRF 2023-25; \$86.0 million 5-year NGF-O total)**

Funding is provided for the Department of Agriculture (WSDA) to implement a farmers-to-families food box program, which provides emergency food from Washington-based farms and food businesses with a focus on socially disadvantaged communities. Funding is also provided to the WSDA for the Emergency Food Assistance Program and for food assistance capacity grants to improve emergency food system infrastructure.

# GENERAL GOVERNMENT AND OTHER

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## DEPARTMENT OF REVENUE

### *Increases*

#### **Working Families' Tax Credit (\$39.6 million NGF-O 2023-25; \$74.1 million 5-year NGF-O total)**

Funding is provided for the administration and marketing of the Working Families' Tax Credit, including additional funding for staff support, fraud mitigation, language accessibility, and information technology implementation costs. Funding is also provided for increased remittance payments pursuant to Second Substitute House Bill 1477 (Working families' tax credit).

## SPECIAL APPROPRIATIONS

### *Savings*

#### **Paid Family and Medical Leave (\$150 million 5-year NGF-O total savings)**

Funding of \$350 million was appropriated in the 2022 supplemental operating budget to maintain a positive balance in the Family and Medical Leave Insurance (FMLI) Account, which is used for the Paid Family and Medical Leave Program. Based on the most recent projections of the ending balance of the FMLI Account, savings are achieved by reducing the amount of the appropriation provided in the 2022 supplemental operating budget to \$200 million.

## DEPARTMENT OF COMMERCE

### *Increases*

#### **Community Reinvestment Grants (\$200 million other funds 2023-25)**

One-time expenditure authority is provided from the Community Reinvestment Account for the Department of Commerce to distribute grants for economic development, civil and criminal legal assistance, community-based violence intervention and prevention services, and reentry services programs. Grants must be distributed in accordance with the recommendations of the Community Reinvestment Plan due to the Legislature by June 30, 2023.

#### **Violence Prevention Services (\$16.2 million NGF-O 2023-25; \$28.3 million 5-year NGF-O total)**

Funding is provided for programs that provide grants and other supports for violence prevention and intervention and related services.

#### **Digital Navigator Program (\$30.0 million NGF-O 2023-25; \$30.0 million 5-year NGF-O total)**

One-time funding is provided for grants to entities that provide digital navigation services, including device acquisition, subscriptions, and digital skills services to communities, including

individuals seeking work, students, English language learners, Medicaid clients, people experiencing poverty, and seniors.

## CENTRAL SERVICE AGENCIES

### *Increases*

#### **One Washington (\$60.6 million other funds 2023-25)**

Funding is provided to continue Phase 1A of the One Washington project at the Office of Financial Management, which will replace the Agency Financial Reporting System (AFRS) with a new software-as-a-service platform.

#### **Electronic Health Records (\$20.0 million NGF-O 2023-25; \$20.0 million 5-year NGF-O total)**

The Consolidated Technology Services agency is directed to develop and implement a plan for a statewide electronic health records system, in coordination with the Department of Social and Health Services, the Department of Corrections, and the Health Care Authority. One-time funding is provided for distribution for agency electronic health records projects that align with the plan.

## MILITARY DEPARTMENT

### *Increases*

#### **Disaster Response Account (\$1.8 billion 5-year other funds total)**

Expenditure authority is provided for the Military Department to continue managing recovery projects for open Presidentially Declared Disasters and wildfires, including the COVID-19 pandemic. Funding of \$85.8 million is transferred from General Fund-State to the Disaster Response Account to support a portion of these costs.

## APPRENTICESHIPS

### *Increases*

#### **Apprenticeship Programs and Supports (\$23.6 million NGF-O 2023-25; \$31.0 million 5-year NGF-O total)**

Funding is provided for apprentices and apprenticeship programs, including grants, stipends, and support services to apprentices, supplemental related instruction costs in apprenticeship programs, grants and direct support to apprenticeship programs, and the establishment and expansion of apprenticeship programs.

# EMPLOYEE COMPENSATION AND PENSIONS

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## *Increases*

### **Collective Bargaining Agreements - General Government State Employees (\$583 million NGF-O 2023-25; \$345 million other funds 2023-25; \$1.2 billion 5-year NGF-O total)**

State employee collective bargaining agreements and arbitration awards providing compensation increases for represented general government employees with employee representative organizations are approved and funded. The agreements approved in this category include:

- Washington Federation of State Employees, general government;
- Teamsters local 117, Department of Corrections;
- Washington Public Employees Association, general government;
- Teamsters 117, Department of Enterprise Services;
- Service Employees International Union, Healthcare 1199NW;
- Professional and Technical Engineers, Local 17;
- Washington Association of Fish and Wildlife Professionals;
- The Coalition of Unions;
- Association of Washington Assistant Attorneys General;
- Washington Federation of State Employees, Administrative Law Judges;
- Washington State Patrol Troopers Association;
- Washington State Patrol Lieutenants and Captains Association;
- Fish and Wildlife Officers Guild; and
- Teamsters 760, Fish and Wildlife Sergeants.

Terms vary between the agreements and awards, but most provide at least a general wage increase of 4 percent effective July 1, 2023, and 3 percent effective July 1, 2024; targeted job classification base range increases; recognition and retention lump sum payments for employees employed on or before July 1, 2022, and continuously employed through July 1, 2023; and \$1,000 lump sum COVID-19 booster incentive. Some provide job-class specific salary adjustments, shift premiums, and increases in assignment pay. Funding includes 10 percent assignment pay premium in the Department of Children, Youth, and Families for Social Service Specialist Home visits.

### **Collective Bargaining Agreements - State Higher Education Employees (\$27.7 million NGF-O 2023-25; \$382 million other funds 2023-25; \$57.6 million 5-year NGF-O total)**

Higher education collective bargaining agreements negotiated by either the Governor's representative, or individual institutions of higher education, are approved and funded. Some agreements negotiated by the University of Washington do not require appropriated funds for implementation and, as a result, those agreements do not require legislative action to go into effect. Those agreements are not rejected. Agreements approved and funded with appropriated funds include:

- Washington Federation of State Employees, Higher Education Community College Coalition;

- Washington Public Employees Association, Higher Education Community College Coalition;
- The University of Washington and the Washington Federation of State Employees, the Service Employees International Union Local 925, the Teamsters Local 117, Police; and the Washington Federation of State Employees, Police Management;
- Washington State University and the Washington Federation of State Employees and the Police Guild;
- Central Washington University and the Washington Federation of State Employees and the Public School Employees;
- Western Washington University and the Washington Federation of State Employees; and the Fraternal Order of Police, Lodge No. 24;
- Eastern Washington University and the Washington federation of state employees; the Washington Federation of State Employees, Uniformed Personnel; and the Public School Employees; and
- Yakima Valley College and Highline College with the Washington Public Employees' Association.

Terms vary between the agreements and awards, but most provide at a general wage increase of 4 percent effective July 1, 2023, and 3 percent effective July 1, 2024; as well as targeted job classification base range increases. Some provide lump-sum payments, job-class specific salary adjustments, shift premiums, and increases in assignment pay.

**State Employee Health Benefits -- General Government and Higher Education (\$36.9 million NGF-O 2023-25; \$42.8 million other funds 2023-25; \$91.8 million 5-year NGF-O total)**

Health insurance funding rates for the Public Employees' Benefits Board program are sufficient for the master agreements for employees who bargain for health benefits as part of a coalition of unions, as well as for non-represented employees in general government and higher education institutions. The insurance funding rate is \$1,145 per employee per month for fiscal year 2024 and \$1,191 per employee per month for fiscal year 2025.

**Non-represented Employee General Wage Increase -- General Government and Higher Education (\$199 million NGF-O 2023-25; \$352 million other funds 2023-25; \$455 million 5-year NGF-O total)**

Wage increases are funded for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. Funds provided are sufficient for a general wage increase of 4 percent, effective July 1, 2023, and a general wage increase of 3 percent, effective July 1, 2024. This item includes both general government and higher education workers.

**Non-represented Classified Employee Job Class Adjustments (\$15.7 million NGF-O 2023-25; \$14.1 million other funds 2023-25; \$26.2 million 5-year NGF-O total)**

Job class-specific wage increases are funded for civil-service classified state employees who are not represented by a union. Funds provided are for classified positions with recruitment and retention problems, and where the same classifications are adjusted in collective bargaining agreements. Increases also include shift premiums and facility premiums, and are focused on Eastern and Western State Hospitals, and facilities operated by the Department of Youth, Children and Families and the Department of Veteran's Affairs.

**Non-represented Recruitment and Retention Lump sum payment (\$8.1 million NGF-O 2023-25; \$7.3 million other funds 2023-25; \$8.1 million 5-year NGF-O total)**

Recognition and retention lump sum payments are funded for non-represented general government employees employed on or before July 1, 2022, and continuously employed through July 1, 2023.

**Vaccine Booster Incentive – Non-represented General Government Employees (\$7.0 million NGF-O 2023-25; \$6.3 million other funds 2023-25; \$7.0 million 5-year NGF-O total)**

A \$1,000 lump sum COVID-19 booster incentive is funded for non-represented employees at general government agencies. Eligible employees must provide verification, beginning January 1, 2023, through December 31, 2023, that they are up-to-date with the COVID-19 vaccine booster.

**Non-represented Classified Employee Adjustments (\$15.8 million NGF-O 2023-25; \$14.1 million other funds 2023-25; \$26.3 million 5-year NGF-O total)**

Additional funding is provided for salary increases for non-represented employees in classified positions with recruitment and retention problems. Increases include shift premiums and facility premiums, and are focused on Eastern and Western State Hospitals, and facilities operated by the Department of Youth, Children and Families and the Department of Veteran's Affairs.

**PERS and TRS Plan 1 Cost-of-living Adjustment (\$39.5 million NGF-O 2023-25; \$7.0 million other funds 2023-23; \$85.7 million 5-year NGF-O total)**

Consistent with the passage of Senate Bill 5350 (PERS/TRS 1 benefit increase), funding is provided for the contribution rate impact of pension benefit increases of 3 percent, up to a maximum of \$110 per month for eligible Public Employees' and Teachers' Retirement Systems Plan 1 members.

*Savings*

**PERS and TRS Plan 1 Unfunded Accrued Actuarial Liability Contribution Rates (\$804 million NGF-O savings 2023-25; \$1.9 billion 5-year NGF-O total savings)**

Contribution rates for the Unfunded Liability in the Public Employees' Retirement System (PERS) Plan 1 and the Teachers' Retirement System (TRS) Plan 1 are reduced, consistent with the provisions of Engrossed Substitute Senate Bill 5294 (Retirement system funding).

**Teachers' Retirement System (\$550 million 5-year NGF-O total savings)**

Savings are achieved through the cancellation of an early payment into the Teacher Retirement System Plan 1, consistent with the provisions of Engrossed Substitute Senate Bill 5294 (Retirement system funding).

**2023-25 Omnibus Operating Budget**

**Conference Proposal H-2006**

**Funds Subject to Outlook**

(Dollars in Millions)

	2021-23			2023-25			2025-27		
	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27
<b>Beginning Balance</b>	<b>4,161</b>	<b>6,310</b>	<b>4,161</b>	<b>4,180</b>	<b>3,602</b>	<b>4,180</b>	<b>1,410</b>	<b>323</b>	<b>1,410</b>
<b>Forecasted Revenues</b>	<b>31,478</b>	<b>32,668</b>	<b>64,146</b>	<b>32,250</b>	<b>33,452</b>	<b>65,702</b>	<b>34,957</b>	<b>36,530</b>	<b>71,488</b>
March 2023 Revenue Forecast (NGF-O)	31,478	32,668	64,146	32,250	33,452	65,702	34,564	35,778	70,342
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	393	752	1,145
<b>Other Resource Changes</b>	<b>-273</b>	<b>-1,247</b>	<b>-1,520</b>	<b>1,032</b>	<b>-230</b>	<b>802</b>	<b>-256</b>	<b>-267</b>	<b>-523</b>
Budget Driven Revenue	0	6	6	-11	-7	-18	11	13	24
GF-S Transfer to BSA (1%)	-300	-310	-610	-309	-321	-630	-331	-343	-674
Prior Period Adjustments	60	104	164	20	20	41	20	20	41
ACFR Adjustments	-24	220	196	0	0	0	0	0	0
Revenue Legislation	0	0	0	6	51	57	25	24	50
Enacted Fund Transfers	-8	-1,172	-1,180	0	0	0	0	0	0
Proposed WRPTA Transfer	0	0	0	1,302	0	1,302	0	0	0
Other Proposed Transfers	0	-96	-96	24	26	51	19	19	37
<b>Total Revenues and Resources</b>	<b>35,366</b>	<b>37,731</b>	<b>66,787</b>	<b>37,461</b>	<b>36,824</b>	<b>70,684</b>	<b>36,111</b>	<b>36,587</b>	<b>72,374</b>
<b>Enacted Appropriations</b>	<b>29,531</b>	<b>34,594</b>	<b>64,125</b>	<b>29,531</b>	<b>34,594</b>	<b>64,125</b>	<b>34,884</b>	<b>35,182</b>	<b>70,066</b>
<b>Carryforward Level Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,830</b>	<b>-3,336</b>	<b>-1,506</b>	<b>-3,346</b>	<b>-3,357</b>	<b>-6,703</b>
<b>Maintenance Level Total</b>	<b>0</b>	<b>401</b>	<b>401</b>	<b>844</b>	<b>1,597</b>	<b>2,442</b>	<b>2,067</b>	<b>2,383</b>	<b>4,451</b>
<b>Policy Level Total</b>	<b>0</b>	<b>-1,190</b>	<b>-1,190</b>	<b>1,950</b>	<b>2,757</b>	<b>4,707</b>	<b>2,374</b>	<b>2,458</b>	<b>4,831</b>
<b>Reversions</b>	<b>-475</b>	<b>-253</b>	<b>-728</b>	<b>-296</b>	<b>-198</b>	<b>-493</b>	<b>-191</b>	<b>-185</b>	<b>-376</b>
<b>Revised Appropriations</b>	<b>29,056</b>	<b>33,551</b>	<b>62,607</b>	<b>33,860</b>	<b>35,414</b>	<b>69,274</b>	<b>35,788</b>	<b>36,481</b>	<b>72,269</b>
<b>Projected Ending Balance</b>	<b>6,310</b>	<b>4,180</b>	<b>4,180</b>	<b>3,602</b>	<b>1,410</b>	<b>1,410</b>	<b>323</b>	<b>105</b>	<b>105</b>
<b>Budget Stabilization Account</b>									
Beginning Balance	19	335	19	652	984	652	1,344	1,727	1,344
GF-S Transfer to BSA (1%)	300	310	610	309	321	630	331	343	674
BSA Transfers	5	0	5	0	0	0	0	0	0
Prior Period Adjustments	10	0	10	0	0	0	0	0	0
Interest Earnings	0	7	7	22	40	62	51	61	112
<b>Budget Stabilization Account Ending Balance</b>	<b>335</b>	<b>652</b>	<b>652</b>	<b>984</b>	<b>1,344</b>	<b>1,344</b>	<b>1,727</b>	<b>2,131</b>	<b>2,131</b>
<b>Washington Rescue Plan Transition Account (WRPTA)</b>									
Beginning Balance	1,000	1,000	1,000	2,100	798	2,100	798	798	798
GF-S Transfer to WRPTA	0	1,100	1,100	0	0	0	0	0	0
Transfer Balance from WRPTA to GF-S	0	0	0	-1,302	0	-1,302	0	0	0
<b>WRPTA Ending Balance</b>	<b>1,000</b>	<b>2,100</b>	<b>2,100</b>	<b>798</b>	<b>798</b>	<b>798</b>	<b>798</b>	<b>798</b>	<b>798</b>
<b>Total Reserves</b>	<b>7,644</b>	<b>6,932</b>	<b>6,932</b>	<b>5,384</b>	<b>3,552</b>	<b>3,552</b>	<b>2,848</b>	<b>3,034</b>	<b>3,034</b>
<b>% of Reserves to Revenues and Other Resources</b>	<b>24.5%</b>	<b>22.1%</b>		<b>16.2%</b>	<b>10.7%</b>		<b>8.2%</b>	<b>8.4%</b>	
NGF-O	20.2%	13.3%		10.8%	4.2%		0.9%	0.3%	
Budget Stabilization Account	1.1%	2.1%		3.0%	4.0%		5.0%	5.9%	
Washington Rescue Plan Transition Account	3.2%	6.7%		2.4%	2.4%		2.3%	2.2%	

Notes:

1. This analysis was prepared by OPR staff for legislative deliberations of House members. It is not an official Outlook or an official state publication.
2. NGF-O includes General Fund State, Washington Opportunity Pathways, Education Legacy Trust; and Workforce Education Investment Accounts.

## Fund Transfers, Revenue Legislation, and Budget Driven Revenues

### Conference Proposal H-2006

#### Funds Subject to Outlook

(Dollars in Millions)

	2021-23	FY 2024	FY 2025	2023-25
<b>Fund Transfers In Budget Bill</b>				
Business License Account (GF-S)	0.0	0.0	7.2	7.2
Disaster Response Account (GF-S)	-85.8	0.0	0.0	0.0
Financial Services Regulation Account (GF-S)	0.0	3.5	3.5	7.0
Forest Resiliency Account (GF-S)	0.0	-4.0	0.0	-4.0
Home Security Fund Account (GF-S)	0.0	-44.5	-4.5	-49.0
Judicial Information Systems Account (GF-S)	-9.7	0.0	0.0	0.0
Long-Term Services and Supports Trust Account (GF-S)	0.0	64.3	0.0	64.3
Model Toxics Control Operating Account (GF-S)	0.0	0.0	50.0	50.0
Salmon Recovery Account (GF-S)	0.0	-3.0	0.0	-3.0
State Drought and Response Preparedness Account (GF-S)	0.0	-2.0	0.0	-2.0
State Treasurer's Service Account (GF-S)	0.0	15.0	15.0	30.0
WA Rescue Plan Transition Acct (GF-S)	0.0	1,302.0	0.0	1,302.0
Washington Student Loan Account (GF-S)	0.0	40.0	0.0	40.0
Wildfire Response, Forest Restoration, & Community Resilience (GF-S)	0.0	-44.9	-44.9	-89.8
<b>SubTotal</b>	<b>-95.5</b>	<b>1,326.4</b>	<b>26.3</b>	<b>1,352.7</b>
<b>Budget Driven Revenue</b>				
Health Care for the Uninsured	0.0	0.0	0.9	0.9
Inpatient Directed Payment Program	0.0	0.0	4.1	4.1
Outpatient Directed Payment Program	0.0	5.0	3.3	8.3
Liquor Control Board (Liquor)	7.0	-15.4	-13.9	-29.3
Lottery	-1.0	-1.0	-0.9	-1.9
<b>SubTotal</b>	<b>6.0</b>	<b>-11.4</b>	<b>-6.6</b>	<b>-18.0</b>
<b>Other Legislation</b>				
1018 - Hog Fuel/Tax Exemption	0.0	0.0	-1.8	-1.8
1143 - Firearms/Purchase & Transfer	0.0	-0.4	-0.8	-1.2
1163 - Leasehold Tax/Arenas	0.0	-0.9	-1.5	-2.4
1240 - Firearms/Assault Weapons	0.0	-0.2	-0.2	-0.4
1254 - Periodic Adjustments/DOR	0.0	1.3	0.3	1.6
1425 - Municipal Annexations	0.0	0.0	-1.7	-1.7
1431 - Senior Living Meals/Tax	0.0	-1.2	-1.5	-2.7
1534 - Construction Consumers	0.0	0.6	0.1	0.6
1682-Auto Theft Authority Account	0.0	-4.0	-4.0	-8.0
1711 - Internet Projects/Tribes	0.0	-1.3	-2.5	-3.8
1742 - Nontax Statutes/DOR	0.0	13.8	14.4	28.2
1764 - Asphalt & Agg. Valuation	0.0	-0.3	-0.4	-0.7
1850 - Hospital Safety Net Program	0.0	0.0	54.2	54.2
5001 - Public Facility Districts	0.0	0.1	0.3	0.3
5084 - Self-Insured Pensions/Fund	0.0	-0.6	-0.6	-1.3
5096 - Employee Ownership	0.0	0.0	-0.2	-0.2
5166 - Cooperative Finance Org. B&O	0.0	-0.2	-0.2	-0.3
5199 - Newspaper Publishers/Tax	0.0	-0.4	-1.2	-1.6
5218 - Complex Rehab. Products/Tax	0.0	-0.3	-0.3	-0.6
5258 - Condos and Townhouses	0.0	0.0	-0.9	-0.9
5634 - Problem Gambling	0.0	-0.2	-0.3	-0.6



# Fund Transfers, Revenue Legislation, and Budget Driven Revenues

## Conference Proposal H-2006

### Funds Subject to Outlook

(Dollars in Millions)

	2021-23	FY 2024	FY 2025	2023-25
<b>SubTotal</b>	<b>0.0</b>	<b>5.7</b>	<b>51.0</b>	<b>56.7</b>
<b>Grand Total</b>	<b>-89.5</b>	<b>1,320.7</b>	<b>70.8</b>	<b>1,391.4</b>

## Climate Commitment Act (CCA) Policy-Level Items

Dollars in thousands

	<b>2023-25 CCA Total</b>
<b>Arch/Historic Preser</b>	<b>977</b>
Clean Energy Siting	477
Cultural Resource Surveys	500
<b>Commerce-Comm Svcs/Hous</b>	<b>35,000</b>
Energy Assistance	35,000
<b>Commerce-Econ Dev/Compet</b>	<b>352</b>
Clean Technology Advisory Committee	352
<b>Commerce-Energy/Innov</b>	<b>52,778</b>
Advanced Rail Energy Storage	1,000
Alternative Jet Fuel	600
Clean Buildings Database Expansion	975
Clean Energy Permitting/Planning	10,000
Clean Energy Siting	3,152
Climate Change Response Strategy	167
Dual-Use Solar Pilot	10,664
Energy Assistance Program Design	300
Energy Audits - Public Buildings	20,592
Energy Upgrade Navigator Program	250
Grid Formula Program Support	708
HEAL Act Implementation	3,096
Smart Buildings	250
Transmission Planning	1,024
<b>Commerce-Local Govt</b>	<b>46,100</b>
Local Government Climate Planning	40,953
Local Government Salmon Recovery	2,747
Port Gamble Shoreline Restoration	2,400
<b>Columbia River Gorge</b>	<b>138</b>
Climate Change Program Manager	138
<b>Conservation Comm</b>	<b>50,473</b>
Climate Change Response Strategy	23
Community Engagement Plan	250
Fire Wise Grants to Loc'l Govt	10,000
Forest Health & Community Wildfire	5,000
On-Farm GHG Reduction Grants	30,000
Organics and Agriculture Study	200
Riparian Education & Outreach	2,000
Salmon Riparian Restoration Program	3,000
<b>Dept of Agriculture</b>	<b>4,080</b>
Clean Energy Siting	200
Climate Change Response Strategy	261
Organic Materials Management	3,038
WA Soil Health Initiative	581

<b>2023-25 CCA Total</b>	
<b>Dept of Ecology</b>	<b>45,076</b>
AQ in Overburdened Communities	2,479
CCA Expenditure Tracking	640
Central Services & Comp Items	1,051
Clean Energy Permitting	13,248
Climate Change Response Strategy	1,123
Coastal Hazards Assistance	3,914
EAGL Modernization	131
Enterprise Content Management	82
GHG Inventory Development	1,248
GHG Reduction Grant Assistance	370
Implement Climate Commitment Act	3,633
Kelp Conservation and Recovery	1,460
Local Government Climate Planning	1,174
Marine Shoreline Habitat	2,296
Reduce Nooksack Basin Flooding	4,002
Tribal Participation Grants for CCA	8,220
Vaccine Booster Incentive	5
<b>Dept of Enterprise Svcs</b>	<b>7,000</b>
Deschutes Estuary	7,000
<b>Dept of Health</b>	<b>90,526</b>
CCA Expenditures Tracking	200
CCA Implementation	702
Child Asthma SeaTac	1,393
Climate Change Response Strategy	72
Climate Hlth Adaption Initiative	1,305
Climate Impact Worker Safety	10,000
Climate Plus Grants for Schools	5,496
Env. Hlth Disp. Map Capacity Grants	26,355
HEAL Act	5,996
Local Government Climate Planning	407
Participatory Budget Grant Program	38,600
<b>Dept of Natural Resources</b>	<b>41,391</b>
Clean Energy Siting	164
Climate Change Response Strategy	350
Environmental Justice	1,250
Evaluation of Carbon Offsets	1,500
Forest Treatments	3,166
GHG Emissions Reduction	7,791
HCP Habitat Thinning	10,000
Kelp Plan	278
Local Government Climate Planning	250
Natural Areas Program	3,356
Reforestation Strategy	2,066
Snohomish Watershed Strategy	2,864
Urban Forest Assistance	5,991

	<b>2023-25 CCA Total</b>
Workforce Development	2,365
<b>Dept of Revenue</b>	<b>895</b>
2023 Revenue Legislation	895
<b>Employment Security</b>	<b>404</b>
Clean Technology Advisory Committee	404
<b>Energy Fac Site Eval</b>	<b>7,369</b>
Clean Energy Siting	358
Operating Budget Support	2,352
Transmission Corridors Studies	3,902
Tribal and Project Review Support	757
<b>Env &amp; Land Use Hrg</b>	<b>898</b>
Legal Staff	898
<b>Dept of Fish &amp; Wildlife</b>	<b>7,146</b>
Clean Energy Permitting	620
Climate Change Response Strategy	184
Conservation Monitoring, Assistance	3,564
GHG Emissions Reduction	1,752
Local Government Climate Planning	1,026
<b>Indian Affairs</b>	<b>658</b>
CCA Grant Manager	254
CCA Tribal Engagement	404
<b>Military Department</b>	<b>113</b>
Climate Change Response Strategy	113
<b>Office of Financial Mgmt</b>	<b>5,394</b>
5842 Climate Change GHG Report	137
AmeriCorps Climate Corps	4,485
CCA Expenditure Tracking	772
<b>State Parks &amp; Rec Commission</b>	<b>1,433</b>
Climate and Clean Energy	1,433
<b>Rec and Conservation Office</b>	<b>598</b>
Community Engagement Plan	200
Riparian Coordinator	398
<b>UW</b>	<b>3,987</b>
Comp Items	17
Clean Energy Strategy	3,000
Local Government Climate Planning	150
WOAC - Experiments	520
WOAC Operations	300
<b>Workforce Trng/Ed Bd</b>	<b>904</b>
Clean Technology Advisory Committee	904
<b>WSU</b>	<b>8,321</b>
Institute For NW Energy Futures	7,721
Pumped Storage Siting Project	600
<b>Total</b>	<b>412,011</b>