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# PSHB 2376

H-4506.1

By Representative Dunshee

## Summary

February 22, 2016

Office of Program Research



# Summary

## Context

In June 2015, the legislature adopted the biennial operating budget for the 2015-17 biennium. The budget for Near General Fund - State plus Opportunity Pathways accounts (NGF-P) for 2015-17 is \$38.2 billion. All budgeted funds, which include NGF-P, federal funds, several higher education funds, and numerous dedicated funds, totaled \$78.9 billion for the 2015-17 biennium.

Since the biennial budget was adopted last June, there are \$270 million in additional NGF-P resources for the current biennium (primarily from revenue forecast updates and the FY 2015 closing). At the same time, projected NGF-P maintenance level costs (primarily caseload and per capita cost changes for entitlement programs) increased by \$219 million.

In addition to considering these resource and maintenance level changes as it writes the 2016 supplemental budget, there are a number of prominent policy issues facing the legislature that have a budget impact; these include court cases related to mental health, the Supreme Court's McCleary decision (K-12 funding), Moore v. HCA related to employee benefits, as well as forest fire costs and other fiscal and policy issues.

## Summary of Representative Dunshee's budget proposal

The primary budget related bills assumed in Rep. Dunshee's budget proposal are PSHB 2376 (the 2016 supplemental operating budget), HB 2988 (making appropriations from the Budget Stabilization Account for forest fire related costs, for K-12 levy assistance, and for homeless services and programs), and revenue legislation (modifying tax preferences for K-12 education).

Rep. Dunshee's overall proposal includes the following spending changes:

- \$219 million in increased maintenance level costs (\$36 million was already set aside for this purpose);
- \$414 million in NGF-P policy adds;
- \$318 million from the Budget Stabilization Account for fire related costs, local levy effort assistance, and homeless services and programs; and
- \$167 million in NGF-P policy savings.

Rep. Dunshee's overall proposal assumes the following resource changes:

- \$120 million from revenue related legislation (dedicated to K-12 education); and
- \$58 million from fund transfers and other adjustments.

## **Proposed Substitute House Bill 2376**

Proposed Substitute House Bill 2376 has a net increase in NGF-P policy level appropriations of \$248 million. NGF-P policy increases total \$414 million including:

- \$99 million for recruitment and retention of K-12 public school staff;
- \$49 million in additional funding for mental health programs and services;
- \$47 million for long term care and developmentally disabled programs and services (of that, \$33.8 million is for individual provider overtime based on a federal rule and \$9 million for individual provider informal supports);
- \$43 million to restore savings assumed in the biennial budget that were not realized in the Health Care Authority related to Healthier Washington and a federal waiver request that was not granted;
- \$32 million (\$80 million total budgeted funds) for the Moore Versus Health Care Authority law suit settlement (relates to employee health benefits);
- \$18 million for early learning and child care (\$12.7 million of this is for the family child care provider collective bargaining agreement); and
- \$9 million for criminal justice programs, including the Department of Corrections.

Proposed Substitute House Bill 2376 has NGF-P policy savings of \$167 million (from program or service reductions, under-expenditures, and switching program funding from NGF-P to other funds) including:

- \$42 million savings through funding the fire suppression costs in the underlying biennial budget using the Budget Stabilization Account and the Disaster Response Account;
- \$32 million savings through utilization of additional I-502 revenue for low income health care and community clinics;
- \$21 million savings from utilizing a WorkFirst fund balance;
- \$21 million savings in mental health from under-expenditures and other savings;
- \$15 million savings from changes to high school assessments; and
- \$10 million in savings through utilization of the Child Care Development Fund (federal funds).

Proposed Substitute House Bill 2376 (and related balance sheet assumptions) leaves \$359 million in projected NGF-S ending fund balance for 2015-17 and total reserves of \$783 million (including the Budget Stabilization Account). Note that the Budget Stabilization Account (BSA) balances also assume the impact of HB 2968 (using the BSA for K-12 school construction).

## **The four year outlook**

Proposed Substitute House Bill 2376, under the provisions of the four-year budget outlook (Chapter 8, Laws of 2012), is projected to end the 2017-19 biennium with \$5 million in NGF-P ending fund balance (and \$453 million in total reserves).

For purposes of the budget outlook, the projected maintenance level for the ensuing biennium is adjusted to exclude projected expenditures for the remaining *McCleary* phase-in steps in 2017-19 as provided under RCW 43.88.055(2)(b). This additional K-3 class size phase-in step was voluntarily included in the four year outlook for the 2015-17 biennium budget last session. In addition, the outlook assumes legislation that allows half of the 1% transfer to the BSA be included as a resource for purposes of the four year outlook.

### **Proposed Substitute House Bill 2988**

Proposed Substitute House Bill 2988 makes appropriations from the Budget Stabilization Account as follows:

- \$190 million for fires and other disasters;
- \$91 million to the Local Effort Assistant Account (K-12 levy assistance); and
- \$37 million to the Homeless Assistance Account for homeless services and programs.

## **Additional Information**

### **Additional Information Regarding This Proposal**

This information is provided in explanation of Proposed Substitute House Bill 2376 offered by Representative Dunshee. The proposed substitute bill makes supplemental changes to the 2015-17 biennial budget.

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

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

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

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

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.

**2015-17 Balance Sheet: PSHB 2376 (by Rep. Dunshee)**  
**General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts**  
**(and Budget Stabilization Account)**  
Dollars in Millions

	<b>2015-17</b>
<b>RESOURCES</b>	
<b>Beginning Fund Balance</b>	<b>1,011.2</b>
February 2016 Forecast	37,837.4
Transfer to Budget Stabilization Account (1% of GSR)	(372.3)
Transfer to Budget Stabilization Account (EORG)	(63.6)
Transfer from BSA (EORG)	63.6
Other Enacted Fund Transfers	178.0
Alignment to the Comprehensive Financial Statements & Other Adj	40.8
<b>2016 Changes</b>	
<i>Fund Transfers (Excluding BSA)</i>	64.0
<i>Revenue Legislation</i>	119.7
<i>Budget Driven Revenue &amp; Other</i>	(6.2)
<b>Total Resources (including beginning fund balance)</b>	<b>38,872.6</b>
<b>EXPENDITURES</b>	
<b>2015-17 Biennium</b>	
Enacted Budget	38,219.179
<i>Proposed 2016 Supplemental Budget</i>	466.5
Assumed Reversions	(172.5)
<b>Total Expenditures</b>	<b>38,513.2</b>
<b>RESERVES</b>	
<b>Projected Ending Balance (GFS + ELTA + Opp Pathways)</b>	<b>359.4</b>
<b>Budget Stabilization Account</b>	
Budget Stabilization Account Beginning Balance	513.1
Plus Transfers from General Fund and Interest Earnings	440.1
<i>Less Spending From BSA: Forest Fires/K-12 Levy/Homelessness</i>	(317.5)
<i>Less Spending From BSA: K-12 Construction</i>	(148.9)
Less Transfers Out to GFS (EORG)	(63.6)
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>423.2</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>782.6</b>

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

	<u>2015-17</u>
<b>Fund Transfers To/From GFS (Excluding Transfers To/From BSA)</b>	
Public Work Assistance Account	10.0
Dedicated Marijuana Account	14.0
Performance Audit	10.0
Flood Control Account	0.4
CEPRI Account	1.0
Financial Service Regulation Account	5.0
Abolished Accounts	0.0
Savings Incentive	1.1
Aerospace Training Account	1.5
GF-S Appropriation ELTA (McCleary Penalty)	21.0
<b>Subtotal</b>	<b>64.0</b>
<b>Legislation (GFS Unless Otherwise Noted)</b>	
Tax Preferences/K-12 (ELTA)	119.5
2540 Annual Tax Surveys & Reports	(0.6)
2334 Martial Arts Excise Taxation	(0.2)
1390 Legal Financial Obligations	(0.1)
2346 Renewable Energy Promotion	3.0
1713 Mental Health/Chemical Dependency	(1.9)
<b>Subtotal</b>	<b>119.7</b>
<b>Budget Driven &amp; Other (General Fund Unless Otherwise Noted)</b>	
Lottery Fund BDR (Opportunity Pathways)	0.0
Liquor Revolving Fund BDR	(2.8)
Marijuana BDR	(3.4)
<b>Subtotal</b>	<b>(6.2)</b>
<b>Grand Total</b>	<b>177.4</b>



# Summary of Selected Larger Items

(See agency detail for all policy changes by agency)

## Education

- **Recruit and retain K-12 staff: \$98.5 million NGF-P**  
Funding is provided for the following K-12 public school compensation related changes: (1) certificated instructional staff salaries (CIS) are revised including increasing state allocations for beginning bachelor's degree certificated instructional staff to \$40,000 and adding an additional year to the state salary allocation grid; (2) the state allocations for classified staff salaries are increased by an additional 1 percent, on an on-going basis, above the increased allocations provided in the 2015-17 biennial appropriations; (3) the bonus for National Board certified teachers that teach in challenging schools is increased to match the base National Board Certified Teacher bonus; and (4) a new annual bonus in the amount of \$650 is provided for certificated instructional staff that have attained their second tier certification. Additionally funding in the amount of \$5 million is added to the beginning educator support team program, and \$3 million is added for professional development for certificated instructional staff.
- **K-12 Levy lid revision delay: \$90.5 million Local Effort Assistance Account**  
Funding is appropriated from the Budget Stabilization Account (in PSHB 2988) to the Local Effort Assistance Account regarding the levy lid revision delay (EHB 2698).
- **K-12 school food program: \$3.2 million NGF-P**  
Funding is provided for reduced lunch co-pays under SHB 2964 (\$2.7 million) and for breakfast after the bell under E3SHB 1295 (\$0.5 million).
- **Homeless student stability: \$2 million NFG-P in OSPI and \$2 million NGF-P in the Department of Commerce**  
Funding is provided to implement a competitive grant program to evaluate and award grants to school districts to pilot increased identification of homeless students and the capacity to provide support as provided in 3SHB 1682 (homeless students).
- **High school assessments: -14.6 million NGF-P**  
Funding is reduced to reflect implementation of SHB 2214 (HS assessments). Savings are from reduced staffing costs at the Office of Superintendent of Public Instruction and from reduced contract costs.

- **K-12 retiree remittance rate: -5.8 million NGF-P**  
The K-12 public school insurance benefit allocation includes \$70.45 per member per month for retiree health benefit remittances. This rate is reduced to \$64.39 per member per month, reflecting updated estimates.
- **Higher education - maintain State Need Grant service level: \$9 million NGF-S**  
One-time caseload savings from the College Bound Program are shifted to the State Need Grant program to maintain FY 2015 service levels for FY 2016.
- **Higher education - teacher shortage (HB 2573): \$2.5 million NGF-P**  
Funding is provided for HB 2573 related to increasing the number of qualified individuals becoming teachers.
- **Early learning (also in DSHS Economic Services) - family child care provider collective bargaining agreement (CBA): \$12.7 million NGF-P**  
Under a reopener provision in the 2015-17 CBA, family child care providers receive a base rate increase, and increase in tiered reimbursement for levels three through five, and additional training and quality improvements.
- **Early learning - ECLIPSE funding: \$2.2 million NGF-P**  
Funding is provided on a one-time basis to replace federal funding for the Early Childhood Intervention Prevention Services program.

## **Mental Health**

- **Behavioral Health Innovation Fund: \$13.7 million NGF-P**  
Funding is provided to improve the quality of patient care and patient and staff safety at the state hospitals, and for compliance with court orders related to civil and forensic treatment. Pursuant to House Bill 2453 (State hospital oversight), funds are deposited into a Governor's Behavioral Health Innovation Fund. The Department must apply to the Office of Financial Management and meet other requirements to spend these funds. The funds may be used for a variety of strategies including, but not limited to, increasing civil and forensic bed capacity to meet court orders, hiring of nurses or other staff, and increasing training of staff at the state hospitals.
- **Transitional support for Western State Hospital: \$11 million NGF-P**  
Funding is increased on a one-time basis in FY 2016 to address overspending at the state hospitals as well as new expenditures by the Department in response to an emergent and imminent jeopardy determination by the Centers for Medicare and Medicaid Services (CMS). In order to maintain federal funding, the Department is required by CMS to submit and implement

a plan of corrections related to the safety and health of clients and employees at Western State Hospital.

- **Compensation increases: \$9.8 million NGF-P; \$10.0 million Total Budgeted**  
Funding is provided for the cost of FY 2017 adjustments for specific employee positions related to the provision of mental health services.
- **State hospital RN staff: \$3.8 million NGF-P**  
Funding is provided for 25.5 additional registered nurse positions to increase the total number of nurses on day and evening shifts at Western State Hospital.
- **Expand mobile crisis teams: \$2.7 million NGF-P; \$4.0 million Total Budgeted**  
Funding is provided for four new 16-bed crisis triage facilities to be phased in during FY 2017. Three facilities must be located in western Washington and one in eastern Washington. Each facility shall be designed to assess, diagnose, and treat individuals experiencing an acute mental health crisis without the use of long-term hospitalization.
- **Housing support and step down services: \$2.0 million NGF-P; \$2.8 million Total Budgeted**  
Funding is provided to implement four new housing and recovery services teams. Each team provides supportive housing services and short-term rental assistance for individuals exiting inpatient behavioral health treatment services or at risk of entering inpatient behavioral health services. During FY 2017, the supportive housing services will be paid for with the mental health federal block grant. Beginning in FY 2018, it is assumed that these services will be paid for with state funds.
- **Southwest RSN reserves: \$-5 million NGF-S; -\$10.1 million Total Budgeted**  
Effective April 1, 2016, southwest Washington is transitioning to become an early adopter of fully integrated physical and behavioral health care. The current regional support network (RSN) is required to return \$25.3 million in state and federal Medicaid reserves remaining after termination of their contract. Of these amounts, \$12.6 million is estimated to be state funds and \$12.7 million is estimated to be federal funds. The Department must return all of the federal funds to the Center for Medicaid and Medicare Services. Of the remaining \$12.6 million, \$5.0 million will be used for a one-time savings in FY 2016 and the remaining \$7.6 million is to be used on a one-time basis in FY 2017 to support the early adopter transition. This funding is to provide a reserve for non-Medicaid services in the region, stabilization of the new crisis services system, and to increase capitation rates in the region during this biennium to enhance outreach and promote integrated care models.

- **One time savings and under-spends: -\$16.6 million NGF-P**  
Funding is reduced on a one-time basis in FY 2016 to reflect estimated under-expenditures, including savings related to delayed implementation of the Psychiatric Emergency Response Team (PERT), the Office of Forensic Mental Health, and other programs/services.

## **Other Health and Human Services**

- **Health Care Authority backfill of assumed savings in Healthier Washington that didn't materialize: \$26.1 million NGF-P; \$59.4 Total Budget**  
Funding is restored for assumed savings that will not be realized this biennium in Healthier Washington due in part to a delay in integrating clinical models of physical and behavioral health care.
- **Health Care Authority backfill of assumed savings from a federal waiver that was not approved: \$16.7 million NGF-P; \$35.2 million Total Budgeted**  
Funding is restored for assumed savings that will not be realized because the federal Centers for Medicare and Medicaid Services did not approve a state waiver request on which the assumed savings were based (the waiver had to do with innovative payment methods).
- **Individual Provider (IP) overtime (DSHS long term care and developmentally disabled programs): \$33.8 million NGF-P; \$77.5 million Total Budgeted**  
IP homecare worker overtime is funded in accordance with the U.S. Department of Labor recent rule that applies provisions of the Fair Labor Standards Act to IPs, including a requirement that overtime pay be provided by third-party employers. This rule was upheld by the U.S. Federal Court of Appeals. This item assumes passage of Second Substitute House Bill 1725 (DSHS provider hours/payment/week).
- **IP informal supports (DSHS long term care and developmentally disabled programs): \$9 million NGF-P; \$20.4 million Total Budgeted**  
Funding is provided to pay IPs for homecare client hours that were previously considered informal supports, consistent with the U.S. Department of Labor rule upheld by the U.S. Federal Court of Appeals.
- **Medicaid cost allocation correction (DSHS Economic Services): \$4.9 million NGF-S; \$0 Total Budget (federal funding is reduced by the same amount)**  
The Legislature assumed the federal match for assisting clients with Medicaid applications through the Healthplanfinder online application would be 75% federal and 25% state. However, the 75% federal match only applies to certain staff, the remaining are a 50% match rate. Additionally, more recent cost allocation data is available. Funding is adjusted to reflect the updated information.

- **Special Commitment Center - staff related increases: \$4.3 million NGF-P**  
Funding is provided for 18 FTEs to provide additional treatment to approximately 30 high acuity patients, as well as 9 additional FTEs to provide for a more therapeutic response to behavioral issues for high acuity residents. Funding is also provided for 9 FTEs to be added to the less restrictive alternative community facilities.
- **Working family support (DSHS Economic Services): \$3.6 million NGF-P**  
Funding is provided for the Working Family Support Program. The program provides a \$10 food stipend to Basic Food recipients who meet specific criteria which includes working at least 35 hours per week and having a child under the age of 18 living at home.
- **Family reconciliation services (DSHS Children and Family Services): \$2 million NGF-P**  
Funding is provided for the Family Reconciliation Services program which is a voluntary program that serves runaway adolescents and youth in conflict with their families.
- **WorkFirst fund balance (DSHS Economic Services): -\$20.6 million NGF-P; \$0 Total Budgeted (increase in federal funds offsets NGF-P savings)**  
One-time savings are achieved in the Temporary Assistance for Needy Families program using federal TANF Contingency Funds and WorkFirst under-expenditures in FY 2016.

**Forest Fires - Representative Dunshee's budget proposal regarding forest fires appropriates \$169.4 million for wildfire suppression costs, \$13.4 million for firefighting resources and prevention, and \$52.8 million for recovery efforts for a total of \$235.7 million.**

- **From the Budget Stabilization Account (BSA): \$189.7 million**
  - \$133.9 million to DNR for fire suppression above the base amount in the 2015-17 biennial budget.
  - \$21.1 million to DNR to shift the base cost in the biennial budget from the general fund to the BSA (which saves \$21.1 million GF-S in FY 2016).
  - \$0.34 million to DFW to shift the base cost of fire suppression from GF-S to the BSA (which saves \$0.34 million GF-S).
  - \$34.4 million to the Washington State patrol for fire mobilization.
- **From the Disaster Response Account: \$81.9 million**
  - \$21.1 million to DNR to shift the base cost in the biennial budget from the general fund to the Disaster Response Account (which saves \$21.1 million GF-S in FY 2017).
  - \$7.1 million to DNR to increase firefighting capacity, \$1.0 million to the Conservation Commission for Firewise, and \$0.4 million to the Military Department for National Guard fire training.
  - \$43.4 million to the Military Department for disaster recovery (this also includes disasters other than fires).

- \$8.8 million to the Conservation Commission for fire recovery efforts and \$0.6 million to DFW for wildfire recovery efforts.
- **From the General Fund-State: -\$41.5 million**
  - General Fund-State savings are shown above (\$42.1 million).
  - \$0.8 million to DNR for forest resilience burning (ESHB 2928) and \$0.2 million to the State Board for Community Colleges for a wildfire program.
- **From the Resources Management Cost Account: \$4 million to DNR for forest health treatment on state lands**
- **From General fund-Federal: \$1.6 million to DNR for fire suppression**

### **Other larger items**

- **Moore v. HCA lawsuit settlement: \$32.2 million NGF-P; \$80 million Total Budgeted**  
Funding is provided to settle all claims in the litigation related to employee health benefits.
- **Homeless Assistance Account (Department of Commerce): \$37.4 million Housing Assistance Account (an appropriation from the Budget Stabilization Account is made to this account in PSHB 2988)**  
Funding is appropriated from the Homeless Assistance Account for rapid rehousing, rental assistance, and permanent supportive housing.

**2015-17 Omnibus Operating Budget -- 2016 Supplemental**  
**PSHB 2376 by Representative Dunshee**  
(Dollars In Thousands)

	NGF+OpPth	Bud Stb-S	All Other	Total Budgeted
<b>K-12 Education</b>				
Recruit and Retain K12 Staff	98,529	0	0	98,529
McCleary Penalty	21,000	0	0	21,000
All Other Increases	7,205	0	136	7,341
School Food Programs	3,192	0	0	3,192
Local Effort Assist. Account	0	90,557	0	90,557
All Other Savings	-160	0	0	-160
Retiree Remittance Rate	-5,790	0	0	-5,790
High School Assessments	-14,554	0	0	-14,554
<b>K-12 Education Total</b>	<b>109,422</b>	<b>90,557</b>	<b>136</b>	<b>200,115</b>
<b>Higher Education Institutions</b>				
MESA	700	0	0	700
All Other Increases	470	0	93	563
COP Debt Service	0	0	4,650	4,650
<b>Higher Education Institutions Total</b>	<b>1,170</b>	<b>0</b>	<b>4,743</b>	<b>5,913</b>
<b>Higher Education Financial Aid</b>				
Maintain SNG Service Level	9,000	0	0	9,000
Teacher Shortage	2,500	0	0	2,500
Free to Finish College Program	1,000	0	0	1,000
Mental Health LRP	1,000	0	0	1,000
All Other	-104	0	6,104	6,000
<b>Higher Education Financial Aid Total</b>	<b>13,396</b>	<b>0</b>	<b>6,104</b>	<b>19,500</b>
<b>Early Learning &amp; Child Care</b>				
Family Child Care Provider CBA	12,666	0	0	12,666
ECLIPSE Funding	2,152	0	0	2,152
Seasonal Child Care- 12 Month Elig	1,693	0	0	1,693
All Other Increases	1,326	0	0	1,326
Utilize CCDF	-9,800	0	9,800	0
<b>Early Learning &amp; Child Care Total</b>	<b>8,037</b>	<b>0</b>	<b>9,800</b>	<b>17,837</b>
<b>Health Care</b>				
Healthier WA Savings Restoration	26,086	0	33,276	59,362
Waiver Savings Restoration	16,737	0	18,483	35,220
Vendor Rate Increase	4,342	0	4,636	8,978
Health Home Services	4,246	0	4,376	8,622
LARC Rate Increase	2,721	0	7,122	9,843
All Other Increases	1,543	0	9,331	10,874
Federal Funding Adjustment	0	0	15,481	15,481
Community Health Centers/I-502	-2,933	0	2,933	0
Inpatient Cost Avoidance	-4,154	0	-4,354	-8,508
Low-Income Health Care/I-502	-29,338	0	29,338	0
<b>Health Care Total</b>	<b>19,250</b>	<b>0</b>	<b>120,622</b>	<b>139,872</b>
<b>Mental Health</b>				
Behavioral Health Innovation Fund*	13,694	0	0	13,694
Transitional Support for WSH	11,000	0	0	11,000
Compensation Increases	9,800	0	1,130	10,930
State Hospital RN Staff	3,638	0	0	3,638
Expand Mobile Crisis Teams	2,724	0	1,286	4,010

**2015-17 Omnibus Operating Budget -- 2016 Supplemental**  
**PSHB 2376 by Representative Dunshee**

(Dollars In Thousands)

	NGF+OpPth	Bud Stb-S	All Other	Total Budgeted
Expand Crisis Triage Beds	2,586	0	1,314	3,900
Housing Support and Step-Down Svcs	2,000	0	762	2,762
Youth Mental Health Services	1,709	0	427	2,136
All Other Increases	1,353	0	125	1,478
Mental Health Block Grant Authority	0	0	3,000	3,000
Peer Bridging Programs	0	0	1,760	1,760
Southwest RSN Reserves	-5,000	0	-5,061	-10,061
Civil Ward Underspend	-6,981	0	0	-6,981
One-Time Savings & Underspends	-9,570	0	0	-9,570
<b>Mental Health Total</b>	<b>26,953</b>	<b>0</b>	<b>4,743</b>	<b>31,696</b>
<b>Long Term Care &amp; DD</b>				
DSHS/DD & LTC: IP Overtime	33,817	0	43,714	77,531
DSHS/DD & LTC: IP Informal Suppts	9,019	0	11,378	20,397
All Other Increases	2,282	0	3,065	5,347
Agency Provider Rates	844	0	1,075	1,919
Planned Respite	834	0	833	1,667
RCS Fee Authority	0	0	4,110	4,110
All Other Savings	-1,006	0	-1,054	-2,060
<b>Long Term Care &amp; DD Total</b>	<b>45,790</b>	<b>0</b>	<b>63,121</b>	<b>108,911</b>
<b>Corrections and Other Criminal Justice</b>				
All Other Increases	3,879	0	828	4,707
Work Releases	1,776	0	0	1,776
Cost of Supervision Staffing	1,374	0	0	1,374
DOC Contract with SBCTC	1,252	0	0	1,252
WSP Recruitment and Retention	1,207	0	51	1,258
All Other Savings	-900	0	0	-900
<b>Corrections and Other Criminal Justice Total</b>	<b>8,588</b>	<b>0</b>	<b>879</b>	<b>9,467</b>
<b>Other Human Services</b>				
All Other Increases	6,626	0	10,679	17,305
Medicaid Cost Allocation Correction	4,852	0	-4,852	0
SCC Increases	4,349	0	0	4,349
Working Family Support	3,602	0	0	3,602
Family Reconciliation Services	2,000	0	0	2,000
Performance Based Contracting	1,500	0	0	1,500
Family Assessment Response (FAR)	1,000	0	1,000	2,000
Homeless Assistance Account	0	37,229	0	37,229
IMD Waiver	0	0	31,284	31,284
Permanent Supportive Housing	0	0	19,729	19,729
Rental Assistance	0	0	10,000	10,000
Rapid Rehousing	0	0	7,500	7,500
SNAP federal award	0	0	4,000	4,000
Federal Funding Adjustment	0	0	-23,505	-23,505
All Other Savings	-248	0	-538	-786
WorkFirst Fund Balance	-20,595	0	20,595	0
<b>Other Human Services Total</b>	<b>3,086</b>	<b>37,229</b>	<b>75,892</b>	<b>116,207</b>
<b>Natural Resources</b>				
All Other Increases	5,368	0	24,550	29,918
Shift Between Funds	3,174	0	-3,174	0



**2015-17 Omnibus Operating Budget -- 2016 Supplemental**  
**PSHB 2376 by Representative Dunshee**

(Dollars In Thousands)

	NGF+OpPth	Bud Stb-S	All Other	Total Budgeted
Other Fire Related Increases	957	0	10,834	11,791
State Parks	43	0	4,523	4,566
DNR: Increase Firefighting Capacity	0	0	11,113	11,113
All Other Savings	0	0	-1,597	-1,597
Emergency Drought Funding	-7,277	0	0	-7,277
Fires & Other Disasters	-42,454	189,675	65,532	212,753
<b>Natural Resources Total</b>	<b>-40,189</b>	<b>189,675</b>	<b>111,781</b>	<b>261,267</b>
 <b>All Other Policy Changes</b>				
Moore v. HCA Settlement*	32,225	0	47,775	80,000
Statewide IT System Dev Rev Acct	9,671	0	0	9,671
All Other Increases	6,561	0	45,988	52,549
Youth Homelessness	4,385	0	787	5,172
Judicial Agencies	1,710	0	763	2,473
Automatic Voter Registration	1,337	0	0	1,337
Central Services	1,181	0	1,846	3,027
PSERS Membership	1,079	0	0	1,079
IT Spending Authority	0	0	24,815	24,815
Consolidated Homeless Grants	0	0	6,620	6,620
All Other Savings	0	0	-80	-80
IT Pool	-2,826	0	-6,353	-9,179
Shift Between Funds	-3,500	0	3,500	0
<b>All Other Policy Changes Total</b>	<b>51,823</b>	<b>0</b>	<b>125,661</b>	<b>177,484</b>
 <b>Grand Total**</b>	 <b>247,326</b>	 <b>317,461</b>	 <b>523,482</b>	 <b>1,088,269</b>

**Notes**

\* Funding is appropriated into a dedicated account. Funding from the dedicated account is not displayed to avoid a double count.

\*\* Subtotals and Grand Total exclude \$80m of Moore v. HCA and \$13.7m of Behavioral Health dedicated fund spending that would otherwise result in a double count.

*NGF-P = GF-S + ELT + OpPath*

**PSHB 2376 (by Rep. Dunshee)**

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

	FY 2016	FY 2017	2015-17	FY 2018	FY 2019	2017-19
<b>Beginning Balance</b>	1,011	1,009	1,011	359	(37)	359
<b>Current Revenues</b>						
February 2016 Revenue Forecast	18,660	19,178	37,837	20,021	20,871	40,892
Additional Revenue Based on 4.5% Growth Rate Assumption	-	-	-	20	72	92
	18,660	19,178	37,837	20,041	20,943	40,983
<b>Other Resource Changes</b>						
GF-S Transfer to BSA (1%)	(184)	(188)	(372)	-	-	-
Extraordinary Revenue to BSA	-	(64)	(64)	-	(8)	(8)
Extraordinary Revenue from BSA to GF-S	-	64	64	-	8	8
BSA to Education Construction (0.5%)	-	-	-	(98)	(102)	(201)
Prior Period Adjustments	20	20	41	20	20	41
2015 Session Transfers and Other Resource Changes (Net)	96	82	178	51	51	101
Budget Driven Revenue	(4)	(2)	(6)	(1)	(1)	(3)
Proposed Fund Transfers	44	20	64	(9)	(9)	(19)
Proposed Tax Changes (K-12 Recruit/Retention)	-	120	120	137	142	278
Other Legislation	(0)	0	0	(2)	(6)	(8)
<b>Total Revenues and Resources (Including Beginning Balance)</b>	<b>19,643</b>	<b>20,239</b>	<b>38,873</b>	<b>20,497</b>	<b>21,000</b>	<b>41,534</b>
<b>Enacted Appropriations</b>	<b>18,639</b>	<b>19,580</b>	<b>38,219</b>	<b>20,494</b>	<b>21,036</b>	<b>41,530</b>
K-12 (excluding 2015 PL K-3 and All day K)	8,564	8,864	17,428	8,992	9,184	18,175
K-3 Class Size	83	268	350	524	590	1,114
All Day K	55	125	180	151	158	309
Everything except K-12 - all other items	9,937	10,324	20,261	10,827	11,105	21,931
<b>2016 Supplemental Maintenance Level</b>	<b>44</b>	<b>175</b>	<b>219</b>	<b>96</b>	<b>62</b>	<b>158</b>
<b>2016 Supplemental Policy Level</b>	<b>37</b>	<b>211</b>	<b>247</b>	<b>30</b>	<b>(17)</b>	<b>13</b>
K-12 Education	0	(9)	(9)	(12)	(12)	(24)
McCleary Fines	21	-	21	-	-	-
K-12 Recruitment and Retention	-	99	99	120	122	243
Higher Education	9	8	17	6	6	12
Dept of Early Learning	(4)	(0)	(5)	(3)	(3)	(5)
Child Care CBA	-	13	13	13	13	26
Mental Health/Dev. Disabilities/Long Term Care	(26)	8	(18)	1	1	1
IP Overtime and Informal Supports	11	31	42	28	29	57
State Hospitals Enhancement	14	24	39	25	26	51
Community MH Enhancement	-	7	7	12	12	24
Corrections/JRA/SCC	2	7	9	7	7	15
Children's/Economic Svcs	(4)	(0)	(5)	9	9	18
Low Income Health Care	0	7	7	6	9	15
Healthier WA & Waiver Savings Restoration	20	23	43	24	24	48
Low Income Health Care/I-502	(24)	(5)	(29)	(2)	4	2
Debt Service	-	1	1	1	1	3
All Other	7	18	25	7	9	16
Fires	(21)	(21)	(42)	-	-	-
Moore Settlement	32	-	32	-	-	-
Statutory Exclusion of Additional McCleary Step-up	-	-	-	(212)	(275)	(487)
Actual/Estimated Reversions	(86)	(86)	(173)	(86)	(86)	(173)
<b>Revised Appropriations</b>	<b>18,634</b>	<b>19,879</b>	<b>38,513</b>	<b>20,534</b>	<b>20,994</b>	<b>41,528</b>
<b>Projected Ending Balance</b>	<b>1,009</b>	<b>359</b>	<b>359</b>	<b>(37)</b>	<b>5</b>	<b>5</b>
<b>Budget Stabilization Account</b>						
Beginning Balance	513	417	513	423	530	423
Transfer From GFS	184	188	372	197	205	401
Extraordinary Revenue to BSA	-	64	64	-	8	8
Extraordinary Revenue from BSA to GF-S	-	(64)	(64)	-	(8)	(8)
Appropriations from BSA for fires	(190)	-	(190)	-	-	-
Appropriations from BSA for levies*	-	(91)	(91)	-	-	-
BSA into Education Construction Account	(74)	(75)	(149)	(98)	(102)	(201)
BSA into Homeless Assistance Account	(18)	(19)	(37)	-	-	-
Interest Earnings	1	3	4	8	16	24
<b>Ending BSA Balance</b>	<b>417</b>	<b>423</b>	<b>423</b>	<b>530</b>	<b>648</b>	<b>648</b>
Adjustment for Outlook resources				(98)	(102)	(201)
<b>Total Reserves</b>	<b>1,426</b>	<b>783</b>	<b>783</b>	<b>395</b>	<b>551</b>	<b>453</b>

\* At the end of Fiscal Year 2019, the legislature intends to transfer any amounts remaining in the Local Effort Assistance Transition Account (LEATA) back to the Budget Stabilization Account (BSA). The impact of any transfer from the LEATA back to the BSA is not included in the above figures.

\*\* Totals may not tie fiscal year due to rounding.



2015

2017



Washington State House of Representatives  
Office of Program Research