



January 11, 2022

Senate Ways and Means Committee

# Gov. Inslee's Proposed 2022 Supplemental Operating Budget

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# Not a typical supplemental budget

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- Availability of federal funds, one-time money
- Revenue forecasts continue to grow
- Caseloads/enrollments decline
- Challenges remain
- Continued uncertainty, pandemic

# Priorities

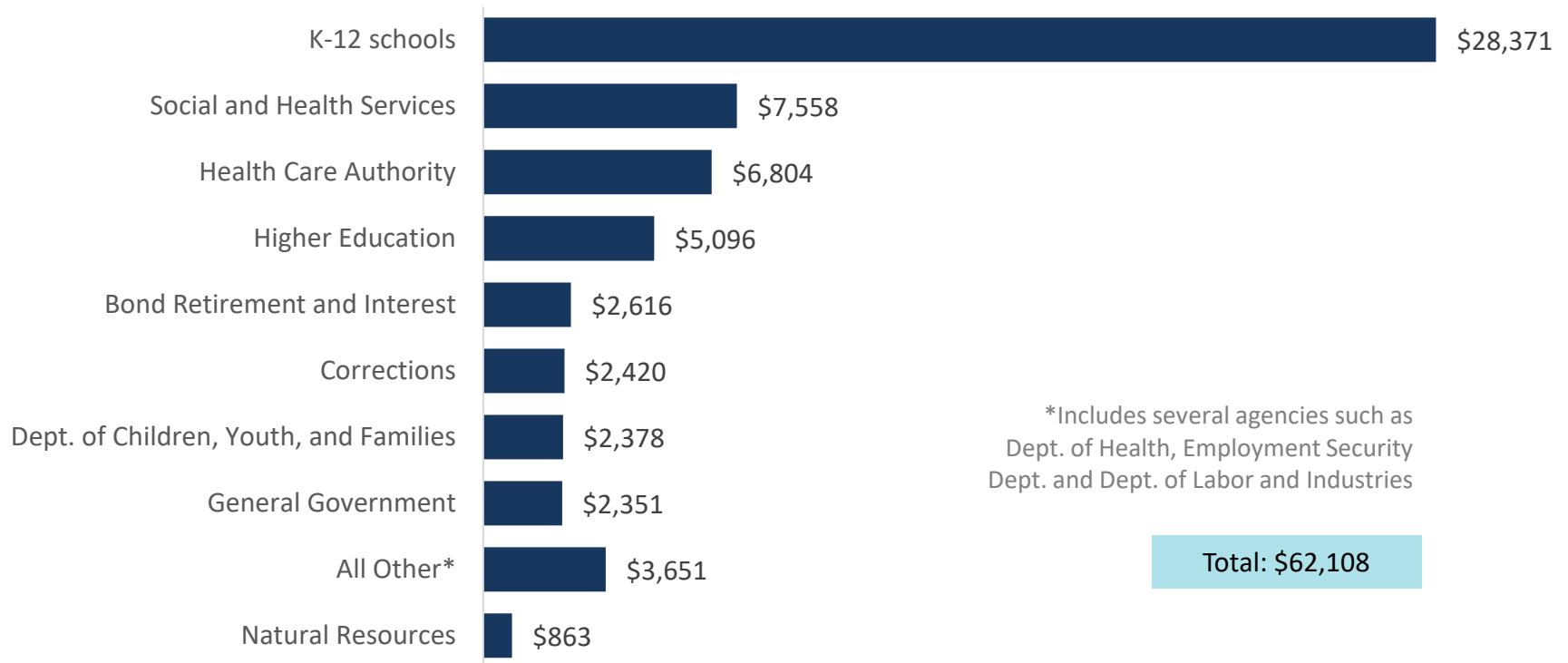
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- Continue response to pandemic and build public health capacity
- Continue economic support for those most impacted by pandemic
- Stabilize agencies' ability to provide services
- Make significant investments in key areas, such as homelessness, poverty reduction, education, climate action and salmon recovery

# Governor's Proposed 2022 Supplemental Budget

## 2021-23 Omnibus operating budget funds subject to outlook

*Dollars in millions*



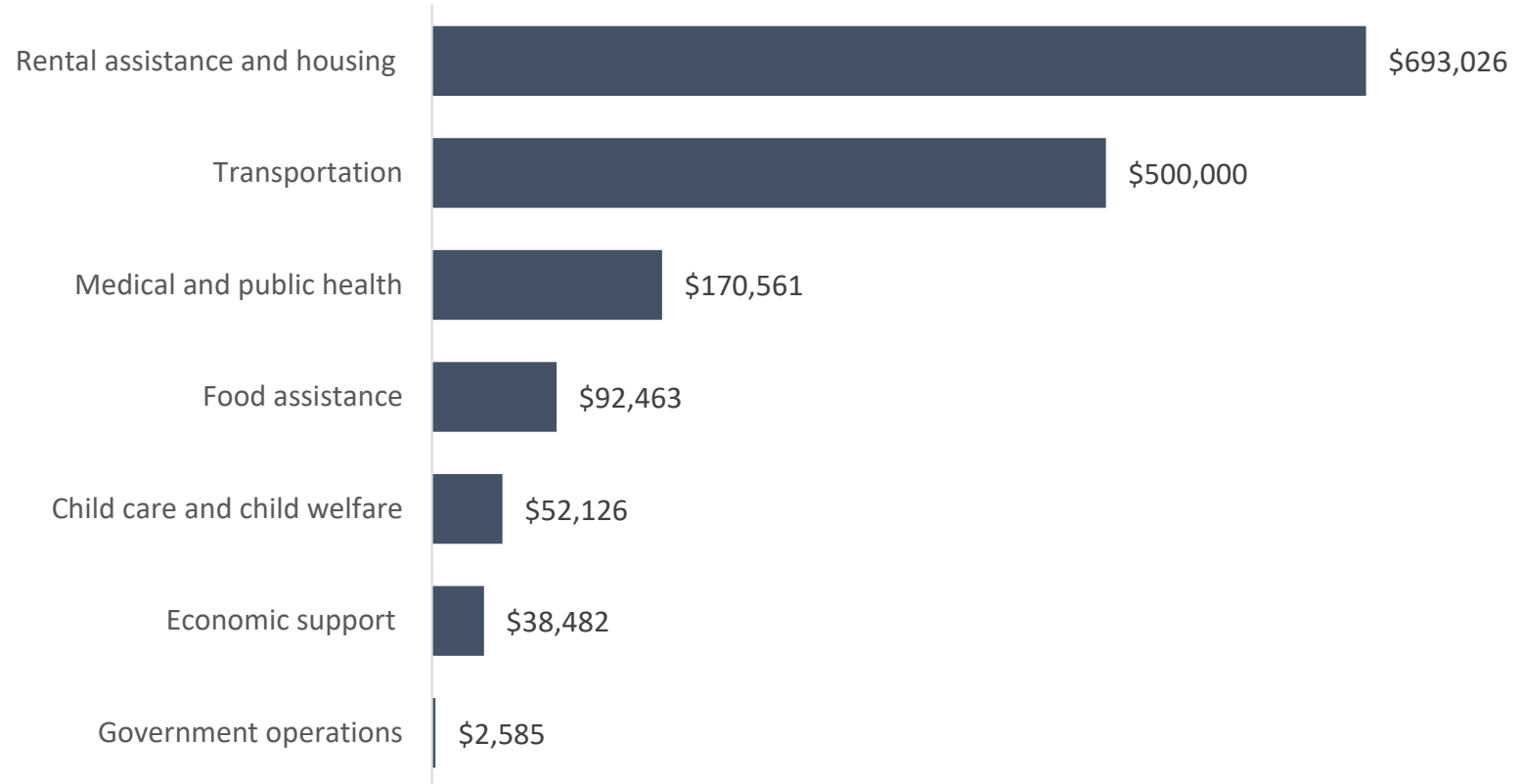
Transferred \$418 million to Transportation Budget and \$150 million to Capital Budget



# COVID Federal Relief Fund Allocation – Net \$1.3 billion

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*Dollars in millions*



# Investment highlights

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## ➤ **\$815 million to combat homelessness**

- Fund the rapid acquisition of housing for more tiny homes, enhanced shelters, permanent supportive/affordable housing
- Expand services for people with behavioral health needs
- Transition people encamped on public right of way to permanent housing solutions
- Address utility arrearages to help people stay in their homes

## ➤ **\$249 million for poverty reduction**

- Increase benefits, close access gaps to public assistance programs
- Increase access to food assistance
- Strengthen health supports for all ages
- Support individuals who are leaving state systems

# Investment highlights

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## ➤ **K-12 education: Reinvest nearly \$1 billion in caseload savings**

- Provide more social/emotional supports (counselors, nurses)
- Help kids who are falling through educational opportunity gaps
- Enhance outdoor education and climate science curriculum

## ➤ **\$82 million for foster care**

- Update practice standards to comply with Indian Child Welfare Act
- Improve placement options for high-needs and hard-to-place foster youth
- Provide support for young adults exiting extended foster care

# Investment highlights

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## ➤ **\$626 million for climate action**

- Fund clean transportation, including ferry electrification
- Decarbonize building sector
- Implement Climate Commitment Act
- Build clean energy/green economy

## ➤ **\$187 million for salmon recovery**

- Create new landowner investment program to protect and restore vital habitat
- Invest in clean water infrastructure
- Align harvest, hatcheries and hydropower with salmon recovery



# Projected reserves

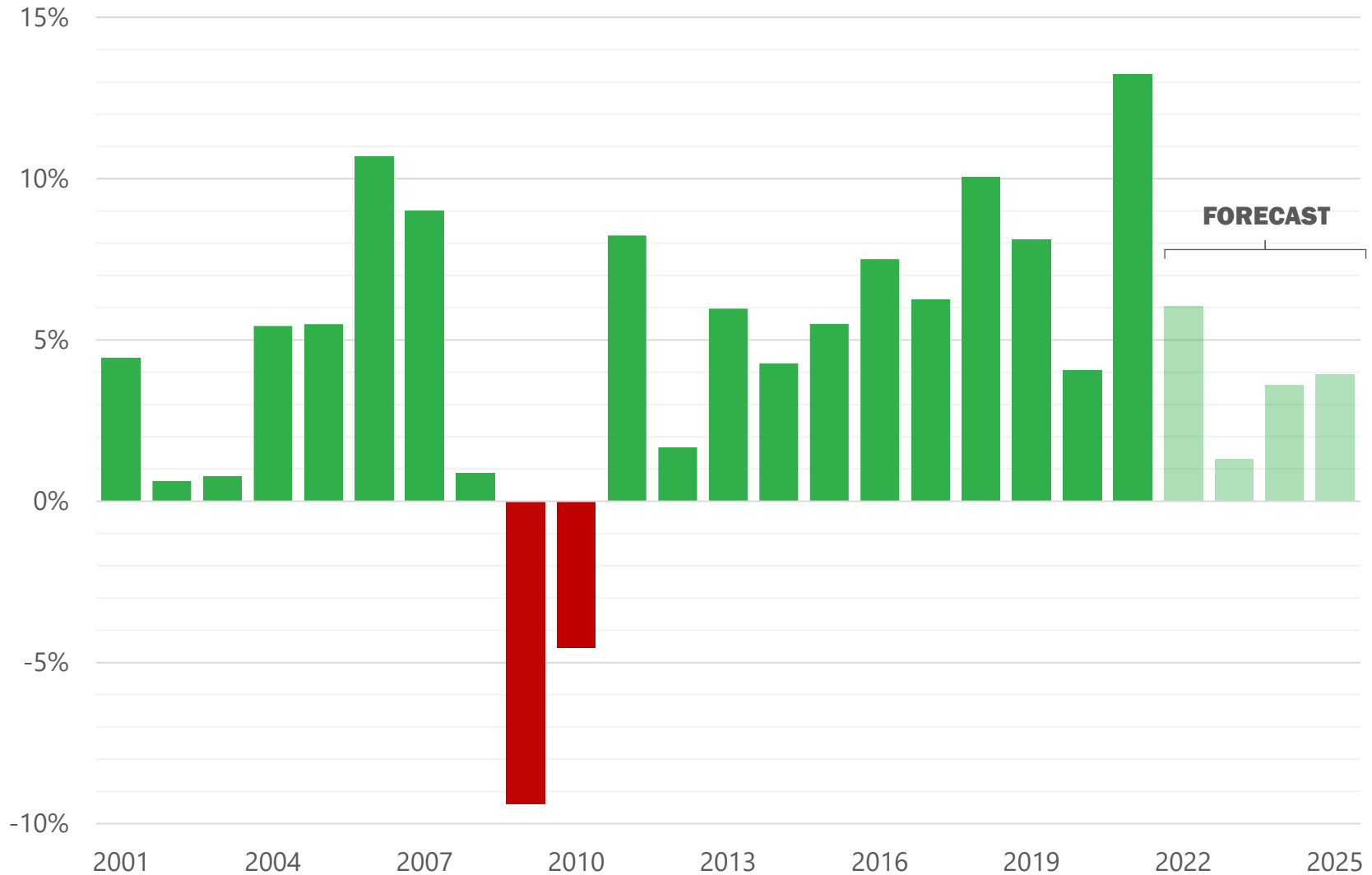
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*Dollars in millions*

	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>
Ending balance	\$ 4,161	\$ 1,316	\$ 991
<u>Budget Stabilization Account</u>	<u>\$ 19</u>	<u>\$ 1,197</u>	<u>\$ 1,823</u>
Total reserves	\$ 4,180	\$ 2,513	\$ 2,814

Includes extra \$600 million transfer to the Budget Stabilization Account

# Annual percentage change of state revenue



Includes General Fund-State, ELTA, OPA and WEIA revenue

Fiscal year

Source: Economic and Revenue Forecast Council, Nov. 2021 forecast



# FOR MORE INFORMATION:

[OFM.WA.GOV](http://OFM.WA.GOV)

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