

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

# **OPERATING BUDGET**

## **Budget Summary**

PSHB 1140

H-1762.2

By Representative Ormsby

March 27, 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 FY 2022 to FY 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 FY 2023 to FY 2024 after a decade of positive growth, before increasing to 3.7 percent growth from FY 2024 to FY 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 Substitute House Bill 1140 by Representative Ormsby**

### Description of Summary and Detail Documents for PSHB 1140

Summary and detail documents related to PSHB 1140 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.

## Summary

For the 2023-25 biennium, PSHB 1140 appropriates \$70.0 billion NGF-O and \$131.9 billion in total budgeted funds. 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 a net of \$5.0 billion NGF-O and a \$13.5 billion total budgeted funds.

The proposed 2023 supplemental operating budget modifying the current 2021-23 biennium, also included in PSHB 1140, appropriates \$63.3 billion NGF-O and \$132.3 billion total budgeted funds, including appropriations in other legislation. This includes a net increase of \$423.9 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 \$1.2 billion NGF-O and \$455.3 million total funds.

Policy-level expenditures contained in PSHB 1140 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.

### Selected NGF-O Balance Sheet Related Items

The NGF-O balance sheet associated with the proposal reflects transfers included in PSHB 1140 as well as reversion assumptions. For the 2021-23 and 2023-25 biennia:

- \$1.8 billion is transferred from the Washington Rescue Plan Transition Account (WRPTA) to the General Fund-State in FY 2023, increasing the 2023-25 biennium beginning NGF-O balance.
- \$88.1 million is transferred from other dedicated accounts to the General Fund-State, including \$63.9 million from the Long-Term Services and Supports (LTSS) Trust for the repayment of loans to the account for the LTSS Trust program's startup costs, with interest.
- In addition to required transfers to the Budget Stabilization Account, \$250.3 million is transferred from the General Fund-State to various dedicated accounts, including \$89.2 million to the Disaster Response Account and \$100.0 million to the Wildfire Response, Forest Restoration, and Community Resilience Account.

- \$252.9 million in anticipated reversions is assumed for FY 2023 (in part by assuming that 1 percent of General Fund-State will be reverted), described further in the proceeding bullet.
- \$564.7 million in anticipated reversions for the 2023-25 biennium, including:
  - \$324.2 million in FY 2024 from assuming 1percent reversions. Actual reversions over the past three years have been higher than the previously assumed 0.5 percent. Beginning in FY 2025, 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.
  - \$5.3 million in savings from anticipated reductions in need for leased state office and facility space as many state employees continue to work remotely.

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

PSHB 1140 leaves a projected ending fund balance for the 2023-25 biennium of \$1.6 billion NGF-O and \$3.2 billion in total reserves, including \$1.3 billion in the Budget Stabilization Account (BSA) and \$297 million in WRPTA.

Under the four-year balanced budget requirement pursuant to Chapter 8, Laws of 2012 (SSB 6636), PSHB 1140 is projected to end the 2025-27 biennium with a \$181 million NGF-O balance and \$2.6 billion in total reserves.

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

Representative Ormsby's proposal assumes a net increase of \$53.2 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 House Bill 1850, which contributes \$54.2 million in NGF-O revenues. The HSNA revenue increase is partially offset by the net impact of other legislation assumed by the proposal.

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 proposal offered by Representative Ormsby. The proposal makes supplemental changes to the 2021-23 biennial budget and adopts a budget for the 2023-25 biennium.

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.

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:

- text of Proposed Substitute House Bill 1140;
- agency detail showing line item policy changes by agency (and program level in selected areas such the Department of Social and Health Services, Health Care Authority, Department of Commerce, Department of Children, Youth, and Families, as well as K-12 Public Schools);
- a detailed four-year budget Outlook; and
- various documents and schedules (commonly referred to as LEAP documents).

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 (and 2023 Supplemental)

### PSHB 1140 (H-1762.2) by Rep. Ormsby

(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  | -800,000          | -800,000          | -337,011        | -337,011         | -2,330,833        |
| Hospital Safety Net  | 0                 | 0                 | -160,000        | 0                | -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          |
| Rainier PAT C  | -11,889           | -14,028           | -31,268         | -60,649          | -75,596           |
| ARPA Fund Shift  | 0                 | 0                 | -52,186         | 0                | -52,186           |
| Federal Fund Swap (CRSSA)  | 0                 | 0                 | -61,848         | 0                | -61,848           |
| Program Underspends (DSHS)   | -14,012           | -19,012           | -15,000         | -15,000          | -44,765           |
| Savings from STAR Ward Closure   | 0                 | 0                 | -19,134         | -19,134          | -39,229           |
| Fund Source Change   | 2,488             | 0                 | -51,367         | 0                | -100,133          |
| Other Appropriation Adjustments  | 31,074            | -296,035          | 35,319          | 280,280          | 102,591           |
| Shift From Operating Budget  | 0                 | -98,000           | 0               | -814             | 0                 |
| <b><i>FMAP, Fund Source Changes and Larger Savings Items Total</i></b> | <b>-1,595,337</b> | <b>-1,392,693</b> | <b>-874,348</b> | <b>-152,328</b>  | <b>-4,277,765</b> |
| <b><i>State Employee Compensation (Excl. Higher Ed.)</i></b>           |                   |                   |                 |                  |                   |
| Employee Salary & Wages (Rep.)   | 0                 | 0                 | 666,289         | 1,096,297        | 1,396,194         |
| Employee Salary & Wages (Non-Rep.)                                     | 0                 | 0                 | 31,737          | 59,783           | 42,305            |
| Updated PEBB Rate  | 0                 | 0                 | 15,290          | 27,168           | 45,870            |
| Other Increases  | 301               | 301               | 7,201           | 30,542           | 14,498            |
| 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>720,517</b>  | <b>1,213,370</b> | <b>1,498,867</b>  |
| <b><i>Higher Education Employee Compensation</i></b>                   |                   |                   |                 |                  |                   |
| Employee Salary & Wages (Rep.)   | 0                 | 0                 | 38,909          | 403,407          | 81,081            |
| Employee Salary & Wages (Non-Rep.)                                     | 0                 | 0                 | 101,982         | 364,053          | 232,380           |
| Updated PEBB Rate  | 0                 | 0                 | 7,764           | 22,464           | 23,292            |
| Other Increases  | 0                 | 0                 | 3,083           | 4,754            | 6,545             |
| <b><i>Higher Education Employee Compensation Total</i></b>             | <b>0</b>          | <b>0</b>          | <b>151,738</b>  | <b>794,678</b>   | <b>343,298</b>    |
| <b><i>K-12 Education</i></b>   |                   |                   |                 |                  |                   |
| K-12: Salary Inflation   | 0                 | 0                 | 261,672         | 261,672          | 888,812           |
| Updated SEBB Rate  | 0                 | 0                 | 307,935         | 307,935          | 757,553           |
| K-12: Special Education  | 0                 | 0                 | 94,036          | 179,419          | 366,259           |
| K-12: School Food Support  | 26,500            | 26,500            | 56,599          | 85,242           | 178,645           |
| Transition to Kindergarten   | 0                 | 0                 | 14,662          | 14,698           | 26,609            |
| ESSER Adjustments  | 0                 | -93,140           | 0               | 924,509          | 0                 |
| Teacher Residencies  | 0                 | 0                 | 8,973           | 8,973            | 26,116            |
| K-12: Local Effort Assistance  | 23,047            | 23,047            | 0               | 0                | 23,047            |
| Incremental Regionalization Rebase                                     | 0                 | 0                 | 23,369          | 23,369           | 23,369            |
| Student Restraint and Isolation  | 0                 | 0                 | 15,000          | 15,000           | 15,000            |
| Other Increases  | 72                | 14,863            | 53,302          | 71,876           | 89,571            |
| Other Savings  | -34,347           | -34,347           | -200            | -200             | -35,047           |
| <b><i>K-12 Education Total</i></b>                                     | <b>15,272</b>     | <b>-63,077</b>    | <b>835,348</b>  | <b>1,892,493</b> | <b>2,359,934</b>  |

## 2023-25 Omnibus Operating Budget (and 2023 Supplemental)

### PSHB 1140 (H-1762.2) by Rep. Ormsby

(Dollars in Thousands)

|  | 2023 Supp     |               | 2023-25        |                  | 5-Year Total     |
|--|---------------|---------------|----------------|------------------|------------------|
|  | NGF-O         | Total         | NGF-O          | Total            | NGF-O            |
| <b>Children, Youth, &amp; Families</b>             |               |               |                |                  |                  |
| CBA: Family Child Care Providers                   | 0             | 0             | 256,186        | 256,186          | 393,878          |
| ECEAP: Rates/Other                                 | 0             | 0             | 52,204         | 52,204           | 118,687          |
| ECEAP: Slots                                       | 0             | 0             | 29,587         | 29,587           | 79,322           |
| Early Learning: All Other                          | 6,350         | 41,350        | 44,911         | 54,512           | 73,499           |
| Caregiver Placement Supports                       | 0             | 0             | 28,480         | 35,080           | 97,161           |
| D.S. Settlement Compliance                         | 651           | 741           | 21,390         | 24,247           | 42,301           |
| Child Dependency & Related                         | 649           | 649           | 11,626         | 17,744           | 43,926           |
| Prevention, Early Intervention, & Transitional Svc | 0             | 0             | 20,451         | 25,881           | 38,731           |
| Foster Care Maintenance Payments                   | 0             | 0             | 18,578         | 19,825           | 37,030           |
| Family Visitation Provider Rates                   | 3,725         | 4,543         | 13,392         | 16,332           | 30,509           |
| Child Support Pass-Through                         | 0             | 0             | 6,918          | 11,273           | 31,356           |
| Child Care for Children with Complex Needs         | 0             | 0             | 12,589         | 12,589           | 24,905           |
| Naselle Closure Adjustment                         | -3,009        | -3,009        | -8,188         | -8,188           | -22,925          |
| Early Learning: Child Care Non-Standard Hours      | 0             | 0             | 9,414          | 9,414            | 18,828           |
| Education for Youth In or Exiting Systems of Care  | 0             | 0             | 5,747          | 6,852            | 10,321           |
| Other Increases                                    | 3,935         | 4,220         | 40,104         | 44,218           | 70,003           |
| Other Savings                                      | -1,074        | -1,074        | -200           | -200             | -1,474           |
| <b>Children, Youth, &amp; Families Total</b>       | <b>11,227</b> | <b>47,420</b> | <b>563,189</b> | <b>607,556</b>   | <b>1,086,057</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             | 112,224        | 227,960          | 117,343          |
| Assisted Living Rates                              | 0             | 0             | 35,461         | 75,132           | 73,978           |
| Supported Living Rates                             | 0             | 0             | 35,114         | 70,937           | 72,362           |
| Employment/Community Inc Rates                     | 0             | 0             | 24,100         | 43,502           | 51,871           |
| Provider Rates & Reimbursements                    | 451           | 791           | 45,107         | 92,876           | 82,351           |
| Hospital Transition Supports                       | 18,352        | 36,178        | 50,442         | 73,897           | 87,548           |
| Transitional Care Center                           | 0             | 0             | 40,713         | 82,120           | 40,713           |
| WA Cares Fund                                      | 0             | 0             | 0              | 41,454           | 0                |
| Other Increases                                    | 4,123         | 9,369         | 34,065         | 49,324           | 83,902           |
| Other Savings                                      | -615          | -1,250        | -419           | -3,652           | -2,571           |
| <b>Long Term Care &amp; DD Total</b>               | <b>22,311</b> | <b>45,088</b> | <b>864,890</b> | <b>1,854,596</b> | <b>1,677,347</b> |
| <b>Behavioral Health</b>                           |               |               |                |                  |                  |
| MCO Behavioral Health Rate Increase                | 0             | 0             | 95,286         | 267,711          | 227,567          |
| Provider Rates & Reimbursements                    | 0             | 0             | 25,887         | 76,390           | 61,039           |
| Non-Medicaid Funding                               | 0             | 0             | 67,705         | 67,705           | 157,715          |
| Behavioral Health Crisis, Outreach, and Diversion  | 0             | 0             | 21,371         | 100,602          | 53,184           |
| Maple Lane Campus                                  | 4,612         | 4,043         | 65,148         | 65,538           | 184,428          |
| Trueblood Settlement/Forensic Mental Health        | 5,195         | 5,195         | 91,460         | 93,522           | 154,205          |
| Residential Treatment Facility (Vancouver Campus)  | 0             | 0             | 47,391         | 47,391           | 132,237          |
| BH Facility Operating Costs                        | 0             | 0             | 16,417         | 35,686           | 61,519           |
| Community Civil Commitment Beds                    | 1,207         | 5,201         | 25,871         | 74,802           | 82,728           |
| State Hospital: Direct Care Staffing               | 0             | 0             | 13,831         | 14,873           | 37,918           |
| State Hospital: WSH Civil Ward                     | 0             | 0             | 15,725         | 15,725           | 31,850           |

## 2023-25 Omnibus Operating Budget (and 2023 Supplemental)

### PSHB 1140 (H-1762.2) by Rep. Ormsby

(Dollars in Thousands)

|   | 2023 Supp     |                | 2023-25        |                  | 5-Year Total     |
|---|---------------|----------------|----------------|------------------|------------------|
|   | NGF-O         | Total          | NGF-O          | Total            | NGF-O            |
| State Hospital: Violence Reduction              | 0             | 0              | 12,529         | 13,201           | 30,616           |
| Behavioral Health Personal Care                 | 3,044         | 3,044          | 31,596         | 110,342          | 68,731           |
| Substance Use Disorder Prevention/Treatment     | 500           | 500            | 16,022         | 138,795          | 32,070           |
| Behavioral Health- Intensive Youth Services     | 0             | 0              | 13,263         | 24,959           | 29,042           |
| Behavioral Health Workforce                     | 64            | 64             | 11,086         | 63,558           | 11,705           |
| Children's Long Term Inpatient - Facility Delay | -3,028        | -6,056         | -2,949         | -5,898           | 591              |
| Other Increases                                 | 1,325         | 7,903          | 24,837         | 89,728           | 45,340           |
| Other Savings                                   | -7,589        | -16,760        | -1,135         | -16,838          | -8,724           |
| <b>Behavioral Health Total</b>                  | <b>5,330</b>  | <b>3,134</b>   | <b>591,341</b> | <b>1,277,792</b> | <b>1,393,760</b> |
| <b>Housing &amp; Homelessness</b>               |               |                |                |                  |                  |
| Emergency Housing & Rental Assistance           | 270           | 270            | 98,810         | 174,810          | 258,414          |
| Homeless Services Contracts                     | 0             | 0              | 52,500         | 52,500           | 105,000          |
| Covenant Homeownership Program                  | 0             | 0              | 0              | 150,000          | 0                |
| Encampment Response & Outreach                  | 0             | 0              | 60,000         | 60,000           | 60,000           |
| Housing & Essential Needs                       | 0             | 0              | 26,520         | 26,520           | 53,040           |
| Children & Youth Homelessness                   | 580           | 580            | 17,746         | 27,751           | 29,842           |
| Housing Supply                                  | 0             | 0              | 15,588         | 15,588           | 28,646           |
| Behavioral Health Housing & Employment          | 0             | 0              | 8,365          | 8,365            | 20,000           |
| Other Increases                                 | 0             | 0              | 12,166         | 12,166           | 19,866           |
| <b>Housing &amp; Homelessness Total</b>         | <b>850</b>    | <b>850</b>     | <b>291,695</b> | <b>527,700</b>   | <b>574,808</b>   |
| <b>Public Health</b>                            |               |                |                |                  |                  |
| Foundational Public Health Services             | 0             | 0              | 60,000         | 100,000          | 140,000          |
| COVID-19 Response                               | 49,746        | 49,746         | 0              | 20,000           | 49,746           |
| Reproductive Health                             | 7,500         | 7,500          | 16,729         | 16,729           | 40,435           |
| Public Health Data Systems                      | 0             | 0              | 41,055         | 41,055           | 41,231           |
| Statewide Medical Logistics Center              | 0             | 0              | 7,355          | 14,377           | 23,561           |
| HIV Antiviral Drug Coverage                     | 0             | 0              | 0              | 100,749          | 0                |
| Other Increases                                 | 10,155        | 10,817         | 39,685         | 69,113           | 66,786           |
| <b>Public Health Total</b>                      | <b>67,401</b> | <b>68,063</b>  | <b>164,824</b> | <b>362,023</b>   | <b>361,759</b>   |
| <b>Health Care</b>                              |               |                |                |                  |                  |
| Healthcare for the Uninsured                    | -1,300        | -1,300         | 98,602         | 98,602           | 300,948          |
| Professional Services Rates                     | 0             | 0              | 19,748         | 67,895           | 60,955           |
| Provider Rates & Reimbursements                 | 129           | 315            | 17,782         | 43,709           | 39,889           |
| Hospital Payments                               | 0             | 0              | 9,360          | 304,703          | 9,360            |
| Electronic Health Records                       | 0             | 0              | 20,000         | 20,000           | 20,000           |
| Cascade Care                                    | 0             | -30,000        | 260            | 25,260           | 260              |
| Oral Health Care                                | 0             | 0              | 3,653          | 7,304            | 7,849            |
| Other Increases                                 | 445           | 4,140          | 38,437         | 60,800           | 86,852           |
| <b>Health Care Total</b>                        | <b>-726</b>   | <b>-26,845</b> | <b>207,842</b> | <b>628,273</b>   | <b>526,113</b>   |



**2023-25 Omnibus Operating Budget (and 2023 Supplemental)**

**PSHB 1140 (H-1762.2) by Rep. Ormsby**

(Dollars in Thousands)

|   | 2023 Supp      |                | 2023-25        |                | 5-Year Total   |
|---|----------------|----------------|----------------|----------------|----------------|
|   | NGF-O          | Total          | NGF-O          | Total          | NGF-O          |
| <b>Higher Education</b>                             |                |                |                |                |                |
| CTC Workforce Development                           | 0              | 0              | 66,624         | 66,624         | 122,210        |
| Fund Split Support                                  | 0              | 0              | 47,342         | 0              | 112,384        |
| UW Hospital Support                                 | 100,000        | 100,000        | 0              | 0              | 100,000        |
| Health Care Workforce/Training                      | 0              | 0              | 33,751         | 45,126         | 59,610         |
| Dual Credit   | 0              | 0              | 20,882         | 20,882         | 44,319         |
| Washington College Grant                            | 0              | 0              | 19,750         | 19,750         | 48,074         |
| Washington Student Loan Program                     | 0              | -150,000       | 0              | 130,000        | 0              |
| Postsecondary Student Needs                         | 0              | 0              | 9,194          | 9,194          | 18,483         |
| High Demand Enrollment                              | 0              | 0              | 6,789          | 6,789          | 14,555         |
| Other Increases                                     | 0              | 150            | 41,345         | 57,345         | 73,876         |
| <b>Higher Education Total</b>                       | <b>100,000</b> | <b>-49,850</b> | <b>245,677</b> | <b>355,710</b> | <b>593,510</b> |
| <b>Other Human Services</b>                         |                |                |                |                |                |
| Food Assistance & Related                           | 187            | 33,067         | 56,920         | 127,633        | 90,064         |
| Cash Assistance                                     | 0              | 0              | 42,505         | 43,879         | 99,305         |
| Eliminate ABD Recoveries                            | 0              | 0              | 39,519         | 39,519         | 88,936         |
| Earned Income Disregard                             | 0              | 0              | 18,157         | 18,906         | 63,683         |
| Support for Refugees & Other Recent Arrivals        | 1,000          | 68,691         | 22,865         | 73,235         | 29,226         |
| TANF Changes  | 0              | 0              | 2,000          | 44,872         | 25,071         |
| Asset Limits for Public Assistance                  | 0              | 0              | 6,842          | 6,842          | 24,633         |
| Information Technology                              | 0              | 0              | 15,841         | 50,426         | 18,996         |
| Other Increases                                     | -360           | 9,048          | 54,071         | 89,321         | 66,362         |
| Other Savings                                       | -53            | -874           | 0              | -4,159         | -53            |
| <b>Other Human Services Total</b>                   | <b>774</b>     | <b>109,932</b> | <b>258,720</b> | <b>490,474</b> | <b>506,222</b> |
| <b>Corrections and Other Criminal Justice</b>       |                |                |                |                |                |
| Criminal Justice Training & Certification           | 186            | 186            | 24,185         | 27,985         | 41,527         |
| Collaboration & Training (Amend Program)            | 2,031          | 2,031          | 8,000          | 8,000          | 18,216         |
| Victims Services                                    | 0              | 0              | 64,744         | 64,744         | 84,566         |
| Firearm/Violence Prevention Grants                  | 0              | 0              | 12,036         | 12,036         | 24,072         |
| Correct. Indust. Wages & Gratuities                 | 0              | 0              | 7,000          | 7,000          | 14,162         |
| Independent Investigations & Prosecutions           | 0              | 0              | 19,642         | 19,642         | 42,452         |
| OMNI Sentencing Calculation Module                  | -1,910         | -1,910         | 5,783          | 5,783          | 5,970          |
| Other Increases                                     | 3,786          | 18,366         | 64,887         | 80,769         | 125,878        |
| Other Savings                                       | -4,189         | -4,189         | 0              | 0              | -4,189         |
| <b>Corrections and Other Criminal Justice Total</b> | <b>-96</b>     | <b>14,484</b>  | <b>206,277</b> | <b>225,959</b> | <b>352,654</b> |
| <b>Natural Resources</b>                            |                |                |                |                |                |
| Climate Commitment Act                              | 0              | 394            | 5,403          | 316,181        | 7,037          |
| Forest Health & Wildfire Protection                 | 95,785         | 150,130        | 14,802         | 45,440         | 129,931        |
| Natural Disasters                                   | 0              | 619,757        | 2,750          | 1,245,150      | 3,500          |
| Energy & Climate                                    | 0              | 0              | 14,147         | 21,180         | 15,975         |
| Biodiversity Conservation                           | 0              | 0              | 24,570         | 24,870         | 55,570         |
| Salmon Production, Habitat, & Recovery              | 240            | 240            | 23,852         | 29,547         | 30,660         |
| Land Management                                     | 0              | 0              | 15,086         | 15,986         | 21,660         |

## 2023-25 Omnibus Operating Budget (and 2023 Supplemental)

### PSHB 1140 (H-1762.2) by Rep. Ormsby

(Dollars in Thousands)

|  | 2023 Supp         |                 | 2023-25          |                   | 5-Year Total     |
|--|-------------------|-----------------|------------------|-------------------|------------------|
|  | NGF-O             | Total           | NGF-O            | Total             | NGF-O            |
| Invasive Species                                   | 3,303             | 3,693           | 8,218            | 11,984            | 11,697           |
| Other Increases                                    | 0                 | 5,113           | 44,644           | 118,826           | 67,195           |
| Other Savings                                      | 0                 | 0               | -149             | -149              | -298             |
| <b>Natural Resources Total</b>                     | <b>99,328</b>     | <b>779,327</b>  | <b>153,323</b>   | <b>1,829,015</b>  | <b>342,927</b>   |
| <b>All Other Policy Changes</b>                    |                   |                 |                  |                   |                  |
| Community Reinvestment Account                     | 0                 | 0               | 0                | 200,000           | 0                |
| DEI Initiatives                                    | 1,825             | 1,994           | 76,079           | 94,607            | 97,294           |
| Debt Service on New Projects                       | 0                 | 0               | 51,021           | 51,021            | 468,879          |
| Housing Referendum (Debt Service & Implementation) | 0                 | 0               | 1,136            | 1,136             | 55,804           |
| Working Families Tax Credit                        | 0                 | 0               | 35,340           | 35,340            | 63,905           |
| Therapeutic Courts                                 | 0                 | 0               | 20,630           | 20,630            | 41,248           |
| Information Technology                             | 0                 | 0               | 42,779           | 120,019           | 60,237           |
| Judicial: IT & Related                             | 0                 | 0               | 22,803           | 22,803            | 35,189           |
| IT Pool  | 0                 | 0               | 17,592           | 23,870            | 17,592           |
| OneWashington                                      | 0                 | 0               | 0                | 127,832           | 0                |
| Blake v. Wa  | 0                 | 0               | 1,627            | 113,867           | 1,627            |
| Provider Rates & Reimbursements                    | 0                 | 0               | 16,188           | 16,188            | 37,434           |
| LCB Regulatory Systems                             | 0                 | -7,000          | 0                | 35,278            | 0                |
| Apprenticeships & Supports                         | 0                 | 0               | 15,196           | 15,821            | 18,943           |
| Central Services: OFM                              | 0                 | 0               | 65,433           | 97,724            | 90,624           |
| Central Services: Legal Services                   | 0                 | 0               | 28,647           | 52,532            | 58,329           |
| Central Services: All Other                        | 0                 | 0               | 24,245           | 77,469            | 44,283           |
| Central Services: CTS                              | 0                 | 0               | 36,044           | 70,317            | 67,131           |
| Other Increases                                    | 5,992             | -24,164         | 116,653          | 264,248           | 184,622          |
| Appropriations into Other Accounts                 | 9,700             | 9,700           | 51,798           | 116,098           | 90,674           |
| <b>All Other Policy Changes Total</b>              | <b>17,517</b>     | <b>-19,470</b>  | <b>623,211</b>   | <b>1,556,800</b>  | <b>1,433,816</b> |
| <b>Grand Total</b>                                 | <b>-1,255,848</b> | <b>-483,336</b> | <b>5,004,244</b> | <b>13,464,111</b> | <b>8,773,307</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 Compensation (\$593 million NGF-O 2023-25; \$1.67 billion 5-year NGF-O total)**

Salary allocations are increased for inflation as provided in Engrossed Substitute House Bill 1732 (K-12 inflation adjustments) 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 \$1,116 per employee per month in the 2023-24 SY and \$1,178 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 (\$94 million NGF-O 2023-25; \$67 million Federal 2023-25; \$366 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). Funding is also provided for summer evaluations, and extended transition supports.

### **Free School Meal Expansion (\$56.4 million NGF-O 2023-25; \$28.5 million Federal 2023-25; \$178 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).

### **Dual Credit Enrollment Enhancements (\$19.4 million NGF-O 2023-25; \$36.9 million 5-year NGF-O total)**

Funding is provided to increase the Running Start combined maximum enrollment cap from 1.2 FTE to 1.6 FTE.

### **Student Restraint and Isolation (\$15.0 million NGF-O 2023-25; \$15.0 million 5-year NGF-O total)**

Funding is provided for the implementation of Engrossed Second Substitute House Bill 1479 (Student restraint, isolation), which modifies provisions related to student isolation and restraint, adds training and professional development requirements, and establishes technical assistance and other forms of compliance monitoring and support.

### **Transition to Kindergarten (\$14.7 million NGF-O 2023-25; \$26.6 million 5-year NGF-O total)**

Funding is provided for the implementation of Second Substitute House Bill 1550 (Transition to kindergarten), which creates the Transition to Kindergarten (TTK) program beginning in the 2024-25 school year. Funding is sufficient to support 5,077 FTE students in the TTK program during the 2024-25 school year.

**Professional Education Workforce (\$12.0 million NGF-O 2023-25; \$31.7 million 5-year NGF-O total)**

Funding is provided for the implementation of Engrossed Second Substitute House Bill 1565 (Prof. education workforce), which establishes a teacher residency program and establishes educator workforce data collection and analysis requirements. Funding is sufficient to support 5 teacher residency cohorts with 17 residents per cohort, beginning in the 2024-25 school year. Additional funding is provided for the Beginning Educator Support Team (BEST) program to increase the number of beginning teachers who receive mentoring support.

# HIGHER EDUCATION

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## *Increases*

### **Financial Aid**

#### **Washington College Grant (\$21.5 million NGF-O 2023-25; \$50.0 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 FY 2024. Beginning in FY 2025, 60 percent of the maximum award will be awarded for students between 66-70 percent MFI, 30 percent of the maximum award will be awarded for students between 71-80 percent MFI, and 10 percent of the maximum award will be awarded for students between 81-100 percent MFI.

### **Institutional Support**

#### **Fund Split Support (\$47.3 million NGF-O 2023-25; \$112 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 (\$100 million NGF-O 2023 Supplemental; \$100 million 5-year NGF-O total)**

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

### **Community and Technical College (CTC) Investments**

#### **CTC Workforce Development (\$66.6 million NGF-O 2023-25; \$122 million 5-year NGF-O total)**

Funding is provided for community and technical college (CTC) workforce development. The funding will assist in supporting high-cost workforce programs and updates to equipment in order for students to learn in classrooms that mirror their future working environment.

#### **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.

### **Other Increases**

#### **New Enrollments/Programs (\$26.3 million NGF-O 2023-25; \$61.8 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.

# HEALTH CARE

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## *Increases*

### **Health Care for Uninsured Adults (\$95.6 million NGF-O 2023-25; \$297 million 5-year NGF-O total)**

Funding is provided to the Health Care Authority, the Health Benefit Exchange, and the Caseload Forecast Council 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 January 1, 2024.

### **Professional Service Rates (\$19.7 million NGF-O 2023-25; \$48.1 million Federal 2023-25; \$61.0 million 5-year NGF-O total)**

Funding is provided to maintain and increase access for primary care, family planning, and behavioral health services for Medicaid-enrolled patients through increased professional services rates beginning July 1, 2024. Service categories including intense outpatient, emergency room, inpatient and outpatient surgery, inpatient visits, maternity, office administered drugs, and other physician services are increased to 50 percent of Medicare rates. Service categories including diagnostics, opioid treatment programs, low-level behavioral health, and office or home consults are increased to 70 percent of Medicare rates.

### **Ambulance Rates (\$8.2 million NGF-O 2023-25; \$16.4 million Federal 2023-25; \$16.7 million 5-year NGF-O total)**

Funding is provided to maintain and increase access to ambulance services by increasing Medicaid reimbursement rates for service and mileage rates for emergent, non-emergent, and air ambulance transport. The administrative rate for nonemergency medical transportation brokers is also increased by 15 percent.

### **Other Provider Rates & Reimbursements (\$16.7 million NGF-O 2023-25; \$16.5 million Federal 2023-25; \$38.3 million 5-year NGF-O total)**

Funding is provided to maintain and increase access to services for Apple Health clients through 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.

### **Apple Health Benefit Expansion (\$6.7 million NGF-O 2023-25; \$8.6 million Federal 2023-25; \$28.3 million 5-year NGF-O total)**

Funding is provided to expand 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 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 (\$91.5 million NGF-O 2023-25; \$2.1 million Federal 2023-25; \$154 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). 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 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 FY 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 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; \$31.8 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 (\$180 million NGF-O 2023-25; \$212 million Federal 2023-25; \$426 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. Additional funding is provided for BHASO and MCO non-Medicaid contracts that can be used for local crisis services, involuntary treatment judicial services, and other costs not covered under the Medicaid program. Funding is provided to increase behavioral health fee for service provider rates paid for tribal members 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.

**Behavioral Health Provider Workforce (\$40 million CSFRF 2023-25)**

Funding is provided to address behavioral health treatment access issues resulting from workforce shortages. This provides for one-time assistance payments to non-hospital-based community behavioral health treatment providers that serve Medicaid eligible individuals.

**Crisis and Residential Treatment Services (\$33.2 million NGF-O 2023-25; \$84.0 million Other 2023-25; \$101 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 (\$22.3 million NGF-O 2023-25; \$23.4 million Federal 2023-25; \$75.2 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 must 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 (\$1.7 million NGF-O 2023-25; \$123 million Other 2023-25; \$5.8 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 (\$40.0 million NGF-O 2023-25; \$104 million Federal 2023-25; \$85.7 million 5-year NGF-O total)**

Funding is provided for expansion of community behavioral health services including prevention, outreach, treatment, and recovery support services. This includes funding for implementing a new 1915i state plan that will enhance funding and modify the way exceptional behavioral health personal care rates are paid and funding for 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 (\$9.6 million NGF-O 2023-25; \$11.0 million Federal 2023-25; \$16.4 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 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.

# DEPARTMENT OF SOCIAL & HEALTH SERVICES

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## LONG TERM CARE & DEVELOPMENTAL DISABILITIES

### *Increases*

#### **Consumer Directed Employer (\$336 million NGF-O 2023-25; \$425 million Federal 2023-25; \$755 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 (\$151 million NGF-O 2023-25; \$187 million Federal 2023-25; \$315 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 settlement between the Adult Family Home Council and Office of Financial Management.

#### **Nursing Home Provider Rates (\$112 million NGF-O 2023-25; \$115 million Federal 2023-25; \$117 million 5-year NGF-O total)**

Funding is provided for one-time rate adjustments for skilled nursing facilities and to establish a traumatic brain injury daily rate add-on for an estimated 40 clients.

#### **Other Rate Increases and Adjustments (\$126 million NGF-O 2023-25; \$128 million Federal 2023-25; \$257 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 (\$97.3 million NGF-O 2023-25; \$64.5 million Federal 2023-25; \$146 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 (\$20.5 million NGF-O 2023-25; \$18.3 million Federal 2023-25; \$31.6 million 5-year NGF-O total)**

Funding is provided for diversion beds, provider training, staff training for clients with behavioral health needs, Intensive Habilitative Services and Enhanced-Outpatient Habilitative Services facilities for youth, staff to participate in youth inpatient navigator team meetings, and pilot programs for enhanced daily rates and specialty adult family home contracts.

## *Savings*

### **Rainier School Program Area Team C (\$31.3 million NGF-O savings 2023-25; \$29.4 million other funds savings 2023-25; \$75.6 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 2023-25; \$30.8 million 5-year NGF-O total)**

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

## **ECONOMIC SERVICES ADMINISTRATION**

### *Increases*

### **Grant Increases for Economic Assistance Programs (\$40.6 million NGF-O 2023-25; \$1.4 million Federal 2023-25; \$97.4 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, & Disabled (ABD); Refugee Cash Assistance (RCA); Pregnant Women Assistance (PWA), and Consolidated Emergency Assistance (CEAP) programs, effective January 1, 2024.

### **TANF and Related Benefits (\$25.0 million NGF-O 2023-25; \$43.6 million Federal 2023-25; \$107 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 six-month earned income disregard for TANF and RCA recipients, and eliminates the 60-month time limit for TANF families without an eligible adult. Additionally, the budget adds a diaper benefit of \$80 per month for TANF families with children under the age of three and temporarily waives the 60-month time limit for TANF families with an eligible adult until June 30, 2025.

### **Eliminate ABD Recoveries (\$39.5 million NGF-O 2023-25; \$88.9 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.

# 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.

# OTHER HUMAN SERVICES

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## DEPARTMENT OF HEALTH

### *Increases*

#### **Foundational Public Health (\$60.0 million NGF-O 2023-25; \$40.0 million other funds 2023-25; \$140 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; \$38.5 million 5-year NGF-O total)**

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.

#### **Reproductive Health Services (\$16.5 million NGF-O 2023-25; \$40.2 million 5-year NGF-O total)**

Funding is provided to reimburse abortion clinics for abortion care, for security investments, for reimbursement of travel expenses, and to provide grants to public four-year institutions of higher education that offer advanced degrees in nursing, medicine or pharmacy to develop and offer abortion care training for students and licensed providers. Additional funding is provided for a public education and awareness campaign about abortion access and reproductive health rights.

#### **Public Health Data (\$40.8 million NGF-O 2023-25; \$40.8 million 5-year NGF-O total)**

Funding is provided for the maintenance and operation costs for four public health information systems. The systems include the Washington Disease Reporting System, which is the main tool for case management and outbreak response for infectious and non-infectious diseases; the Rapid Health Information Network, which analyzes and distributes data at the Department of Health (DOH); the Washington Immunization Information System, which stores patient immunization data; and the Data Exchange Services, by which DOH submits and receives healthcare data. Additional funding is provided to maintain cloud-based storage of the public health information systems.

## EARLY LEARNING & CHILD CARE

### *Increases*

#### **Working Connections Child Care (WCCC) Enhancements (\$377 million NGF-O 2023-25; \$111 million Federal 2023-25; \$701 million 5-year NGF-O total)**

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. Funding is provided to fund the 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 FY 2024 and FY 2025. Funding is provided to increase the current nonstandard hours bonus to \$180 per month per child and to remove the 12-month homeless grace period restriction.

#### **Early Childhood Education and Assistance Program (ECEAP) Enhancements (\$72.9 million NGF-O 2023-25; \$246 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 school day slots during the 2023-25 biennium. Funding is also provided for an additional 1,000 school 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 a 17 percent ECEAP rate increase for school day slots, and a 3 percent increase for working day and 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 (\$31.6 million NGF-O 2023-25; \$57.7 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 (\$48.5 million NGF-O 2023-25; \$8.2 million federal 2023-25; \$137 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, relative or non-relative; 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.

#### **Provider Rates & Reimbursements (\$17.9 million NGF-O 2023-25; \$2.9 million federal 2023-25; \$36.1 million 5-year NGF-O total)**

Funding is 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 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 (\$17.9 million NGF-O 2023-25; \$36.4 million 5-year NGF-O total)**

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



# PUBLIC SAFETY AND THE JUDICIARY

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## LAW ENFORCEMENT

### *Increases*

#### **Law Enforcement Officer Recruitment and Training (\$17.8 million NGF-O 2023-25; \$3.8 million other funds 2023-25; \$33.8 million 5-year NGF-O total)**

Funding is provided to implement Substitute House Bill 1638 (State trooper recruitment) which creates the State Trooper Expedited 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.

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.

#### **Law Enforcement Accreditations, Certifications, and Decertifications (\$20.4 million NGF-O 2023-25; \$39.0 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. Additional funding is provided to expand the Office of Independent Investigations for the purpose of investigating deadly force incidents involving peace officers and for the Office of the Attorney General to review investigations of use of deadly force.

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 (\$18.3 million NGF-O 2023-25; \$45.7 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.

# HOUSING AND HOMELESSNESS

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## DEPARTMENT OF COMMERCE

### *Increases*

#### **Emergency Housing and Shelter (\$76.0 million NGF-O 2023-25; \$76.0 million CSFRF 2023-25; \$228 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 (\$52.5 million NGF-O 2023-25; \$105 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.

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

One-time funding is provided 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.

#### **Homelessness Accounts (\$44.0 million NGF-O 2023-25; \$44.0 million 5-year NGF-O total)**

One-time funding is provided to support housing and homelessness accounts 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, and \$4.0 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.

#### **Homeless Youth Services (\$16.2 million NGF-O 2023-25; \$23.6 million 5-year NGF-O total)**

Funding is provided for various programs serving homeless and at-risk youth managed by the Office of Homeless Youth Prevention and Protection Programs, including increases for the Homeless Student Stability Program, for grants to youth shelter operators to provide behavioral health services, and for the Anchor Communities Initiative.

**Permanent Supportive Housing OMS (\$15.0 million NGF-O 2023-25; \$15.0 million 5-year NGF-O total)**

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

**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.

# CLIMATE COMMITMENT ACT

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## *Increases*

### **Clean Energy Siting and Permitting (\$55.8 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 (\$47.0 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 (\$25.0 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 receive 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.

# NATURAL RESOURCES

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## *Increases*

### **Wildfires and Forest Health (\$6.8 million NGF-O 2023-25; \$34.4 million other funds 2023-25; \$111 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 FY 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, and g) reforestation activities, including mapping and seed collection.

Funding is provided to the State Conservation Commission 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 FY 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.

### **Species Conservation and Recovery (\$44.6 million NGF-O 2023-25; \$16.7 million other funds 2023-25; \$81.6 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 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, 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 (\$45.0 million NGF-O 2023-25; \$71.1 million CSFRF 2023-25; \$73.0 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 (\$43.9 million NGF-O 2023-25; \$78.4 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 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.

#### **Crime Victim Services (\$51.9 million NGF-O 2023-25; \$62.6 million 5-year NGF-O total)**

Funding is provided for crime victims assistance services and grant programs, including additional funding for crime victim service providers and grant programs serving survivors of crimes such as human trafficking and domestic violence.

#### **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.

**Community Outreach (\$20.0 million NGF-O 2023-25; \$20.0 million 5-year NGF-O total)**

One-time funding is provided for grants to community-based organizations to conduct outreach to connect individuals with state and federal assistance programs, and to pilot a network of community assemblies to provide community input on state policy, program, and funding decisions.

**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 (\$128 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)**

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

## MILITARY DEPARTMENT

*Increases*

**Disaster Response Account (\$1.7 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 \$89.2 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 (\$27.7 million NGF-O 2023-25; \$34.4 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 establishment and expansion of apprenticeship programs.

## OFFICE OF THE GOVERNOR

### *Increases*

#### **Office of Equity (\$4.7 million NGF-O 2023-25; \$24.5 million 5-year other funds total)**

Funding is provided for the Office of Equity, including additional staff, equity consultation, and accessibility services. Funding is also provided for the Department of Commerce to house digital equity staff within the Office of Equity.

# EMPLOYEE COMPENSATION AND PENSIONS

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## *Increases*

### **Collective Bargaining Agreements - General Government State Employees (\$570 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.

### **Collective Bargaining Agreements - State Higher Education Employees (\$27.7 million NGF-O 2023-25; \$356 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;
- 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 (\$23.1 million NGF-O 2023-25; \$26.6 million other funds 2023-25; \$69.2 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 \$1,130 per employee per month for FY 2024 and \$1,184 per employee per month for FY 2025.

**Non-represented Employee General Wage Increase (\$202 million NGF-O 2023-25; \$353 million other funds 2023-25; \$462 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 Recruitment and Retention Lump sum payment (\$8.7 million NGF-O 2023-25; \$7.5 million other funds 2023-25; \$8.7 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 (\$7.3 million NGF-O 2023-25; \$6.5 million other funds 2023-25; \$7.3 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.

**Social Service Specialist Home Visits Assignment Pay (\$8.5 million NGF-O 2023-25; \$3.9 million other funds 2023-25; \$17.1 million 5-year NGF-O total)**

Funding is provided for a collectively bargained 10 percent assignment pay premium in the Department of Children, Youth, and Families for Social Service Specialist Home visits. Funds are subject to an agreement between the state and the exclusive bargaining representative of the Social Service Specialists.

*Savings*

**PERS and TRS Plan 1 Unfunded Accrued Actuarial Liability Contribution Rates (\$337 million NGF-O savings 2023-25; \$1.5 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 House Bill 1201 (Retirement system funding). The TRS contribution rates are reduced beginning in FY 2025, and the PERS contribution rates are reduced beginning in FY 2026.

**Teacher Retirement System (\$800 million 5-year NGF-O total savings)**

Savings are achieved through the cancellation of an early payment into the Teacher Retirement System Plan 1.

**2023-25 Omnibus Operating Budget**

PSHB 1140 (H-1762.2) by Rep. Ormsby

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>                             | 4,161         | 6,310         | 4,161         | 6,001         | 4,024         | 6,001         | 1,600         | 532           | 1,600         |
| <b>Forecasted Revenues</b>                           | 31,478        | 32,668        | 64,146        | 32,250        | 33,452        | 65,702        | 34,957        | 36,530        | 71,488        |
| 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>                        | -273          | 560           | 287           | -322          | -302          | -623          | -268          | -279          | -547          |
| Budget Driven Revenue                                | 0             | 6             | 6             | -10           | -6            | -17           | 12            | 14            | 27            |
| 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             | 7             | 46            | 53            | 22            | 21            | 43            |
| Enacted Fund Transfers                               | -8            | -1,172        | -1,180        | 0             | 0             | 0             | 0             | 0             | 0             |
| Proposed WRPTA Transfer                              | 0             | 1,803         | 1,803         | 0             | 0             | 0             | 0             | 0             | 0             |
| Other Proposed Transfers                             | 0             | -92           | -92           | -29           | -41           | -70           | 9             | 9             | 17            |
| <b>Total Revenues and Resources</b>                  | <b>35,366</b> | <b>39,538</b> | <b>68,593</b> | <b>37,929</b> | <b>37,174</b> | <b>71,079</b> | <b>36,290</b> | <b>36,784</b> | <b>72,541</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>424</b>    | <b>424</b>    | <b>852</b>    | <b>1,569</b>  | <b>2,421</b>  | <b>2,029</b>  | <b>2,334</b>  | <b>4,363</b>  |
| <b>Policy Level Total</b>                            | <b>0</b>      | <b>-1,228</b> | <b>-1,228</b> | <b>2,056</b>  | <b>2,948</b>  | <b>5,004</b>  | <b>2,389</b>  | <b>2,636</b>  | <b>5,025</b>  |
| <b>Reversions</b>                                    | <b>-475</b>   | <b>-253</b>   | <b>-728</b>   | <b>-364</b>   | <b>-201</b>   | <b>-565</b>   | <b>-199</b>   | <b>-192</b>   | <b>-391</b>   |
| <b>Revised Appropriations</b>                        | <b>29,056</b> | <b>33,537</b> | <b>62,593</b> | <b>33,905</b> | <b>35,574</b> | <b>69,479</b> | <b>35,757</b> | <b>36,603</b> | <b>72,360</b> |
| <b>Projected Ending Balance</b>                      | <b>6,310</b>  | <b>6,001</b>  | <b>6,001</b>  | <b>4,024</b>  | <b>1,600</b>  | <b>1,600</b>  | <b>532</b>    | <b>181</b>    | <b>181</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</b>     |               |               |               |               |               |               |               |               |               |
| Beginning Balance                                    | 1,000         | 1,000         | 1,000         | 297           | 297           | 297           | 297           | 297           | 297           |
| GF-S Transfer to WRPTA                               | 0             | 1,100         | 1,100         | 0             | 0             | 0             | 0             | 0             | 0             |
| Transfer Balance from WRPTA to GF-S                  | 0             | -1,803        | -1,803        | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>WRPTA Ending Balance</b>                          | <b>1,000</b>  | <b>297</b>    | <b>297</b>    | <b>297</b>    | <b>297</b>    | <b>297</b>    | <b>297</b>    | <b>297</b>    | <b>297</b>    |
| <b>Total Reserves</b>                                | <b>7,644</b>  | <b>6,950</b>  | <b>6,950</b>  | <b>5,305</b>  | <b>3,242</b>  | <b>3,242</b>  | <b>2,556</b>  | <b>2,610</b>  | <b>2,610</b>  |
| <b>% of Reserves to Revenues and Other Resources</b> | <b>24.5%</b>  | <b>20.9%</b>  |               | <b>16.6%</b>  | <b>9.8%</b>   |               | <b>7.4%</b>   | <b>7.2%</b>   |               |
| NGF-O  | 20.2%         | 18.1%         |               | 12.6%         | 4.8%          |               | 1.5%          | 0.5%          |               |
| Budget Stabilization Account                         | 1.1%          | 2.0%          |               | 3.1%          | 4.1%          |               | 5.0%          | 5.9%          |               |
| Washington Rescue Plan Transition Account            | 3.2%          | 0.9%          |               | 0.9%          | 0.9%          |               | 0.9%          | 0.8%          |               |

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.
3. Information related to reversion assumptions is described in the summary documents.

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

PSHB 1140 (H-1762.2) by Rep. Ormsby

Funds Subject to Outlook

(Dollars in Millions)

|   | 2021-23        | 2023-25      | 2025-27     | 6 Yr           |
|---|----------------|--------------|-------------|----------------|
| <b>Fund Transfers In Budget Bill</b>                                      |                |              |             |                |
| Business License Account (GF-S)   | 0.0            | 7.2          | 0.0         | 7.2            |
| Disaster Response Account (GF-S)  | -89.2          | 0.0          | 0.0         | -89.2          |
| Emergency Drought Response Account (GF-S)                                 | 0.0            | -2.5         | 0.0         | -2.5           |
| Financial Services Regulation Account (GF-S)                              | 0.0            | 7.0          | 7.0         | 14.0           |
| Forest Resiliency Account (GF-S)  | 0.0            | -4.0         | 0.0         | -4.0           |
| Home Security Fund Account (GF-S)   | 0.0            | -49.0        | 0.0         | -49.0          |
| Long-Term Services and Supports Trust Account (GF-S) (Repayment of Loan)  | 0.0            | 63.9         | 0.0         | 63.9           |
| 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            | 10.0         | 10.0        | 20.0           |
| WA Rescue Plan Transition Acct (GF-S)                                     | 1,803.0        | 0.0          | 0.0         | 1,803.0        |
| Washington Auto Theft Prevention Authority (GF-S)                         | -2.4           | -1.1         | 0.0         | -3.5           |
| Wildfire Response, Forest Restoration, & Community Acct Resilience (GF-S) | 0.0            | -100.0       | 0.0         | -100.0         |
| <b>SubTotal</b>   | <b>1,711.3</b> | <b>-70.5</b> | <b>17.0</b> | <b>1,657.9</b> |
| <b>Budget Driven Revenue</b>  |                |              |             |                |
| Health Care for the Uninsured   | 0.0            | 1.8          | 3.7         | 5.5            |
| Inpatient Directed Payment Program  | 0.0            | 4.1          | 5.4         | 9.5            |
| Outpatient Directed Payment Program                                       | 0.0            | 8.3          | 6.6         | 14.9           |
| Liquor Control Board (Liquor)   | 7.0            | -28.5        | 12.5        | -9.0           |
| Liquor Control Board (Marijuana)  | 0.0            | 0.0          | 0.0         | 0.0            |
| Lottery   | -1.0           | -2.2         | -1.5        | -4.7           |
| <b>SubTotal</b>   | <b>6.0</b>     | <b>-16.7</b> | <b>26.7</b> | <b>16.1</b>    |
| <b>Other Legislation</b>  |                |              |             |                |
| 1018 - Hog Fuel/Tax Exemption   | 0.0            | -1.8         | -3.5        | -5.3           |
| 1143 - Firearms/Purchase & Transfer                                       | 0.0            | -1.2         | -1.7        | -2.9           |
| 1163 - Leasehold Tax/Arenas   | 0.0            | -2.4         | -3.0        | -5.4           |
| 1169 - Legal Financial Obligations  | 0.0            | -0.5         | -0.5        | -1.0           |
| 1204 - Family Connections Program   | 0.0            | 0.0          | 0.0         | 0.0            |
| 1254 - Periodic Adjustments/DOR   | 0.0            | 1.6          | -0.8        | 0.8            |
| 1258 - Tourism Marketing  | 0.0            | -2.7         | -3.1        | -5.8           |
| 1371 - Freight Railroad Infra.  | 0.0            | -0.5         | -0.8        | -1.3           |
| 1425 - Municipal Annexations  | 0.0            | -1.7         | -10.0       | -11.7          |
| 1431 - Senior Living Meals/Tax  | 0.0            | -2.7         | -3.2        | -5.9           |
| 1534 - Construction Consumers   | 0.0            | 0.6          | 0.1         | 0.7            |
| 1573 - Dairy, Etc. Tax Preferences  | 0.0            | 0.0          | -13.6       | -13.6          |
| 1681 - Problem Gambling   | 0.0            | -0.6         | -0.7        | -1.2           |
| 1711 - Internet Projects/Tribes   | 0.0            | -3.8         | -1.9        | -5.7           |
| 1729 - Hydrogen Fuel Products   | 0.0            | -0.4         | -1.4        | -1.8           |
| 1742 - Nontax Statutes/DOR  | 0.0            | 28.2         | 29.8        | 58.0           |
| 1756 - Energy/Tax   | 0.0            | 0.0          | -0.3        | -0.3           |
| 1764 - Asphalt & Agg. Valuation   | 0.0            | -0.7         | -0.8        | -1.4           |
| 1768 - Green Businesses/Utility Tax                                       | 0.0            | 0.0          | -0.2        | -0.2           |
| 1812 - Medicaid/B&O Tax Deductions  | 0.0            | -10.1        | -12.6       | -22.7          |
| 1847 - Community Authority/Tax  | 0.0            | -2.3         | -3.7        | -6.1           |
| 1850 - Hospital Safety Net Program  | 0.0            | 54.2         | 74.8        | 129.0          |
| <b>SubTotal</b>   | <b>0.0</b>     | <b>53.2</b>  | <b>43.0</b> | <b>96.2</b>    |
| <b>Grand Total</b>  | <b>1,717.4</b> | <b>-34.0</b> | <b>86.7</b> | <b>1,770.2</b> |

Note: Figures displayed above exclude annual transfers made to the Budget Stabilization Account.

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

Dollars in thousands

|                                     | <b>2023-25 CCA Total</b> |
|-------------------------------------|--------------------------|
| <b>Arch/Historic Preservation</b>   | <b>977</b>               |
| Clean Energy Siting                 | 477                      |
| Cultural Resource Surveys           | 500                      |
| <b>Commerce-Comm Svcs/Hous</b>      | <b>25,000</b>            |
| Energy Assistance                   | 25,000                   |
| <b>Commerce-Econ Dev/Compet</b>     | <b>2,352</b>             |
| Clean Technology Advisory Committee | 352                      |
| Hydrogen Hub                        | 2,000                    |
| <b>Commerce-Energy/Innov</b>        | <b>52,507</b>            |
| Buy Clean, Buy Fair Act             | 1,879                    |
| 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 Audits - Public Buildings    | 20,592                   |
| Grid Formula Program Support        | 708                      |
| HEAL Act Implementation             | 3,096                    |
| Smart Buildings                     | 250                      |
| Transmission Planning               | 1,024                    |
| <b>Commerce-Local Govt</b>          | <b>43,700</b>            |
| Local Government Climate Planning   | 40,953                   |
| Local Government Salmon Recovery    | 2,747                    |
| <b>Columbia River Gorge</b>         | <b>138</b>               |
| Climate Change Program Manager      | 138                      |
| <b>Conservation Commission</b>      | <b>26,273</b>            |
| Anaerobic Digester Development      | 22,000                   |
| Climate Change Response Strategy    | 23                       |
| Community Engagement Plan           | 250                      |
| Salmon Riparian Restoration Program | 3,000                    |
| Sustainable Farms & Fields Program  | 1,000                    |
| <b>Dept of Health</b>               | <b>50,533</b>            |
| CCA Expenditures Tracking           | 200                      |
| CCA Implementation                  | 7,503                    |
| Climate Change Response Strategy    | 72                       |
| Climate Impact Worker Safety        | 10,000                   |
| Env. Hlth Disp. Map Capacity Grants | 26,355                   |
| HEAL Act                            | 5,996                    |
| Local Government Climate Planning   | 407                      |
| <b>Dept of Natural Resources</b>    | <b>23,516</b>            |
| Carbon Sequestration Strategy       | 400                      |
| Clean Energy Siting                 | 164                      |
| Climate Change Response Strategy    | 709                      |

|                                      | <b>2023-25 CCA Total</b> |
|--------------------------------------|--------------------------|
| Environmental Justice                | 2,500                    |
| Forest Treatments                    | 3,166                    |
| GHG Emissions Reduction              | 7,791                    |
| Local Government Climate Planning    | 500                      |
| Natural Areas Program                | 3,356                    |
| Reforestation Strategy               | 2,066                    |
| Snohomish Watershed Strategy         | 2,864                    |
| <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>Dept of Ecology</b>               | <b>41,868</b>            |
| AQ in Overburdened Communities       | 2,479                    |
| Carbon Sequestration Strategy        | 1,604                    |
| CCA Expenditure Tracking             | 640                      |
| 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                    |
| Local Government Climate Planning    | 1,174                    |
| Reduce Nooksack Basin Flooding       | 4,002                    |
| Tribal Participation Grants for CCA  | 8,220                    |
| <b>Dept of Fish and 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>Employment Security Dept</b>      | <b>404</b>               |
| Clean Technology Advisory Committee  | 404                      |
| <b>Energy Fac Site Eval Council</b>  | <b>3,667</b>             |
| Clean Energy Siting                  | 358                      |
| Operating Budget Support             | 2,352                    |
| Transmission Corridors Studies       | 200                      |
| Tribal and Project Review Support    | 757                      |
| <b>Env &amp; Land Use Hrg Office</b> | <b>898</b>               |
| Legal Staff                          | 898                      |
| <b>Indian Affairs</b>                | <b>658</b>               |
| CCA Grant Manager                    | 254                      |
| CCA Support Staff                    | 254                      |
| CCA Tribal Engagement                | 150                      |



| <b>2023-25 CCA Total</b>            |                |
|-------------------------------------|----------------|
| <b>Military Department</b>          | <b>113</b>     |
| Climate Change Response Strategy    | 113            |
| <b>Office Financ Mgmt</b>           | <b>5,394</b>   |
| 5842 Climate Change GHG Report      | 137            |
| AmeriCorps Climate Corps            | 4,485          |
| CCA Expenditure Tracking            | 772            |
| <b>Parks/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>Spec Approps to Gov</b>          | <b>184</b>     |
| <b>St Emp Comp Adjust</b>           | <b>1,033</b>   |
| <b>Utility/Transpo Commission</b>   | <b>540</b>     |
| Transmission Planning               | 540            |
| <b>UW</b>                           | <b>3,970</b>   |
| 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>306,207</b> |