

# 2018 Supplemental Operating Budget Proposal



## #PuttingPeopleFirst

# Budget Highlights

(Over 4 years)



## Investing in our K-12 students' success

*Public school funding where it's needed most*

**\$446 million**



## Services for people with mental illness

*Continues our work toward fixing the state's behavioral health network*

**\$339 million**



## Student financial aid

*Ends the State Need Grant backlog*

**\$156 million**



## Strengthens the safety net

*Fully restores and increases TANF grants*

**\$32 million**



## Real property tax relief

*Significant relief from the 2017 Republican Property Tax Increase*

**\$1 BILLION**



## Fiscally Responsible

**\$1.6 BILLION**

*Left in reserves*

# Public Schools

**\$446  
million**  
(4-year)

*Keeping our promise to one million  
public school students.*

## Highlights:

### **Increases per student special education funding**

*\$37 million*  
*2017-19*

*\$140 million*  
*4-year*

### **Phases in one family involvement coordinator per elementary school**

*\$39 million*

*\$202 million*

### **Adjusts regionalization & adds educator experience factor for compensation**

*\$18 million*

*\$68 million*

### **Increases middle school guidance counselors**

*\$15 million*

*\$59 million*

### **Delays K-3 class-size compliance**

*\$19 million*

*\$24 million*



# Mental Health

**\$340  
million**  
(4-year)

*Providing care and treatment for those in need.*

**Funds significant \$340 million behavioral health investment plan, including:**

	2017-19	4-year
* State hospital funding	\$75 million	\$145 million
* Community investments to increase BHO Medicaid & non-Medicaid rates, payback BHO reserves	\$41 million	\$96 million
* Backfills lost federal IMD waiver funding to BHOs	\$15.5 million	\$35.5 million
* Increases rates for CLIP beds	\$2 million	\$6.3 million
* Trueblood fines	\$47 million	
* Funding to combat opioid crisis	\$5.9 million	\$17.7 million
	(plus \$20 million federal funds)	

**Expands access to mental health supportive housing in local communities** (HB 2347)  
\$66 million sales tax credit (4-year)

# Higher Education

**\$240  
million**  
(4-year)

*Making the college dream more affordable.*

**Phases in full funding of State Need Grant over three years**

*\$25 million*

*2017-19*

*\$157 million*

*4-year*

**Highlights:**

**Expands access to Guided Pathways at the Career and Technical Centers**

*\$7 million*

*\$21 million*

**Provides one-time backfill of UW compensation and central services costs**

*\$10.7 million*

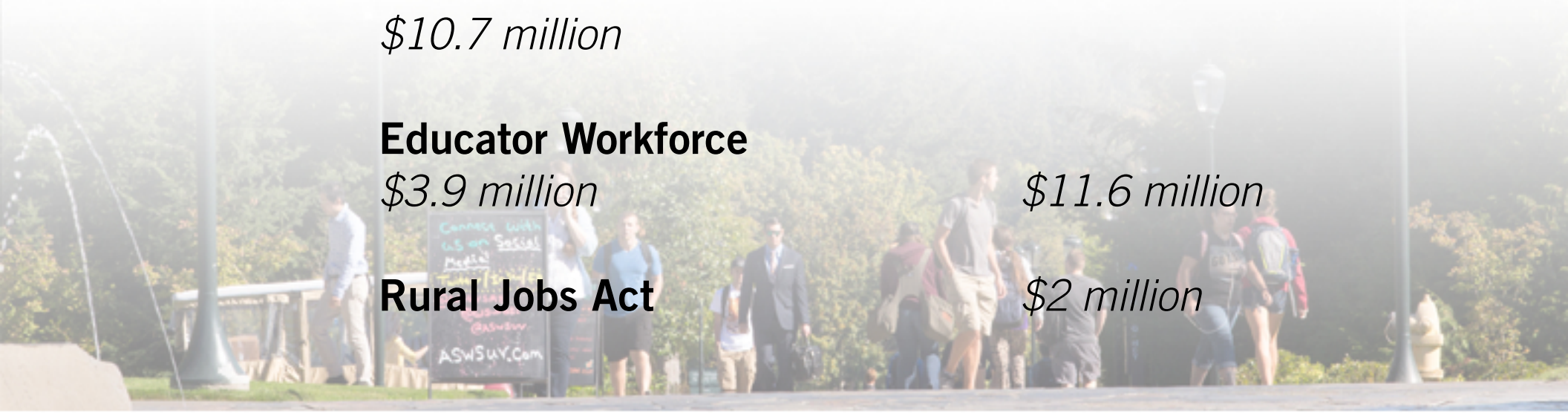
**Educator Workforce**

*\$3.9 million*

*\$11.6 million*

**Rural Jobs Act**

*\$2 million*





# Human Services

**\$48  
million**  
(4-year)

*Protecting AND strengthening  
the safety net.*

## Highlights:

**Fully restores & increases Temporary Assistance to Needy Families (TANF) grants**

*\$10.6 million*  
2017-19

*\$32.1 million*  
4-year

**Increases asset limits for public assistance programs (HB 1831)**

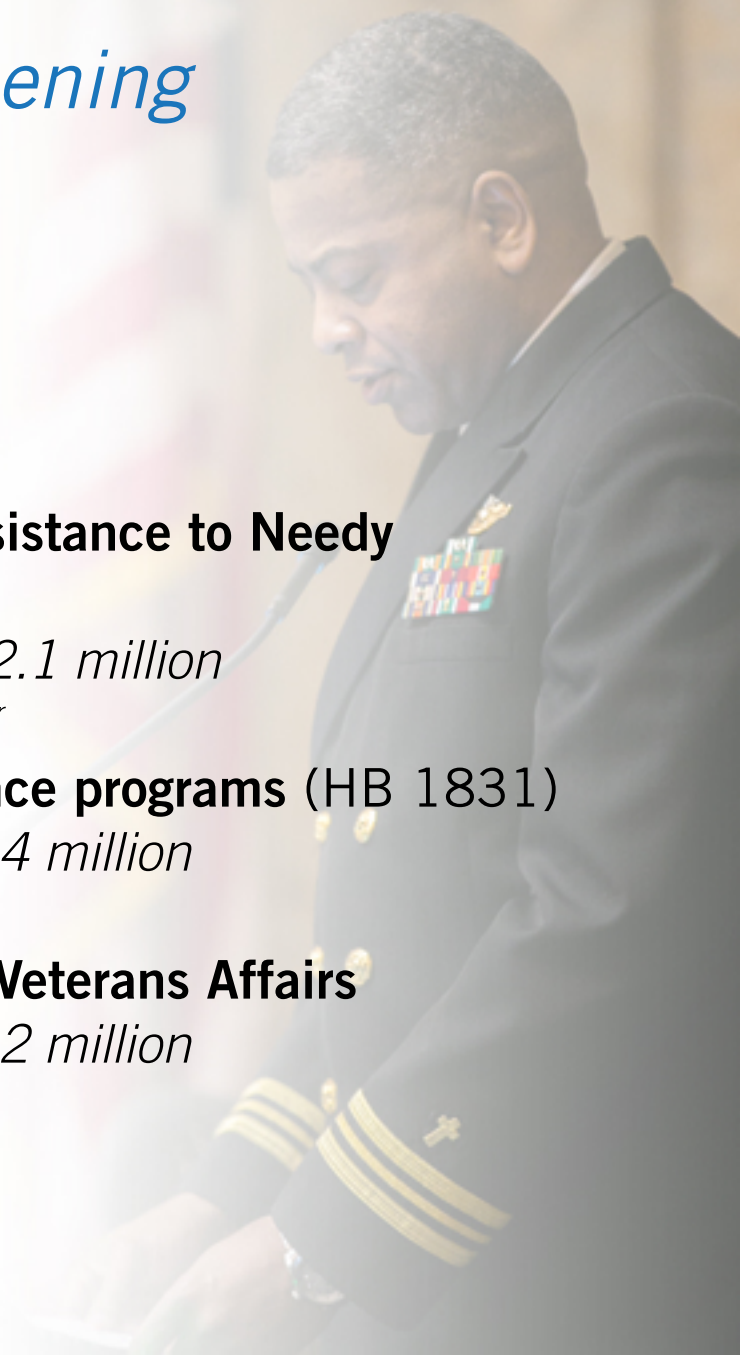
*\$438,000*

*\$9.4 million*

**Funds critical staffing at Department of Veterans Affairs**

*\$5.9 million*

*\$6.2 million*



# Children & Family Services

**\$26  
million**  
(4-year)

*Fulfilling our moral obligation to  
care for children in need.*

## Highlights:

### **Increases implementation funding for Department of Children, Youth & Families**

*\$3.2 million*  
2017-19

*\$5.5 million*  
4-year

### **Increases Behavioral Rehabilitation Services rates**

*\$3.5 million*

*\$8.4 million*

### **Funds emergent placement contracts**

*\$848,000*

*\$2.6 million*



# Retirees

**\$43  
million**  
*(4-year)*

*Supporting our retired public employees.*

## Highlights:

**Provides one-time 3% COLA to retirees receiving minimum benefits**

*\$7.2 million*

*2017-19*

*\$21.6 million*

*4-year*

**Increases PEBB Medicare retiree subsidy from \$150 to \$168 per month**

*\$16.7 million*

**Increases the K-12 retiree remittance**

*\$3.8 million*

*\$4.7 million*





# Health Care & Wellness

**\$314  
million**  
(4-year)

*Investing in a healthier Washington for all*

## Highlights:

**Restores various one-time savings assumptions**  
*\$266 million*

### **Healthier WA savings**

*\$52.9 million*

*\$82.4 million*

### **Pharmacy savings**

*\$36.3 million*

*\$88.4 million*

### **Managed Care rates for CY 2019**

*\$14.8 million*

*\$76.7 million*

### **Dental ER avoidance savings**

*\$6.1 million*

*\$18.9 million*

### **Restores hearing aids benefit for Medicaid**

*\$358,000*

*\$2 million*

### **Funds pediatric Medicaid rate increases**

*\$5.8 million*

*\$19.2 million*

2017-19

4-year



# Long-Term Care & DD

**\$46  
million**  
(4-year)

*Providing high-quality care to our aging population and people with disabilities.*

## Highlights:

**Improves client services by assuming IP management changes**

*\$1.3 million*  
2017-19

*\$14.5 million*  
4-year

**Addresses critical RHC Medicaid compliance staffing**

*\$8.4 million*

*\$19.9 million*

**Expands State-Operated Living Alternatives (SOLAs) by 47 beds**

*\$1.4 million*

*\$2.6 million*

# Rural Washington

**\$40  
million**  
(4-year)

*Investing in all corners of the state.  
One Washington.*

## Highlights:

### **Increases funding for Rural & Small Business Assistance**

*\$1.8 million*  
*2017-19*

*\$5.5 million*  
*4-year*

### **Funds implementation of Hirst fix**

*\$4.5 million*

*\$18 million*

### **Rural health care investments**

*\$2.3 million*

*\$3.5 million*

### **Rural broadband expansion**

*\$1.1 million (total funds)*

*\$11.1 million*

# Corrections & Public Safety

**\$37  
million**  
(4-year)

*Keeping our communities safe.*

**Funds additional Criminal Justice Training Commission classes**  
*\$870,000*

## Highlights:

**Restores local public safety marijuana revenue distribution**

*\$18 million*  
*2017-19*

*\$36 million*  
*4-year*

**Increases funding for mental health staff & housing placements at Juvenile Rehabilitation**

*\$1.3 million*

*\$3.4 million*

**Increases vendor rates for Department of Corrections chemical dependency treatment**

*\$5.5 million*

*\$12.9 million*

**Adds funding for local mental health response teams**

*\$1.1 million*

*\$3.3 million*



# Capital Gains & Property Tax

*Two bills in the budget to reduce property taxes.*

**Short-  
Term Relief**

**HB 2993 reduces the \$2.70 state levy to:**

- \* \$2.36 per \$1000 assessed value in 2019
- \* \$2.30 per \$1000 assessed value in 2020
- \* Transfers \$995 million from BSA into the General Fund in FY18 & FY 19

**Long-  
Term Relief**

**HB 2967 levies an excise tax on capital gains starting 2019 with tax collections beginning in 2020.**

- \* Revenue from the tax on capital gains will be used to “supplant” property tax revenue and reduce the levy rate.
- \* The rate will be reduced starting in 2021.