



Washington State proposed budgets FY 2017-19

*This summary describes some impacts to cities in the final proposed budgets for FY 2017-19.
For more information, visit the Legislative Evaluation and Accountability Program at leap.leg.wa.gov*

	Final 2017-19 Budget as adopted	Governor's proposed 2018 Supplemental
State Shared Revenues		
Liquor Profits (Liquor Revolving Account)	Fully funded at \$98.9 million.	No changes.
Liquor Taxes (Liquor Excise Tax Account)	Fully funded at \$56.1 million.	No changes.
Marijuana Excise Tax	Funded at \$12 million, \$6 million per year 2018-19. Provides additional funding of \$18 million for 2017-19, if forecasted marijuana revenues exceed estimates by \$18 million between June 2017 and February 2018. Also, the state caps distributions in subsequent biennia to \$6 million per fiscal year.	No changes.
Streamlined Sales Tax Mitigation	Funded at \$20 million for 2017-19. Assumes distribution phased out pursuant new revenues from sales tax collection requirements on internet sellers at state level (marketplace fairness). Provides for a study of actual impacts of marketplace fairness on jurisdictions receiving mitigation.	Increased to \$20.6 million.
Municipal Criminal Justice Assistance Account	Fully funded at \$38.1 million.	Decreased to \$36.9 million.
City-County Assistance Account (6050)	Fully funded at \$27.2 million.	No changes.
Annexation Sales Tax Credit	Left intact.	No changes.
Fire Insurance Premium Tax	Fully funded at \$9.7 million.	No changes.
Capital Budget		
Public Works Trust Fund	Sweeps a total of \$254 million from the Public Works Assistance Account to the Education Legacy Trust Account for the 2017-19 biennium. This would not leave any resources to fund loans. However we are hearing that the capital budget will include funding for the 2018 construction loan list. More details will be available when the capital budget is released.	Funds 2017 construction loan list - 25 projects, \$97.1 million, plus \$5 million for emergency loans, and \$14 million for pre-construction loans.
Stormwater Financial Assistance Program	Capital budget not adopted. Local stormwater capacity grants not fully restored, reduced by \$1.1 million for the biennium.	2015-2017 Restored Stormwater Financial assistance \$30.1 million, 2017-19 Stormwater Financial Assistance Program - \$37 million including \$14.6 million for grants for retrofit projects consistent with the immediate actions and recommendations developed by the southern resident killer whale task force.

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Remedial Action Grants (Toxic Cleanups)	Capital budget not adopted	\$20 million.
Coordinated Prevention Grants	Capital budget not adopted.	\$10 million.
Drinking Water State Revolving Fund Loan Program	Capital budget not adopted.	\$165 million.
Water Pollution Control Revolving Loan Program	Capital budget not adopted.	\$210 million.
Centennial Clean Water Grant program	Capital budget not adopted.	\$35 million.
Community Economic Revitalization Board	Capital budget not adopted.	\$8 million.
Puget Sound Restoration and Salmon Recovery Grants	Capital budget not adopted.	\$48 million for Puget Sound acquisition/restoration and estuary/salmon restoration projects; \$19.7 million in state funds and \$50 million in federal expenditure authority to the RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species.
Washington Wildlife & Recreation Program	Capital budget not adopted.	\$80 million.
Floodplain Management and Control Grants	Capital budget not adopted.	\$51.4 million is for competitively-awarded grants to local governments, tribes, and nongovernmental organizations for a ranked list of 12 projects that will reduce flood risks and promote floodplain ecosystem recovery. \$60 million is for Chehalis Basin projects.
Fish Barrier Removal Board	Capital budget not adopted.	\$19.7 million for 13 projects.
Housing Trust Fund	Capital budget not adopted.	\$106.8 million, \$10 million is provided for six specific housing projects.
Programs		
Pensions	LEOFF 2: State contribution fully funded. The Public Safety Enhancement Account (PSEA) is cancelled for 2017, and future payments are intended to be funded through alternate means, including transfers from the retirement fund. PERS/PSERS: Rates adjusted to reflect pension contribution rates adopted by the Pension Funding Council. On July 1, 2017, PERS employer rate increases from 11.00 to 12.52% and PSERS employer rate increases from 11.36 to 11.76%.	PERS/TRS 1 COLA.: A one-time, 3% COLA on up to \$25,000 of annual benefit for retired PERS 1 members. There \$750 annual benefit increase cap. This would increase the PERS 1 supplemental contribution rate for PERS and PSERS employers by .13%.
Training for Law Enforcement	Funding provided for six additional Basic Law Enforcement Academy classes in each fiscal year. Employing agencies will continue to pay a 25% share. An increase of \$1.3M for 2018 and \$1.3M in 2019. Additional BLEA funding is provided in the 2017 supplemental budget.	Funding for one additional BLEA class in 2019; three additional Corrections Officer Academy classes and one additional Equivalency Academy class each fiscal year. De-escalation and non-lethal force training funding of \$1.1 million for FY 2018 and \$603,000 for FY 2019 is unchanged.

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Community Supervision	SB 5934 is implemented which adjusts community custody by including earned time in community custody sentences and defaults that community supervision sentences be served concurrently.	Does not include funding for SB 5934 because it was not signed into law.
Municipal Research and Services Center	Fully funded.	No changes.
Auto Theft Prevention Authority	Funded at \$8.2 million (an increase of \$500,000 over last biennium).	No changes.
Public Defense Grants	Funded at \$900,000 per year (same as last biennium).	No changes.
Gang Prevention Grants	Funded at \$500,000 per year (same as last biennium).	Additional \$150,000 to City of Yakima for a gang prevention pilot.
Sex Offender Address Registration	Fully funded at \$5 million per year.	No changes.
Impaired Driver Safety Account	Fully funded at \$1.4 million.	No changes.
Public Health	Funded at \$73 million (same as last biennium).	No changes.
Growth Management and Shoreline Management Activities	Shoreline management grants to local governments reduced by \$1.8 million for the biennium. Provides \$600,000 to the Ruckelshaus center to prepare a roadmap for Washington's future that recommends improvements to the state's growth planning framework and identifies areas of agreement for reforms.	No changes.
Local Government Fiscal Note Program	Fully funded.	No changes.
Homeslessness and Housing Programs	Fully funds Housing and Essential Needs program. Provided funding for the state to participate in the Medicaid transformation demonstration project (1115 Waiver). Provides an additional \$8.9 million for housing and homeless service including housing and services for homeless youth and individuals with a history of mental illness.	\$1.2 million for JRA juvenile homelessness prevention, Department of Commerce receives \$10 million from the Housing Trust Fund and \$113.2 million bond capacity for affordable housing projects, cleaning up brownfield sites for affordable housing, and preserving affordable housing stock.
TANF	Increase in TANF of \$4 million.	Changed for caseload.
Family & Medical Leave Insurance	Funding provided for the start up costs of implementing the Family and Medical Leave Insurance Program (FMLI) pursuant to SB 5975. FMLI will provide up to \$1000 per week of benefits for individuals on leave for a family member's or the individual's own serious health condition or for a military exigency, in addition to leave for a child's birth or placement. Revenues are based on a premium of wages half funded by the employee and half funded by employers with more than 50 employees.	No changes except in funding sources.

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Opioid Response		Increased funding to combat opioid crisis by \$19.9 million . Including Medicaid Medication Assisted Treatment rate increased to match the Medicare rate, \$1.7 million for youth drug prevention, \$793K for prescription monitoring, and \$2.3 million for 4 new hub and spoke networks.
Rural Broadband		\$387,000 to create a Rural Broadband Office in the Department of Commerce. \$5 million capital budget investment in infrastructure grants to local governments and tribes.
Carbon Tax		\$1billion in FY 2019-21.
Local Government Study		Funding to analyze constitutional and statutory revenue capacity of local governments.
Local Public Safety Enhancement Account		\$50 million in 2019 pursuant to RCW 41.26.800. Jurisdictions employing LEOFF 2 members (police and fire) receive half to fund criminal justice programs, programs for at-risk or runaway youth, or public safety. The LEOFF 2 benefit improvement account receives the other half.