



**Washington State proposed conference supplemental budget FY 2017-19
Selected impacts on cities**

	Final 2017-19 budget as adopted	Senate proposed supplemental SB 6032	House proposed supplemental HB 2299	Final proposed budget
State Shared Revenues				
Liquor Profits (Liquor Revolving Account)	Fully funded at \$98.9 m.	No changes.	No changes.	Fully funded at \$98.9 m.
Liquor Taxes (Liquor Excise Tax Account)	Fully funded at \$56.1 m.	No changes.	No changes.	Fully funded at \$56.1 m.
Marijuana Excise Tax	Funded at \$12 m, \$6 m per year 2018-19. Provides additional funding of \$18 m for 2017-19, if forecasted marijuana revenues exceed estimates by \$18 m between June 2017 and February 2018. Also, the state caps distributions in subsequent biennia to \$6 m per fiscal year.	Amended to: Fully fund at \$30 m.	Fully funded at \$30 m.	Fully funded at \$30 m with the intent to fund at \$15 m per fiscal year in subsequent fiscal biennia.
Streamlined Sales Tax Mitigation	Funded at \$20 m 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 m.	Increased to \$20.6 m.	Increased to \$20.6 m.
Municipal Criminal Justice Assistance Account	Fully funded at \$38.1 m.	\$36.9 m.	\$36.9 m.	\$36.9 m.
City-County Assistance Account (6050)	Fully funded at \$27.2 m.	No changes.	No changes.	Fully funded at \$27.2 m.
Annexation Sales Tax Credit	No changes.	No changes.	No changes.	No changes.
Fire Insurance Premium Tax	Fully funded at \$9.7 m.	No changes.	No changes.	Fully funded at \$9.7 m.
Capital Budget				
	Final 2017-19 adopted capital budget	Senate PSSB 6095		
Public Works Trust Fund	Funds 2017 construction loan list - 25 projects, \$97.1 m, plus \$5 m for emergency loans, and \$14 m for pre-construction loans.	No changes.	No changes.	No changes.
Stormwater Financial Assistance Program	2015-2017 Restored Stormwater Financial assistance \$30.1 m, 2017-19 Stormwater Financial Assistance Program - \$37 m including \$14.6 m for grants for retrofit projects consistent with the immediate actions and recommendations developed by the southern resident killer whale task force.	No changes.	Increased by \$11.4 m with \$10 m for grants for retrofit projects consistent with the southern killer whale task force recommendations.	Increased by \$11.4 m with \$10 m for grants for retrofit projects consistent with the southern killer whale task force recommendations.
Remedial Action Grants (Toxic Cleanups)	\$20 m.	No changes.	Increased by \$9.5 m.	Increased by \$9.7 m.
Coordinated Prevention Grants	\$10 m.	No changes.	No changes.	No changes.
Drinking Water State Revolving Fund Loan Program	\$165 m.	No changes.	No changes.	No changes.
Water Pollution Control Revolving Loan Program	\$210 m.	No changes.	No changes.	No changes.
Centennial Clean Water Grant program	\$35 m.	No changes.	No changes.	No changes.

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Community Economic Revitalization Board	\$8 m.	No changes.	\$5 m increase to a total of \$13 m	\$5 m increase to \$13 m with an additional \$5 m for CERB administered broadband program.
Puget Sound Restoration and Salmon Recovery Grants	\$48 m for Puget Sound acquisition & restoration and estuary & salmon restoration projects; \$19.7 m in state funds and \$50 m in federal expenditure authority to the RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species.	No changes.	No changes.	No changes.
Washington Wildlife & Recreation Program	\$80 m.	No changes.	No changes.	\$1.3 m for Scatter Creek.
Floodplain Management and Control Grants	\$51.4 m 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 m is for Chehalis Basin projects.	No changes.	\$75,000 to Dept. of Ecology to convene workgroup to make recommendations and improvements of the floodplains by design grant programs. City government to be included in workgroup.	\$75,000 to Dept. of Ecology to convene workgroup to make recommendations and improvements of the floodplains by design grant programs. City government to be included in workgroup.
Fish Barrier Removal Board	\$19.7 m for 13 projects.	No changes.	Increased by \$300,000.	Increased by \$300,000.
Housing Trust Fund	\$106.8 m, \$10 m is provided for six specific housing projects.	No changes.	Increased by \$4 m to a total of \$110.8 m.	Increased by \$4 m to a total of \$110.8 m.
Behavioral Health Community Capacity		Additional \$30 m for community or contracted mental health services.	\$29.1 m for increase community based capacity and system improvements.	\$40.7 m of which \$25.3 m for community based behavioral health facilities and \$15.4 m increasing forensic beds and state hospitals and system improvements.
Recreation and Conservation Funding Board		Additional \$11.66 m funding 22 projects.	Additional \$12.66 m funding 23 projects.	\$11.3 m funding 21 additional projects.
Volkswagen diesel settlement		\$112.7 m for air pollution reduction projects.	\$112.7 m for air pollution reduction projects.	\$112.7 m for air pollution reduction projects.

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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 11.0 to 12.52% and PSERS employer rate increases from 11.36 to 11.76%.	PERS and TRS 1 COLA: Provides a one-time 2% COLA increase with a maximum annual benefit increase of \$750. State and local government contribution rates would increase.	PERS and TRS 1 COLA: Policy change to the PERS 1 and TRS 1 minimum benefit. State and local government contribution rates would increase.	PERS and TRS 1 COLA: Provides a one-time 1.5% benefit increase with an annual benefit increase max of \$750. State and local government contribution rates would increase.
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 \$1.3 m in 2019. Additional BLEA funding is provided in the 2017 supplemental budget.	Funding provided for six additional BLEA classes in FY 2018 and seven classes in FY 2019. The agency is allowed to run one additional class in FY 2018 that would be 100% funded by local agencies.	Funding provided for six additional BLEA classes in FY 2018 and eight classes in FY 2019. The agency is allowed to run one additional class in FY 2018 that would be 100% funded by local agencies.	Funding provided for six additional BLEA classes in FY 2018 and seven classes in FY 2019. The agency is allowed to run one additional class in FY 2018 that would be 100% funded by local agencies. Funding provided for an additional equivalency academy class in each fiscal year.
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. SB 5934 was not signed into law.	Funded for \$1.7 m for the graduated reentry program in FY 2019.	HB 2638 is funded at \$943,000 and expands partial confinement options.	Funded for \$1.7 m for the graduated reentry program in FY 2019.
Municipal Research and Services Center	Fully funded.	No changes.	No changes.	Fully funded.
Auto Theft Prevention Authority	Funded at \$8.2 m (an increase of \$500,000 over last biennium).	No changes.	No changes.	Funded at \$8.2 m (an increase of \$500,000 over last biennium).
Public Defense Grants	Funded at \$900,000 per year (same as last biennium).	No changes.	No changes.	FY 2019 funded at \$960,000.
Gang Prevention Grants	Funded at \$500,000 per year (same as last biennium).	\$500,000 per year plus \$75,000 for a pilot program in the City of Yakima establishing a prevention pilot.	\$500,000 per year plus \$75,000 for a pilot program in the City of Yakima establishing a prevention pilot.	\$500,000 per year plus \$150,000 for a pilot program in the City of Yakima establishing a prevention pilot.
Sex Offender Address Registration	Fully funded at \$5 m per year.	No changes.	No changes.	Fully funded at \$5 m per year.
Impaired Driver Safety Account	Fully funded at \$1.4 m.	No changes.	No changes.	Fully funded at \$1.4 m.
Public Health	Funded at \$73 m (same as last biennium).	No changes.	No changes.	Funded at \$73 m (same as last biennium).
Growth Management and Shoreline Management Activities	Shoreline management grants to local governments reduced by \$1.8 m 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.	No changes.	Shoreline management grants to local governments reduced by \$1.8 m 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.

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Local Government Fiscal Note Program	Fully funded.	No changes.	No changes.	Fully funded.
Homelessness and Housing Programs	Fully funds Housing and Essential Needs (HEN) program. Provided funding for the state to participate in the Medicaid transformation demonstration project (1115 Waiver). Provides an additional \$8.9 m for housing and homeless service including housing and services for homeless youth and individuals with a history of mental illness.	No changes.	Provides \$53,000 to expand eligibility for Housing and Essential Needs (HEN) program.	Provides \$31,000 to expand eligibility for Housing and Essential Needs (HEN) program. \$5.9 m for implementation of E2SH 1570 which is estimated to raise \$55 m per biennia.
Affordable Housing			HB 2437 allows local governments to partner with the state in providing counties and cities with a local sales tax credited against the state sales tax for affordable housing and supportive housing options.	HB 2437 was not passed.
TANF	Increase in TANF of \$4 m.	Changed for caseload.	Increase in the TANF grant monthly payment by 8% or \$780 per year.	Increase in the TANF grant monthly payment by 6.8% or \$700 per year.
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.	No changes.	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.
Opioid Response		Increase in the rate for Medication Assisted Treatment for opioid disorder. Funding is provided to increase access to evidence-based treatment services, coordination and recovery support system. \$10.1 m to increase treatment and prevention of opioid use disorder.	\$562,000 to develop the prescription monitoring program for implementation of ESHB 1427. \$11.8 m in FY 2019 to HCA to implement strategies to prevention and treatment of opioid use disorders. Increase in the rate for Medication Assisted Treatment for opioid use disorder.	\$562,000 to develop the prescription monitoring program for implementation of ESHB 1427. \$11.8 m in FY 2019 to HCA to implement strategies to prevention and treatment of opioid use disorders. Increase in the rate for Medication Assisted Treatment for opioid use disorder.
Rural Broadband		\$310,000 to create Governor's Office on Broadband Access, \$800,000 for the utilities and transportation commission to supplement funds committed to expand rural broadband service, and the commission needs to begin a long-term study on the universal service program.	\$387,000 to create Governor's Office on Broadband Access.	\$500,000 pending passage of E2SB 5935 to create Governor's Office on Broadband Access.
Local Government Study			Amended to: \$100,000 to conduct study that analyzes <u>county</u> revenue capacity.	Not funded.
Local Public Safety Enhancement Account		Funding not provided but language states that funding may come from the Law Enforcement Officers' and Fire Fighters' Plan 2 retirement fund.	Funding not provided but language states that funding may come from the Law Enforcement Officers' and Fire Fighters' Plan 2 retirement fund.	Funding not provided but language states that funding may come from the Law Enforcement Officers' and Fire Fighters' Plan 2 retirement fund.

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State Bank		Amended to: Office of Financial Management funded in FY 2018 for \$230,000 and in FY 2019 for \$326,000 for development of a workgroup to provide a state owned infrastructure banking business plan, <u>modified the scope compared to the Department of Commerce</u> , and an additional amount of \$700,000 is provided to the State Treasury to participate in the workgroup.		FY 2017-19 funded at \$480,000 for public bank.
Mental Health Pilot program		\$800,000 for Snohomish County administration of a 40 bed residential diversion pilot program.	Amended to: \$800,000 in FY 2019 providing grants for the criminal justice diversion center pilot program in Snohomish County. WASPC must report outcomes to the legislature by October 2019.	\$800,000 for Snohomish County administration of a 40 bed residential diversion pilot program.
Mental Health Field Response Team		\$1 m for implementation of mental health field response grant programs.	\$1 m for implementation of mental health field response grant programs.	\$1 m for implementation of mental health field response grant programs.
Administration of the Courts		\$1 m grant provided to cities using the funding formula in RCW 82.14.330 and must be used for indigent defense and costs associated with court operations in criminal cases.	\$602,000 for implementation of the legal financial obligations bill HB 1783 .	\$1.9 m split 50/50 by cities and counties distributed through grant program for HB 1783. Future biennia split will be 15/85 cities and counties.
Department of Archaeology		\$80,000 in FY 2019 to facilitate a capital needs assessment study of historic public libraries in distressed counties.	\$80,000 in FY 2019 to facilitate a capital needs assessment study of historic public libraries in distressed counties.	\$80,000 in FY 2019 to facilitate a capital needs assessment study of historic public libraries in distressed counties.
Department of Revenue			\$1.25 m in FY 2019 to implement capital gains tax. \$3.8 for the biennium to implement EHB 2005 local tax and licensing simplification.	FY 2017-19 \$150,000 to create an online tax calculator for identifying taxes and rates. Local taxing districts will need to report to DOR by September 30, 2018.
Behavioral Health increased investments		Increased biennial total funding of \$38.2 m.	Increased biennial total funding of \$70.2 m.	Increased biennial total funding of \$55.1 m.
Tourism Marketing		Amended to: fully fund at \$1.5 m in FY 2019.		Amended to: fully fund at \$1.5 m in FY 2019.
Department of Commerce rural job creation			Amended to: Adds \$250,000 in FY 2019 to contract with an economic development association that includes city members to conduct a study to increase technology jobs in rural and underserved communities.	FY 2019 funded at \$1 m to expand small business opportunities for exports for businesses outside of Seattle.
Public Records Task Force				Creation of task force to examine establishing standards for disclosing public records for the legislative branch of government.
State Tax Structure Study			Funded.	Funded.