



Washington State Governor proposed budget FY 2021-23: Selected impacts on cities

For more information, please visit the LEAP website at leap.leg.wa.gov for legislative budget proposals and the Office of Financial Management website at ofm.wa.gov for the Governor's proposed budget.

	Enacted 2019-21 budget	Governor's proposed supplemental changes to 2019-21 budget	Governor's proposed 2021-2023 budget
Operating budget – Shared revenues			
Liquor profits (Liquor Revolving Account)	\$98.9 million	No change	\$98.9 million
Liquor taxes (Liquor Excise Tax Account)	\$67.4 million	\$72 million	\$73.9 million
Marijuana Excise Tax	\$30 million	No change	\$30 million
Municipal Criminal Justice Assistance Account	\$40.3 million	\$40.5 million	\$45 million
City-County Assistance Account (6050)	\$35.5 million	\$39 million	\$38.4 million
Fire Insurance Premium Tax	\$10.9 million	\$10 million	\$9.8 million
Operating budget – Programs			
COVID-19 response	<p>\$74.1 million: Emergency response funding from Department of Natural Resources for 2020 and 2021 for responding to emergencies including fire suppression and COVID-19</p> <p>\$200 million: State funding to state agencies and local governments to respond to COVID-19 – funds pulled from the rainy-day fund: \$25 million earmarked for unemployment assistance programs</p>	<p>\$203.4 million*:</p> <ul style="list-style-type: none"> • \$164 million: Rental assistance • \$2.2 million: Personal protective equipment for childcare providers • \$9 million: Disaster Cash Assistance • \$6.7 million: Issuance of maximum Food Assistance Program benefits • \$10 million: Washington Immigrant Relief Fund • \$4.7 million: Cash and food assistance • \$6.8 million: Address unemployment insurance backlog <p>*Many of these appropriations are listed in throughout the budget matrix</p>	<p>\$771.8 million*:</p> <ul style="list-style-type: none"> • \$164 million: Rental assistance • \$17 million: Foreclosure protections • \$5 million: Landlord Mitigation Account • \$447 million: Public health funds (including foundational public health program) • \$1.5 million: Cash and food assistance • \$24.9 million: Extension of TANF time limit • \$7.4 million: Address unemployment insurance backlog • \$79 million: Supporting residential broadband connections • \$26 million: Food security <p>*Many of these appropriations are listed throughout the budget matrix</p>

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Pensions	LEOFF 2 transfer: \$300 million from LEOFF 2 pension fund to Benefits Improvement Account (HB 2144) Final rates: PERS employer rate: 12.52% PSERS employer rate: 11.76% LEOFF 2 employer rate: 5.65%		Final rates: PERS employer rate: 10.07% PSERS employer rate: 10.21% LEOFF 2 employer rate: 5.12%
PERS 1 COLA	One-time PERS 1 COLA funded through a 0.12% increase in employer paid surcharge (HB 1390)	No change	
Municipal Research and Services Center	\$5.9 million	No change	\$5.9 million
Training for law enforcement	<ul style="list-style-type: none"> \$1.04 million: Funding for two additional BLEA classes in 2020 and 2021 – Three classes each year must be held in Spokane \$985,000 to implement the correctional officer certification program (HB 2499) \$524,000: De-escalation training program \$100,000: De-escalation program curriculum 	No change	<ul style="list-style-type: none"> \$3 million: Funding for five additional BLEA classes for 2022 and 2023 (totaling 15 classes each year) – Three classes each year must be held in Spokane \$1.7 million: Correctional officer certification program
Mental health field response grants	\$4 million: \$3 million for <i>Trueblood</i> phase one regions	No change	\$12 million: \$7 million allocated towards <i>Trueblood</i> phase one and phase two regions
Law enforcement diversion grant program (HB 1767)	\$2.4 million: Washington Association of Sheriffs & Police Chiefs to implement grant program	No change	\$400,000: Washington Association of Sheriffs & Police Chiefs to implement grant program
Law enforcement behavioral health & suicide prevention program			\$814,000: Funds three pilot locations
Body camera grants			\$709,000: Grant program for purchasing body cameras and video storage
Office of Independent Investigations			\$26 million: Provides funding to establish the office
Deadly force data collection			\$578,000: Washington Association of Sheriffs & Police Chiefs to create data collection program – must publish data online for public access
Crisis intervention training	\$899,000: <i>Trueblood</i> phase one regions	No change	\$899,000: <i>Trueblood</i> phase one regions
Drug & gang prevention	\$1 million grant program	No change	\$1 million grant program
Impaired driver safety account	\$1.4 million	No change	\$1.7 million

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Public defense grants	\$900,000 to cities	No change	\$180,000: As the Governor's budget is written, cities no longer receive an equal share of funds thus slashing available funding by \$720,000
Foundational public health	\$28.0 million: \$6.0 million increase for foundational public health	No change	\$176.9 million: Foundational public health services. <ul style="list-style-type: none"> \$149 million subject to passage of legislation
Community-based behavioral health treatment system	\$152.1 million: <ul style="list-style-type: none"> \$51.3 million for community long-term inpatient beds \$1.5 million for mental health drop-in facilities \$19 million for substance use disorder enhancements \$8.8 million for community treatment services \$45 million for behavioral health grants \$26.5 million for enhanced discharge placements 	No change	\$138.6 million: Maintain enhancements funded in FY2019
Stormwater Permit Assistance	\$750,000 for Ecology to provide funding to local governments to: <ul style="list-style-type: none"> Address stormwater permit requirements Assist small businesses Provide local source control monitoring associated with the Puget Sound 		Awaiting agency confirmation

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Housing and homelessness	<ul style="list-style-type: none"> • \$60 million for competitive grants for cities and counties for temporary local shelter capacity • \$40 million in the Housing Trust Fund from Operating Budget • \$15 million ongoing annual increase for HEN • \$15 million per year for three years O&M for Permanent Supportive Housing • \$10 million for preservation of affordable multifamily housing • \$5 million for housing preservation grants • \$1 million for diversion services for families and individuals at risk of losing housing or recently homeless • \$1 million for transition housing pilot for homeless youth • \$607,000 for foreclosure prevention • \$500,000 for homeless youth diversion • \$400,000 for grants for services for youth in crisis • \$400,000 for apprenticeship program for homeless youth in King County • \$200,000 study on homelessness needs of Clallam County • \$80,000 for identification assistance for the homeless 	<ul style="list-style-type: none"> • \$164 million rent assistance • \$3.8 million foreclosure assistance 	<ul style="list-style-type: none"> • \$164 million rent assistance • \$17 million foreclosure assistance • \$16.3 million for homeless youth prevention • \$104.1 million for Housing and Essential Needs (HEN) program • \$7.5 million for consolidated homeless grant program • \$35 million for increasing local temporary shelter capacity • \$4 million for bedspace for people with a history of mental illness • \$37 million for operating and maintenance support for permanent supportive housing facilities
Model Toxic Control Account (MTCA) transfers to operating budget	Transfers \$35 million at the end of FY19 from MTCA to the general fund and \$38 million from State Toxics Control Account to the general fund		Transfers \$11 million of spending from General Fund to the Model Toxics Control Operating Account. This is a mix of permanent and temporary shifts to programs in the Department of Ecology, Puget Sound Partnership, Department of Agriculture and the State Conservation Commission
Climate resiliency	\$2.3 million for Ecology rulemaking to strengthen climate considerations in SEPA		<ul style="list-style-type: none"> • \$2.1 million to Urban and Community Forestry Program • \$26.8 million fire hazard reduction/forest resiliency

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Local Solid Waste Financial Assistance	<ul style="list-style-type: none"> \$10 million for Local Solid Waste Financial Assistance grants \$2.1 million for statewide litter collection programs and recycling programs to address Chinese market restrictions \$1.4 million for HB 1543 (Ecology to create market development center and locals to implement contamination reduction plans) 		<ul style="list-style-type: none"> \$20 million for the Local Solid Waste Financial Assistance Program \$620,000 to expand activities at the Recycling Development Center created by HB 1543
Capital budget			
Public Works Trust Fund (PWTF)	\$95 million	\$93.6 million	\$160 million: Traditional program funded through taxable bonds; traditional cash revenue sources diverted to the general fund
Stormwater Financial Assistance Program	\$49 million		\$75 million
Remedial Action Grants	\$32.6 million		\$70.9 million
Drinking Water State Revolving Fund Loan Program	\$46 million	\$35 million	\$56 million
Water Pollution Control Revolving Loan Program	\$204 million		\$225 million
Centennial Clean Water Grant Program	\$30 million		\$40 million
Community Economic Revitalization Board	\$18.6 million: Public Facility Construction Loan Account \$3.5 million: Broadband Infrastructure Program	\$18.6 million	\$25 million: CERB capital construction
Broadband Grant and Loan Program	\$21.5 million of the Public Works Trust Fund Changed distribution formula to provide additional grants	\$21.6 million	<ul style="list-style-type: none"> \$9.5 million: CERB administered broadband infrastructure \$45 million: PWB broadband infrastructure <ul style="list-style-type: none"> \$15 million directed for loans, \$15 million for grants, and \$15 million for state match of federal funds \$24 million: Statewide Broadband Account funded through taxable bonds \$21 million: Statewide Broadband Account funded through PWTF fund diversion

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Puget Sound Restoration and Salmon Recovery Grants	<ul style="list-style-type: none"> \$59.5 million for Puget Sound acquisition and restoration, including estuary/salmon restoration \$14.1 million for Washington Coastal Restoration Initiative \$25 million (plus \$50 million in federal funds) for Salmon Recovery Funding Board (SRF) grants 		<ul style="list-style-type: none"> \$70 million for Puget Sound acquisition and restoration, including estuary/salmon restoration \$15 million for Washington Coastal Restoration Initiative \$40 million (plus \$50 million in federal funds) for Salmon Recovery Funding Board (SRF) grants \$9 million in grants to Puget Sound municipalities for nutrient reduction at wastewater treatment facilities
Washington Wildlife & Recreation Program	\$85 million		\$100 million
Youth athletic facilities	\$12 million <ul style="list-style-type: none"> Proviso added that identifies specific projects to be funded 		\$14.8 million: <ul style="list-style-type: none"> Includes \$3.6 million in identified projects
Fish Barrier Removal Board	\$26.5 million, of which \$24.7 million is for identified projects <ul style="list-style-type: none"> Proviso added requiring the development of a comprehensive statewide culvert remediation plan that prioritizes barrier correction on a watershed basis Remediation plan must be consistent with the injunction order Funding provided to WDFW to staff this effort with direction to WSDOT to participate 		\$38.4 million for identified projects
Housing Trust Fund	<ul style="list-style-type: none"> \$35 million for supportive housing \$10 million for modular housing grants \$10 million to grants to match private affordable housing contributions \$10 million for affordable housing production and preservation grants/loans \$7 million for ultra-high efficient affordable housing projects grants/loans \$50 million for identified projects \$5 million for grants to provide cottage villages used as shelters \$55.6 million for competitive housing projects for developmental disabilities, veterans, farmworkers, homeownership, and low-income populations 		<ul style="list-style-type: none"> \$220 million to build innovative, energy-efficient affordable housing units for vulnerable populations \$20 million to preserve buildings in the Housing Trust Fund portfolio \$70 million in grants to convert existing structures into shelters, transitional housing, and permanent supportive housing \$40 million to create enhanced shelters and facility improvements \$10 million for preservation of affordable multifamily housing \$20 million for low interest home repair loans for low-income homeowners \$5 million transfer to Landlord Mitigation Account
Healthy Housing Remediation Program	\$5 million for contaminated property redevelopment grants for affordable housing		<ul style="list-style-type: none"> \$10.2 million for site cleanup \$10 million in utility connection grants. Awaiting agency confirmation on details.

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Aquatic Lands Enhancement Account	\$6.6 million		\$9.1 million
Energy efficiency upgrades for public buildings			\$52.5 million for the Energy Retrofits for Public Buildings Grant program for grants to state agencies, public higher education institutions, K-12 school districts, tribal governments and local governments to improve the energy efficiency of public facilities and street lighting and install solar systems to reduce energy demand and costs.
Utility Connection Fee Reduction Grants			\$10 million
<i>Transportation budget</i>			
Fish passage	\$275 million for state-owned fish passage barrier correction, retaining proviso language to coordinate with Fish Barrier Removal Board on watershed approach New provisos: <ul style="list-style-type: none"> • Directing DOT to consider factors while complying with injunction, including presence of other barriers • DOT and Fish Barrier Removal Board must develop statewide comprehensive plan 		\$672.5 million for state-owned fish passage barrier correction
Transportation Improvement Board (TIB)	\$244.5 million: <ul style="list-style-type: none"> • \$4.5 million reduction in the Complete Streets Program • \$4.6 million reduction based on historical underspending and agency savings 	No changes	\$224.1 million <ul style="list-style-type: none"> • Reduction due to reduced gas tax revenue • Complete Streets program fully funded
Safe Routes to Schools Grants	\$36.5 million	\$24.9 million	\$36.7 million
Bicycle and Pedestrian Safety Grants	\$38.3 million	\$29.1 million	\$42.6 million
Freight Mobility Strategic Investment Board	\$36.9 million: <ul style="list-style-type: none"> • \$7.5 million reduction in capital spending authority • \$7.4 million reduction due to legislative project adjustments Other increases due to additional maintenance funding	Reduction to \$31.6 million	\$37 million
Gas tax distributions to local governments (statutory)	\$508 million (distributions are statutorily defined)	No change	\$501.8 million (distributions are statutorily defined)