



## 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, please visit the Legislative Evaluation and Accountability Program: <http://leap.leg.wa.gov/>*

	Senate	House	Final Proposed Budget
<b>State Shared Revenues</b>			
<b>Liquor Profits (Liquor Revolving Account)</b>	Fully funded at \$98.9 million.	Same as Senate proposal.	Fully funded at \$98.9 million.
<b>Liquor Taxes (Liquor Excise Tax Account)</b>	Fully funded at \$56.1 million.	Same as Senate proposal.	Fully funded at \$56.1 million.
<b>Marijuana Excise Tax</b>	Fully funded at \$30 million.	Funded at \$12 million, \$6 million per year 2018-21. Provides additional funding of \$18 million for 2017-19, if state revenues increase by \$18 million more than the March 2017 revenue forecast.	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.
<b>Streamlined Sales Tax Mitigation</b>	Fully funded at \$45.7 million.	Fully funded at \$45.7 million for 2017-19. Assumes distribution suspended in 2019-21 pursuant to sales tax collection requirements on internet sellers at state level (marketplace fairness) (\$45 million suspended in 2019-21).	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.
<b>Municipal Criminal Justice Assistance Account</b>	Fully funded at \$38.1 million.	Same as Senate proposal.	Fully funded at \$38.1 million.
<b>City-County Assistance Account (6050)</b>	Fully funded at \$27.2 million.	Same as Senate proposal.	Fully funded at \$27.2 million.
<b>Annexation Sales Tax Credit</b>	Left intact.	Same as Senate proposal.	Left intact.
<b>Fire Insurance Premium Tax</b>	Fully funded at \$10 million; new distribution formula for the 2017-19 and 2019-21 biennia of \$2000 per firefighter eligible to receive benefits under the fund, once jurisdiction has demonstrated that it levies \$0.225 pension levy and that levy is not sufficient to meet actuarial soundness; excess distribution to disaster response.	Fully funded at \$10 million.	Fully funded at \$9.7 million.
<b>Capital Budget</b>			
<b>Public Works Trust Fund</b>	Proposes permanent diversions of taxes, but retains some loan repayments. Permanent diversion of taxes equates to \$251 million in the 2019-21 biennium. \$127 million in the 2017-19 biennium and \$20 million in the 2019-21 biennium are redirected from PWAA loan repayment resources. This leaves resources for \$97.1 million for loans to 25 cities, counties, and special purpose districts for projects in the 2017-19 biennium and \$100 million for the 2019-21 biennium.	Indicates intention to divert \$213 million in Public Works Assistance Account revenues for the 2019-21 biennium. This is less than what would be diverted if current revenue diversions are left in place. \$97.1 million for loans for 25 projects (same as Senate). \$105 million for a FY '19 construction loan list, \$19 million for preconstruction and emergency loans during the biennium and \$5 million for drinking water consolidation grants administered by the Department of Health.	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.
<b>Stormwater Financial Assistance Program</b>	\$60 million for projects. (including funding to restore some previously approved grants). Local stormwater capacity grants not fully restored, reduced by \$1.1 million for the biennium.	\$40 million for projects. Local stormwater capacity grants not fully restored, reduced by \$1.1 million for the biennium.	Capital budget not yet available. Local stormwater capacity grants not fully restored, reduced by \$1.1 million for the biennium.
<b>Remedial Action Grants (Toxic Cleanups)</b>	\$8 million	No new appropriations	Capital budget not yet available.
<b>Coordinated Prevention Grants</b>	\$10 million	\$10 million	Capital budget not yet available.
<b>Drinking Water State Revolving Fund Loan Program</b>	\$164 million	\$160 million	Capital budget not yet available.
<b>Water Pollution Control Revolving Loan Program</b>	\$220 million	\$210 million	Capital budget not yet available.
<b>Centennial Clean Water Grant program</b>	\$35 million	\$30 million	Capital budget not yet available.
<b>Community Economic Revitalization Board</b>	\$15 million for projects.	\$8 million for economic development projects, \$5 million for infrastructure for high-speed, open access broadband service.	Capital budget not yet available.

	<b>Senate</b>	<b>House</b>	<b>Final Proposed Budget</b>
<b>Puget Sound Restoration and Salmon Recovery Grants</b>	Puget Sound Acquisition and Restoration - \$30 million; Puget Sound Estuary and Salmon Restoration - \$10 million; Salmon Recovery Funding Board (SRF board) grants - \$70 million (\$50 million from Federal; \$20 million from State)	\$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;	Capital budget not yet available.
<b>Washington Wildlife &amp; Recreation Program</b>	\$80 million	\$80 million	Capital budget not yet available.
<b>Floodplain Management and Control Grants</b>	\$20.3 million for Floodplains by Design; \$23.5 million for Chehalis basin projects; \$21.5 million for local priority flood protection.	\$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	Capital budget not yet available.
<b>Fish Barrier Removal Board</b>	\$19.7 million for 13 projects.	\$19.7 million for 13 projects. \$5 million in transportation budget.	Capital budget not yet available.
<b>Housing Trust Fund</b>	\$85 million; \$14 million for four specific innovative housing projects.	\$106.4 million, \$10 million is provided for six specific housing projects.	Capital budget not yet available.
<b>Energy Efficiency and Alternative Energy Grants</b>	\$25 million - \$5 million for energy efficiency grants.	\$17 million is provided for energy efficiency grants to be awarded in competitive rounds to local agencies, public higher education institutions, and state agencies.	Capital budget not yet available.

	Senate	House	Final Proposed Budget
<b>Programs</b>			
<b>Pensions</b>	<b>LEOFF 2:</b> Eliminates the state contribution rate. Employer share is increased from 30% to 50%, with exception of fire districts. Increased costs to all effected LEOFF employers of \$109M. The 2017-2021 LEOFF 2 rates would be changed to 8.75% for members and 8.75% for employers. These rates exclude the administrative fee on the employer contribution, which is currently .0018%. Also, the state intends to fund the Benefits Improvement Account obligation of \$50M through alternate means, including transfers from the LEOFF 2 fund. <b>DRS:</b> Suspends 0.18 percent surcharge on employers for Department of Retirement Systems (DRS) and actuary administration and instead covers those costs with investment returns. <b>PERS/PSERS:</b> 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%. Also, includes a surcharge on employer contributions related to one-time payment of \$700M contribution for PERS 1 unfunded liability (SB 5900).	<b>LEOFF 2:</b> 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. <b>PERS/PSERS:</b> 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%.	<b>LEOFF 2:</b> 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. <b>PERS/PSERS:</b> 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%.
<b>Training for Law Enforcement</b>	Funding provided for eight additional Basic Law Enforcement Academies in each fiscal year. Employing agencies will continue to pay a 25% share. \$1.7M for 2018, \$1.7M in 2019. 3.4M for 2017-19 biennium. There are no additional classes funded in the supplemental budget.	Funding provided for six additional BLEA classes in each fiscal year: \$1.3 million for 2018, \$1.3 million for 2019. Employing agencies will continue to pay a 25% share of training. \$600,000 per year provided for crisis intervention training. Additional BLEA funding is provided for in the 2017 supplemental budget.	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.
<b>Community Supervision</b>	Eliminates community supervision for offenders with only local jail sentences, except for violent or sex offenses. Allows individuals to earn good time credit and requires supervision for multiple sentences to be served concurrently unless ordered by the court.	No change to current law.	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.
<b>Municipal Research and Services Center</b>	Fully funded. Commerce must provide report to legislature by November 1, 2018 with a plan for MRSC to become self-sustaining without a state appropriation. If the report is not received by November 1, 2018, \$1.4 million of the state appropriation will lapse.	Fully funded.	Fully funded.
<b>Auto Theft Prevention Authority</b>	Funded at \$8.2 million (an increase of \$500,000 over last biennium).	Same as Senate proposal.	Funded at \$8.2 million (an increase of \$500,000 over last biennium).
<b>Public Defense Grants</b>	Funded at \$900,000 per year (same as last biennium).	Same as Senate proposal.	Funded at \$900,000 per year (same as last biennium).
<b>Gang Prevention Grants</b>	Funded at \$500,000 per year (same as last biennium).	Funded at \$600,000 per year.	Funded at \$500,000 per year (same as last biennium).
<b>Sex Offender Address Registration</b>	Funded at \$5 million per year (same as last biennium).	Same as Senate proposal.	Fully funded at \$5 million per year.
<b>Impaired Driver Safety Account</b>	Funded at \$1.4 million (same as last biennium),	Same as Senate proposal.	Fully funded at \$1.4 million.
<b>Public Health</b>	Funded at \$73 million (same as last biennium), but provides that counties and health districts that have safe injection sites located within their territory or area will not receive a distribution.	Funded at \$73 million (same as last biennium).	Funded at \$73 million (same as last biennium).

	<b>Senate</b>	<b>House</b>	<b>Final Proposed Budget</b>
<b>Growth Management and Shoreline Management Activities</b>	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.	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.	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.
<b>Local Government Fiscal Note Program</b>	Eliminates funding for local government fiscal notes.	Fully funded.	Fully funded.
<b>Homeslessness and Housing Programs</b>	Reduces funding to Housing and Essential Needs program to \$10 million and replaces some reductions with Family Homelessness Assistance. Restricts ability of the state to participate in the Medicaid transformation demonstration project (1115 Waiver).	Provides additional funding to reduce homelessness. \$11M is provided for youth homelessness, temporary rental assistance, chronically homelessness, and consolidated homeless grants.	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.
<b>TANF</b>	Reductions in Temporary Assistance to Needy Families (TANF)/WorkFirst Exemptions: \$32 million. Utilization of all WorkFirst (temporary cash assistance program) fund balance: \$63 million	\$20 million increase from TANF changes.	Increase in TANF of \$4 million.
<b>Family &amp; Medical Leave Insurance</b>		\$82 million provided for the start up costs of implementing the Family and Medical Leave Insurance Program (FMLI) pursuant to SHB 1116. FMLI will provide 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 0.255 percent of wages beginning on July 1, 2018, and then 0.51 percent of wages beginning on January 1, 2020, with subsequent annual adjustments, and allows employers to deduct one half of premiums from employee wages.	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.