

## Comparing the Operating Budgets

### Briefly

The Senate and the House have each passed 2017–19 operating budgets and 2017 supplemental budgets.

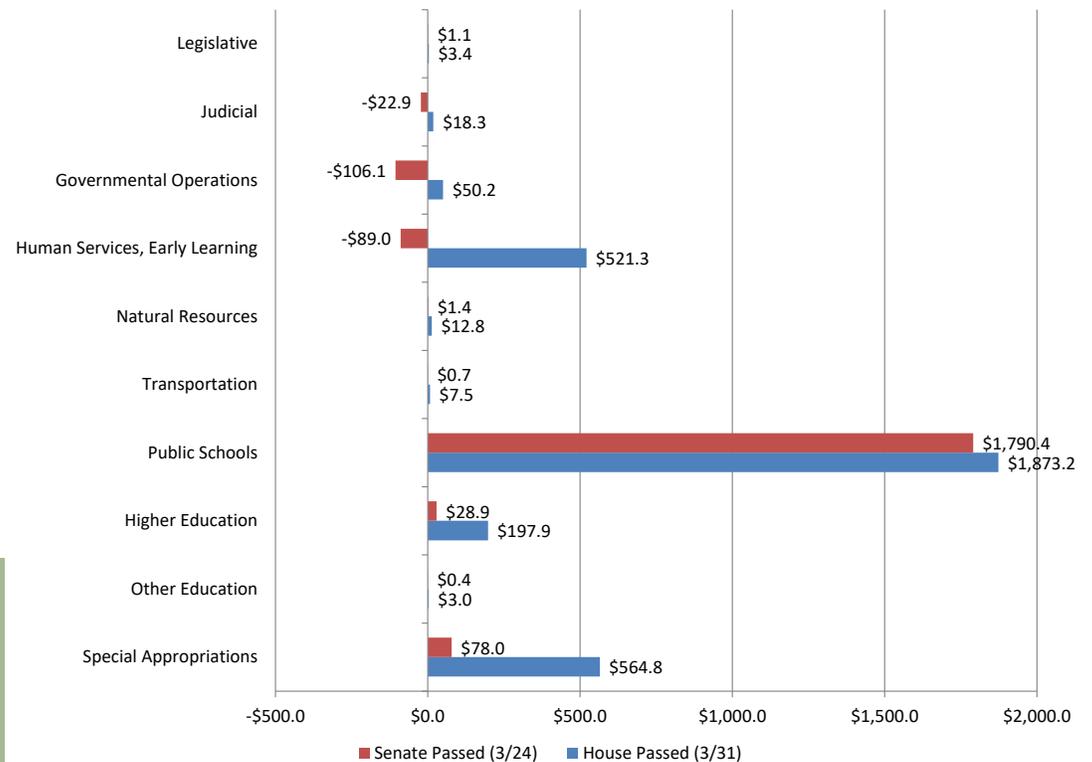
In March the Senate and House passed biennial operating budgets for 2017–19, as well as 2017 supplemental budgets for the 2015–17 biennium.

Both the Senate and the House focus their proposed appropriations on public schools. Still, there are substantial differences between the two budgets.

The chart compares the policy changes passed by each house. The table on page 2 compares some of the proposals' major provisions.

For more on the Senate budget, see our earlier report, "[Senate-Passed 2017–19 Operating Budget Would Increase Spending by \\$4.9 billion.](#)" A report detailing the House budget is forthcoming.

Chart: NGFS+ Policy Changes (Millions of Dollars)



	Senate-Passed (3/24)	House-Passed (3/31)
<b>New Revenue</b>	\$1.581 billion	\$2.981 billion
<b>Fund Transfers</b>	\$196.5 million (including \$127.4 million from the public works assistance account and \$33.8 million from the disaster response account)	\$58.4 million (including \$42.0 million from disaster response account)
<b>NGFS+ Spending</b>	\$43.108 billion	\$44.685 billion
<b>NGFS+ Policy Changes</b>	\$1.683 billion	\$3.252 billion
<b>Unrestricted Ending Fund Balance</b>	\$815 million	\$1.196 billion
<b>Use of Rainy Day Fund</b>	\$700 million to make early PERS 1 contribution (SB 5900, not passed) • \$23.9 million in 2015-17 for wildfire costs (SB 5895, passed Senate)	\$35.4 million in 2015-17 and \$12.5 million in 2017-19 for wildfire costs (HB 2191, not passed) • Amount of extraordinary revenue growth transferred back to the GFS in 2015-17 would be increased by \$793 million (HB 2190, not passed)
<b>Total Reserves</b>	\$2.023 billion	\$2.328 billion
<b>Four-Year Outlook</b>	Balances	Balances
<b>Revenue Details</b>	SSB 5607 (as amended by ESSB 5875): \$1.521 billion from a new state property tax called the "local effort levy" (both bills have been passed by the Senate, but there is a referendum clause)	HB 1764 (not passed): \$128.3 million from changes to the property tax growth limit • HB 2186 (not passed): \$2.836 billion from several changes, including a capital gains tax (\$715.1 million), B&O tax changes (\$1.197 billion), changes to certain sales and use tax exemptions (\$137.0 million), real estate excise tax changes (\$435.4 million), remote sellers (\$329.2 million)
<b>Spending Details</b>		
<b>Percent of NGFS+ Spending on Public Schools</b>	50.7%	49.1%
<b>McCleary Response Funded</b>	SSB 5607, as amended by ESSB 5875 (both passed the Senate)	HB 2185 (not passed)
<b>I-732 COLAs for School Staff</b>	Repealed	Funded
<b>I-1351 Class-Size Reductions</b>	Repealed (reduces spending in 2019-21)	Suspended for two years
<b>Higher Education Tuition</b>	Pursuant to the College Affordability Program enacted in 2015, tuition is tied to growth in average wages • Appropriations reduced by \$19.9 million, would be replaced by tuition.	Freezes tuition at SY 2016-17 levels for the biennium, appropriates \$56.4 million for the institutions to backfill the tuition loss
<b>Other Higher Education Appropriations</b>	\$28.8 million to increase enrollment • \$37.6 million to maintain state need grant	\$72.7 million to maintain and expand state need grant
<b>Human Services</b>	\$52.7 million for psychiatric hospital compliance • \$76.2 million for vendor rates • Saves \$332.7 million in TANF • Saves \$31.9 million in WCCC • Saves \$42.8 million from preferred drug list • Saves \$38.9 million in Dept. of Corrections	Funds collective bargaining agreements with providers (and agency parity), \$121.6 million • \$42.2 million for psychiatric hospital compliance • Creates a new Department of Children, Youth, and Families • Behavioral health services transferred to HCA • Saves \$32.1 million from preferred drug list
<b>Governmental Operations</b>	Saves \$49.8 million in the Housing and Essential Needs program	\$22.5 million to Dept. of Revenue to implement new revenue provisions • \$10.0 million for homelessness reduction at Dept. of Commerce
<b>State Employee Compensation</b>	Funds only three collective bargaining agreements (\$88.8 million) • Spends \$90.0 million to fund general salary increases of \$500 a year • Benefits rate is \$889 per employee per month in 2018 and \$920 in 2019 (\$18.0 million)	Funds all collective bargaining agreements and extends them to non-represented employees (\$429.9 million) • Benefits rate is \$912 per employee per month in 2018 and \$1,041 in 2019 (\$96.6 million)
<b>Retirement</b>	Would not fund state contribution to LEOFF 2, saving \$108.7 million • Suspends \$50.0 million transfer to the local public safety account	Suspends \$50.0 million transfer to the local public safety account

Note: All figures are NGFS+ and for 2017–19 (unless otherwise noted).