

## Comparing the 2020 Supplemental Operating Budgets

### Briefly

The Senate and House have each passed supplemental operating budgets for 2019–21. The Senate-passed budget would increase 2019–21 appropriations from funds subject to the outlook (NGFO) and the workforce education investment account (WEIA) by \$1.132 billion. The House-passed budget would increase appropriations from the NGFO+WEIA by \$1.178 billion. Most of the difference between the two comes from new policy choices.

This side-by-side briefly compares the proposals; narrative descriptions of the Senate- and House-passed budgets are forthcoming.

Chart: Proposed Policy Changes from the NGFO+WEIA (Dollars in Millions)

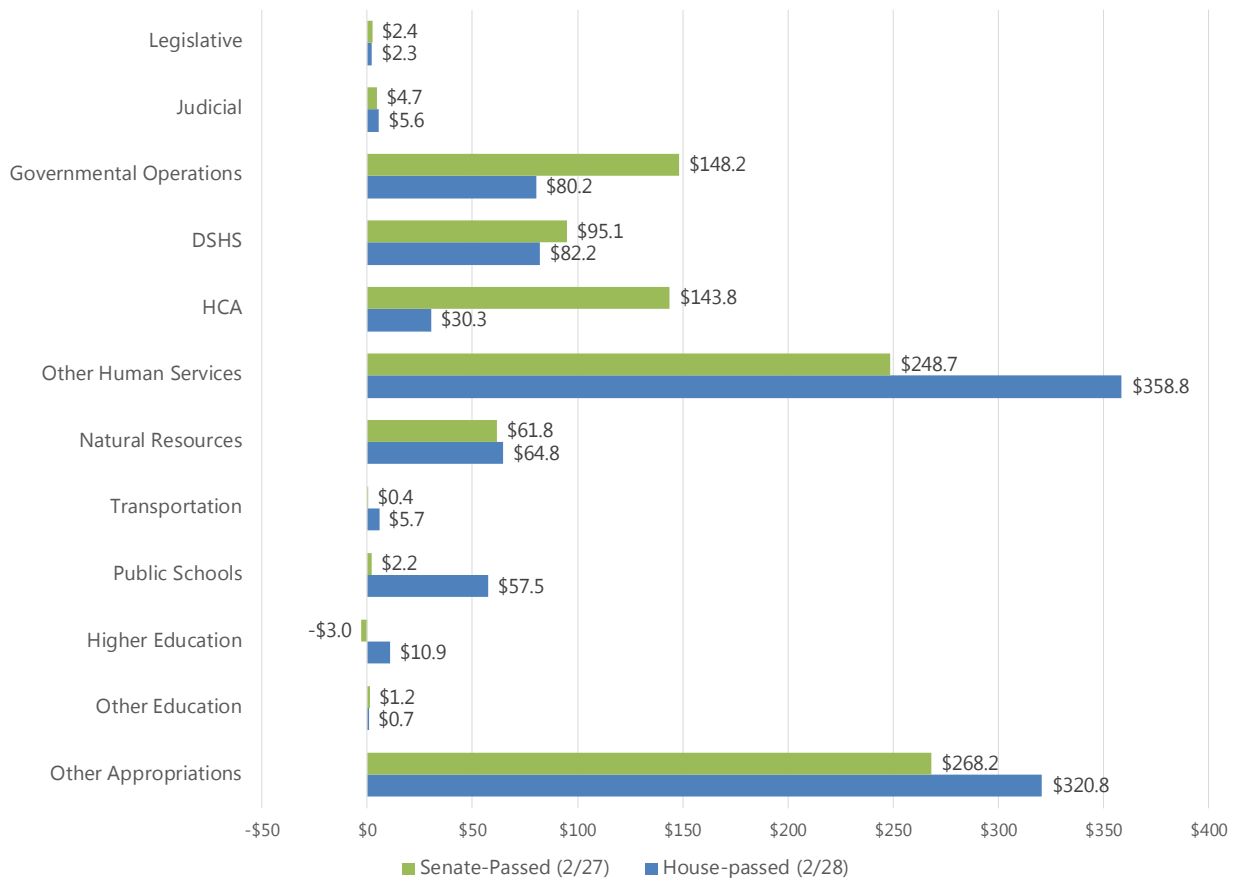


Table 1: Overall Differences Between the Proposals and Revenue Details (Unless otherwise noted, amounts are from the NGFO+WEIA and for 2019-21)

	Senate Passed (2/27)	House Passed (2/28)
<b>NGFO Revenue Legislation</b>	-\$20.0 million in 2019-21, -\$1.4 million in 2021-23	-\$50.3 million in 2019-21, -\$71.0 million in 2021-23
<b>NGFO Fund Transfers</b>	-\$29.0 million in 2019-21 (including \$25.0 million to the multimodal transportation account), -\$6 million in 2021-23	-\$13.3 million in 2019-21 (including \$19.3 million to the disaster response account), \$2.7 million in 2021-23
<b>NGFO+WEIA Appropriations</b>	\$54.005 billion	\$54.052 billion
<b>Maintenance Level</b>	\$53.032 billion	\$53.032 billion
<b>New Policy Spending</b>	\$973.6 million	\$1.020 billion
<b>Unrestricted NGFO Ending Fund Balance</b>	\$707 million in 2019-21, \$12 million in 2021-23	\$595 million in 2019-21, \$8 million in 2021-23
<b>Total Reserves</b>	\$2.887 billion in 2019-21, \$2.815 billion in 2021-23	\$2.775 billion in 2019-21, \$2.811 billion in 2021-23
<b>Revenue Details</b>		
<b>Increases</b>	Tax treatment of captive insurers (SSB 6331), \$1.5 million in 2019-21 and \$45.5 million in 2021-23 • Plastic bag restrictions and charges (ESSB 5323), \$3.6 million	
<b>Decreases</b>	Aircraft fuel tax distribution (SHB 1457), -\$9.7 million • Sales tax exemption for feminine hygiene products (SB 5147), -\$4.1 million • B&O tax deduction for behavioral health organizations (SB 6639), -\$4.1 million • Tribal tax compacts (SB 6601), -\$4.1 million	
	Tax deferral for Washington State Convention Center (HB 2032), -\$30.0 million • Mitigation payments to manufacturing and warehousing communities (HB 1948), -\$7.1 million • B&O tax deduction for behavioral health organizations (HB 2943), -\$4.1 million • Tribal tax compacts (HB 2803), -\$4.1 million	

### NGFO Plus WEIA

In recent years, legislative fiscal committee staffs have based budget presentations on a synthetic “account” that rolls up the general fund–state (the state’s primary budget account) with the education legacy trust account and the opportunity pathways account, because they believe that it better reflects the entire budget situation. Previously called the near general fund–state plus opportunity pathways (NGFS+), this roll-up is now more simply called “funds subject to the outlook” or the near general fund–outlook (NGFO). (Under the four-year balanced budget requirement, a positive ending balance is required in both the current and following biennium on an NGFO basis.)

In 2019, the Legislature created the workforce education investment account (WEIA) to fund higher education programs. As these programs would typically be funded through the NGFO, it is appropriate for budget transparency purposes to roll up the WEIA with the NGFO (though the WEIA is not presently included in the four-year balanced budget requirement).

Table 2: Policy Changes in Each Proposal (Unless otherwise noted, amounts are from the NGFO+WEIA and for 2019-21)

	Senate Passed (2/27)	House Passed (2/28)
<b>Spending Details</b>		
<b>K-12</b>		
<b>Pupil Transportation</b>	\$11.6 million for a transportation base adjustment • \$29.5 million for excess transportation allocation • OFM to report on funding system	\$38.9 million for a transportation base adjustment • \$29.5 million for excess transportation allocation • OFM to report on funding system
<b>Special Education</b>	\$11.1 million to change safety net award eligibility • \$9.7 million to increase the excess cost multiplier • WSIPP study on funding and service gaps	WSIPP study on funding and service gaps
<b>Other</b>	\$45.8 million for local effort assistance • \$12.6 million for paraeducator training • Saves \$54.8 million by reducing SEBB rates	\$50.2 million for local effort assistance • \$14.4 million for paraeducator training • \$14.4 million for small school support • \$51.6 million for counselors in high poverty schools • Saves \$71.1 million by reducing SEBB rates
<b>Higher Education</b>	\$23.0 million appropriated from GFS to WEIA • Saves \$18.1 million by reducing funding in the guided pathways program	\$41.3 million appropriated from GFS to WEIA
<b>Housing and Homelessness</b>	\$66.4 million for unmet need shelter • \$26.1 million for the Housing and Essential Needs program • \$15.4 million for supportive housing	\$100 million for the Housing Trust Fund • \$25.1 million for the consolidated homeless grant • \$20.0 million for the Housing and Essential Needs Program
<b>Department of Children, Youth, and Families</b>	\$20.3 million for the family assessment response pathway • \$17.2 million to increase Working Connections Child Care (WCCC) rates • \$15.5 million for a WCCC caseload adjustment	\$20.1 million for the family assessment response pathway • \$56.4 million to increase WCCC rates • \$26.3 million for a WCCC caseload adjustment
<b>DSHS and HCA</b>	\$24.2 million for a nursing home rate increase • \$38.4 million for state hospital operations • \$25.0 million for a managed care rate increase for behavioral health services • \$60.6 million for other managed care rate increases • \$32.0 million to restore managed care program integrity savings • \$34.1 million for rural health center reconciliation • \$9.9 million for a primary care rate increase • Saves \$40.6 million due to updated marijuana tax revenues used in lieu of the GFS	\$16.8 million for a nursing home rate increase • \$38.4 million for state hospital operations • \$32.0 million to restore managed care program integrity savings • \$34.1 million for rural health center reconciliation • \$14.5 million for a primary care rate increase • Saves \$38.9 million due to updated marijuana tax revenues used in lieu of the GFS • Saves \$66.0 million by assuming changes to federal funds for disproportionate share hospitals delayed
<b>Fire Suppression</b>	\$20.6 million • Monthly cost reports to Legislature • Zero-based budget	\$27.3 million
<b>Compensation</b>	\$15.0 million to increase PERS and TRS Plans 1 benefits	\$17.7 million to increase PERS and TRS Plans 1 benefits
<b>Other</b>	\$10.6 million for foundational public health • Department of Enterprise Services must study increase in tort claims against DCYF • \$36.4 million from the family and medical leave insurance account for additional paid family leave staff	\$14.5 million for foundational public health • \$60.0 million appropriated to the self-insurance liability account • Department of Enterprise Services must study increase in tort claims against DCYF • A portion of agency savings would be credited to the agency generating them • \$50.9 million from the family and medical leave insurance account for additional paid family leave staff
<b>Banked for Future Biennia</b>	\$100.0 million to a new climate resiliency account • \$100.0 million to a new UW behavioral health hospital account	\$75.0 million to the permanent supportive housing account (\$15.0 million would be spent in 2019-21)