



PROPOSED 2020 SUPPLEMENTAL
BUDGET & POLICY
— HIGHLIGHTS —

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Investing in Washington's continuing success

Governor reinforces efforts to address homelessness crisis, expand early learning and combat climate change

Last spring, Gov. Jay Inslee and the Legislature approved two-year state budgets that fund major reforms and expansions in behavioral health, education, affordable housing, orca recovery and climate action. Gov. Inslee is now proposing modest adjustments to those spending plans while calling for new investments in several strategic initiatives, including bold actions to address the state's homelessness crisis, add early learning opportunities and strengthen the state's efforts to promote diversity, equity and inclusion in the workplace.

For much of the past several biennia, state budget writers have had to grapple with one of the greatest fiscal challenges the state has ever faced: meeting our constitutional obligation to fully fund basic education. The state had been falling short on its obligation for decades, and fixing the problem has required an enormous infusion of state funding. Since 2013, in fact, nearly two-thirds of new state spending has been directed toward K-12 education.

Having largely tackled the state's school-funding problem, Gov. Inslee and the Legislature this year turned their attention to critical needs in other areas.

For example, the 2019–21 operating and capital budgets include major new funding to transform Washington's behavioral health system. Efforts are underway to decentralize long-term civil mental health commitments, create forensic centers of excellence at the public psychiatric hospitals and build recovery-based services and supports in the community.

The budgets boost funding for more affordable housing for vulnerable populations, including individuals with chronic mental illness who need supportive housing and case management services; homeless families, youth and individuals; veterans; farmworkers; seniors; and individuals with special needs.

The biennial operating budget adds nearly 1,200 new enrollment slots in the state's preschool program for 3- and 4-year-olds and boosts funding for K-12 special education. It also expands the governor's Career Connect Washington initiative, which offers students more pathways to good-paying careers through a coordinated, statewide system of apprenticeships, internships and mentorship learning.

Under Inslee's leadership, the state is making unprecedented investments in recovery efforts for salmon and critically endangered Southern Resident orca populations. The supplemental operating, capital and transportation budgets fund a number of projects that will help restore habitat, reduce barriers to salmon migration, boost salmon hatchery production and expand pollution prevention and cleanup efforts. Meanwhile, the budgets passed during the 2019 legislative session are funding a wide range of actions to cut carbon emissions and create green-energy jobs.

"These budgets represent what can happen when legislators work together and prioritize the needs of our students, our natural resources, our people

and our future," the governor said in signing the 2019–21 state spending plans. "Budgets are statements of values, and I am proud of what these budgets mean for today's Washingtonians and for future generations."

Supplemental budgets focus on homeless crisis, protecting vulnerable individuals

As Washington's economy continues to expand, state revenue projections have been making modest but steady gains. But that revenue growth has been offset by rising caseloads and enrollments in a number of programs and by the climbing costs of maintaining services at current levels.

Inslee is proposing mostly modest changes with his supplemental operating and capital budgets. After making necessary adjustments to account for enrollment, caseload and other rising costs, the governor's proposal will increase Near General Fund spending by just 0.6% in the current biennium.

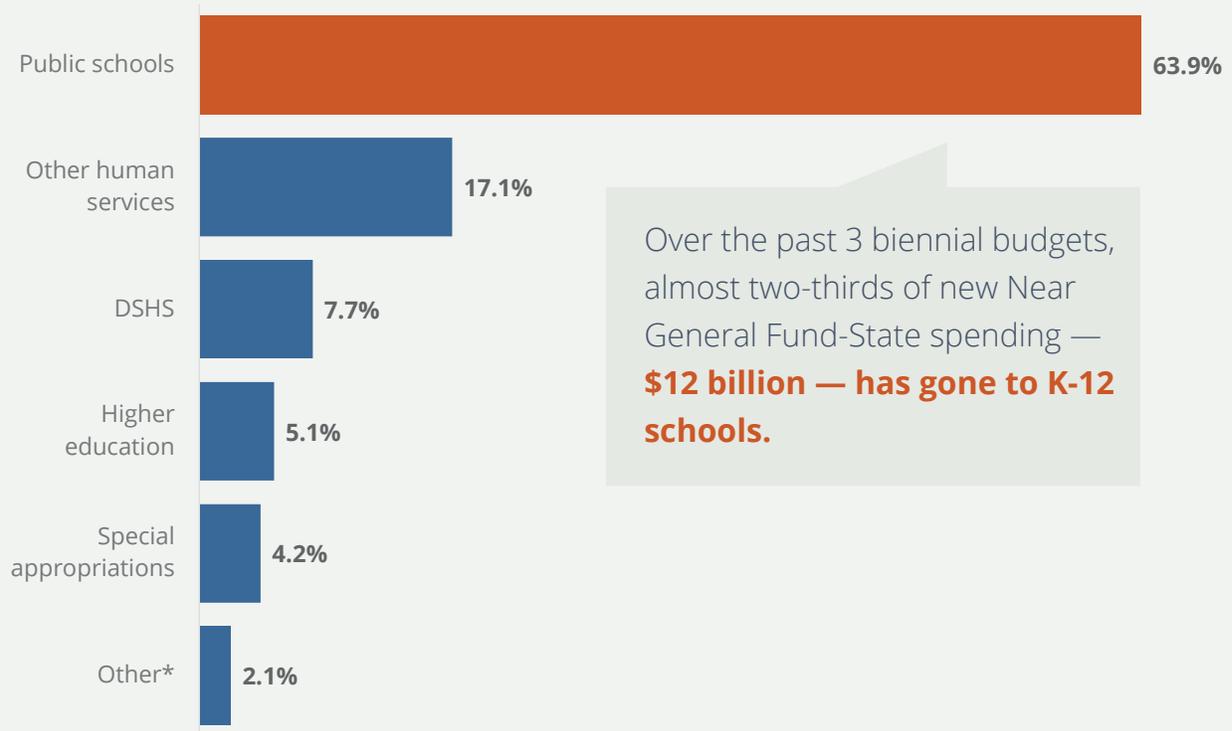
The governor, however, is taking action to stem a crisis facing many communities across the state: homelessness. In fact, Washington has the nation's fifth-highest per-capita rate of unsheltered homeless individuals.

The governor proposes dramatically ramping up state and local efforts to provide more shelter and other actions to combat chronic homelessness. His plan adds 2,100 local shelter beds across the state while giving rental and other housing assistance to more than 3,000 additional homeless individuals.

These and other actions will cost \$146 million in the current budget and more than \$300 million over the next three years. To cover those costs, the governor proposes tapping into the state's emergency reserve, which is projected to contain about \$2.5 billion at the end of the next biennium.

Beyond that, much of the new General Fund spending the governor proposes is for several new or expanded strategic initiatives that he will present

NGF-S spending growth between 2013–15 and 2019–21 biennia



*Other includes governmental operations, judicial, other education, natural resources, legislative and transportation.

Source: OFM, Dec. 2019

to the Legislature in January. His supplemental operating and capital budgets include funding to:

- Add early learning opportunities and strengthen the state’s foster care system.
- Expand career connected learning efforts and provide more training for mid-career workers.
- Enhance diversity, equity and inclusion efforts in state government, schools and local communities.
- Maintain momentum on work to cut carbon emissions and promote clean energy.

- Help communities reduce gun violence.
- Implement safety initiatives at Western State Hospital and add approximately 70 direct-care staff at both psychiatric facilities.
- Make important adjustments and improvements to the state’s orca and salmon recovery efforts.

Budget pauses transportation projects to offset lost revenue

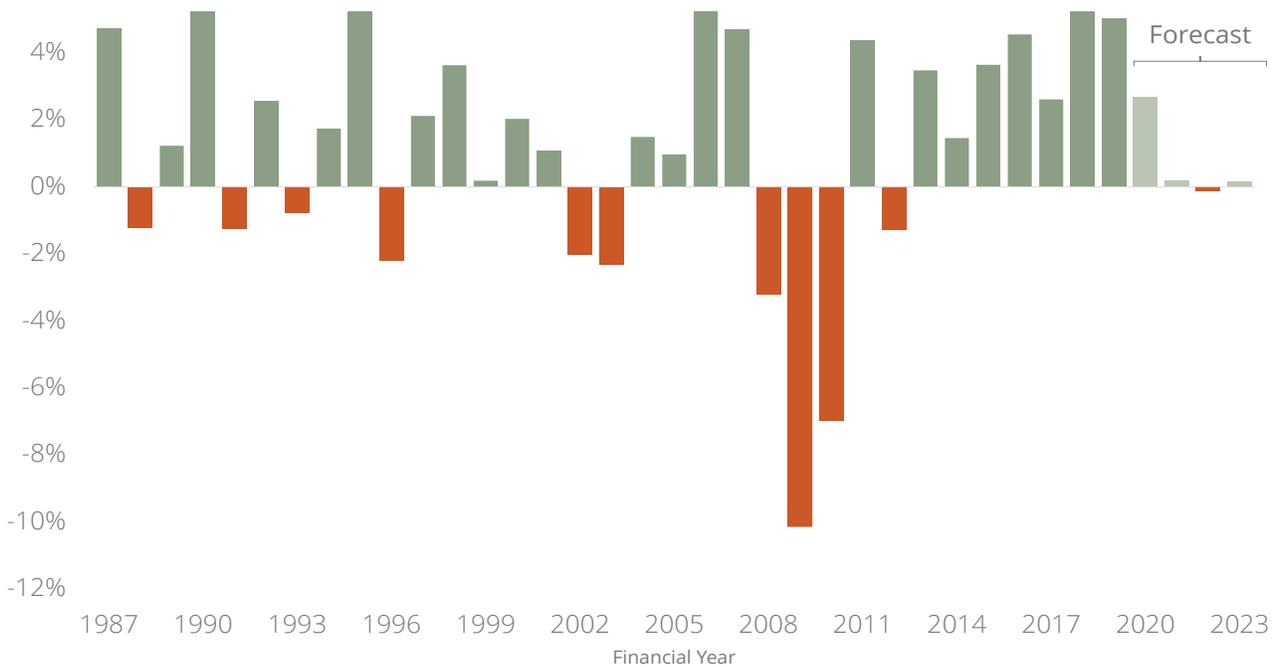
The governor’s supplemental transportation budget lays out a plan to address Initiative 976, which lowers state car-tab fees, repeals Sound Transit car-tab taxes and eliminates a .3% sales tax on vehicle

purchases and the authority for cities to charge car-tab fees. The measure, which voters approved in November, is projected to reduce state and local transportation funding by more than \$450 million in the current biennium and by more than \$4 billion over six years.

The measure is now on hold due to a court injunction stemming from a legal challenge brought by several local governments and transit agencies. However, the governor believes the budget must reflect the impact of the initiative.

To offset the enormous revenue losses, the governor proposes redirecting funds, accessing fund balances and pausing a wide range of projects pending across the state. Some projects will be deferred for seven months and others will be deferred to the next biennium to achieve temporary cost savings in various transportation accounts. Pausing projects gives the governor and the Legislature more funding flexibility as they work to revise the current budget and develop a long-term plan for implementing the initiative.

Annual percentage change of real per-capita revenue



Source: Economic and Revenue Forecast Council, Nov. 2019

Economic and revenue outlook

Recent economic performance continues to affirm Washington state's advantage throughout the nation's period of expansion, and the state should outperform the nation in job and income growth over the foreseeable future.

Washington's jobless rate moved above the national rate during the past three years after having mirrored the national figures for much of the economic recovery. Washington's rate has traditionally been higher than the national norm due to the state's outsized share of seasonal industries and its attractiveness to in-migrants searching for opportunity and the Northwest experience. Over the past four years, 74% of Washington's population growth has been due to migration. More recent forecasts expect Washington's jobless rate to remain above the national average, likely the result of strong population growth and the accompanying frictional lag in employment. In fundamental ways, that reflects the confidence workers have in finding gainful employment. By the end of the next biennium (2021–23), Washington's unemployment rate is projected to increase slightly to 5.0%, up from the current 4.6%.

Personal income in Washington is expected to strengthen over the next biennium. Real personal income should gain 2.6% in fiscal year 2020, 2.0% in fiscal year 2021 and 2.6% in fiscal year 2022, measurably higher at the end of the forecast period than the respective 3.3%, 2.5% and 1.6% projections for the nation. On a per-capita basis, Washington's real personal income should reach \$59,826 in fiscal year 2022, more than \$6,000 above the U.S. average.

These gains in Washington's personal income will occur notwithstanding the absence of growth in aerospace employment, which is expected to moderate from 89,300 jobs in fiscal year 2020 to 89,100 jobs in fiscal year 2022. However, thanks to gains in software publishing, electronic shopping and mail order, and other technology sectors, Washington is projected to net a 1.9% increase in total payroll jobs in fiscal year 2020, 1.2% in fiscal year 2021 and 1.0% in fiscal year 2022.

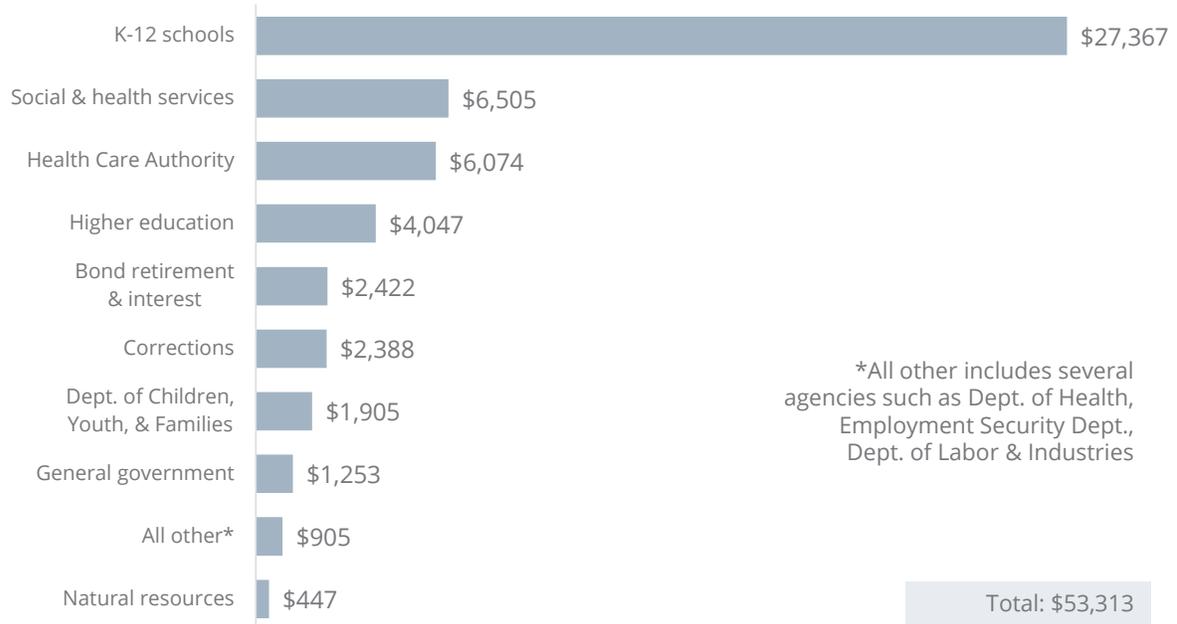
Construction activity in Washington is expected to trend to a more historically normal level in the next biennium. While multi-family construction growth was prompted by demand for rental units in the aftermath of the recession, income gains have renewed demand for single-family housing. Building permits should total 44,700 in fiscal year 2020, 43,000 in fiscal year 2021 and then 42,400 in fiscal year 2022. As a result, construction employment should move down to 213,000 jobs in fiscal year 2022 from 219,800 jobs in fiscal year 2020. That should ease the share of construction jobs to 6.0% of total nonfarm employment, still a bit above the historic average of 5.6% yet reflective of a stabilizing housing and commercial building market.

General Fund-State revenues grew 10.0% in fiscal year 2018 and 3.3% in fiscal year 2019. General Fund-State revenues are forecasted to increase 9.9% in fiscal year 2020, 4.1% in fiscal year 2021 and 3.1% in fiscal year 2022. The expanding economy, continued gains in hiring and sound housing markets have had a positive effect on revenue growth and should keep revenues growing at a sound pace.

Governor's Proposed 2019-21 Biennial Budget

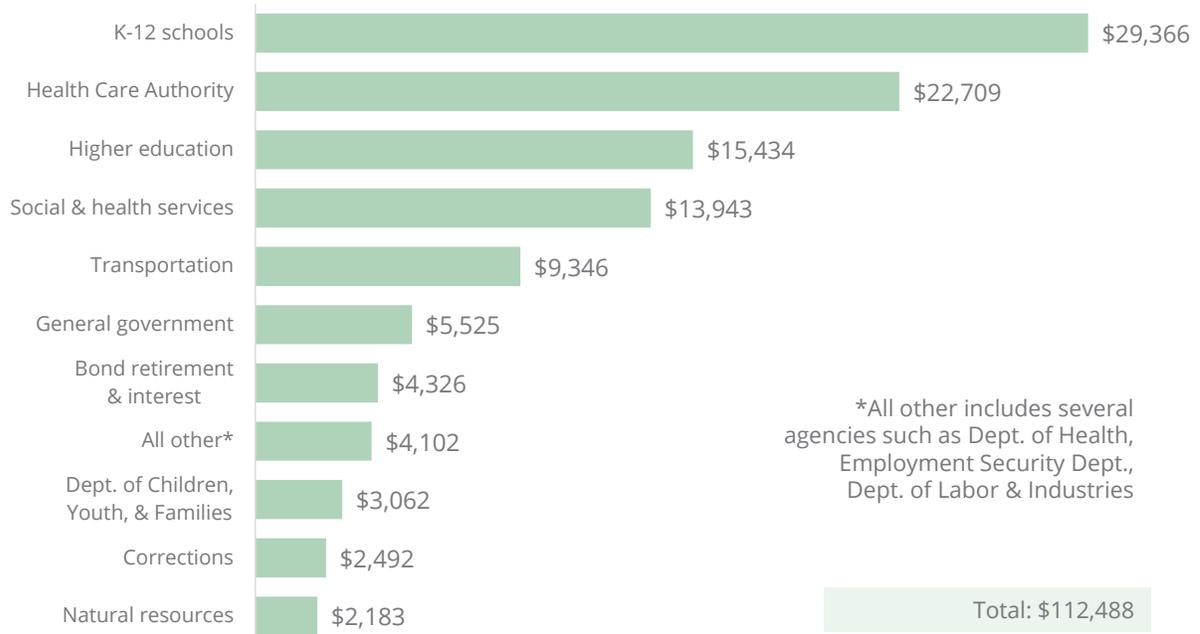
Near General Fund-State and Opportunity Pathways Accounts

\$ in millions



All Funds – Operating plus Transportation Capital

\$ in millions



Governor’s Proposed 2020 Budget Balance Sheet

General Fund-State, Education Legacy Trust Account, Opportunity Pathways Account
and Budget Stabilization Account

\$ in millions

2019-21

RESOURCES	
Beginning Fund Balance	\$1,981
November 2019 Revenue Forecast	51,733
Transfer to Budget Stabilization Account (1% of general state revenue)	(503)
Transfer to Budget Stabilization Account (extraordinary revenue growth)	0
Enacted Fund Transfers	209
Actual/Assumed Prior Period Adjustments & CAFR Adjustment	41
Governor’s Proposed Revenue Changes	
Governor’s Tax Package	(5)
Additional 1% BSA Transfer	0
Fund Transfers	10
Budget Driven Revenue	(3)
Total Resources (including beginning fund balance)	\$53,464
EXPENDITURES	
Governor’s Proposed 2019-21 Budget	
Maintenance Level Base Budget	\$52,977
Policy Changes	336
Actual/Assumed Reversions	(354)
Total Expenditures	\$52,959
RESERVES	
Projected Ending Balance (GFS + ELTA + OPA)	\$505
Budget Stabilization Account	
Budget Stabilization Account Beginning Balance	1,618
Plus Transfers from General Fund and Interest Earnings	559
Additional 1% BSA Transfer	(0)
Appropriations from BSA	(319)
Projected Budget Stabilization Account Ending Balance	\$1,859
Total Reserves (Near General Fund plus Budget Stabilization)	\$2,364

Governor's Proposed 2020 Balance Sheet Detail

Fund Transfers, Revenue Legislation and Budget Driven Revenues

\$ in millions

2019-21 Biennium

GF-S

Fund Transfers To/From GFS (Excluding Transfers To/From BSA)	
294 Sea Cucumber Dive Fishery Account	\$(0.0)
295 Sea Urchin Dive Fishery Account	(0.0)
300 Financial Services Regulation Account	1.4
404 Treasurer's Service Account	4.0
600 Dept. of Retirement Systems Expense Account	5.0
Subtotal	\$10.4
Revenue	
Vapor Products – Permanent Ban	\$(4.7)
Community Solar Tax Incentive	0.0
Multi-Family Tax Exemption	0.0
Additional 1% BSA Transfer	0.0
Subtotal	\$(4.6)
Budget Driven & Other	
Lottery Revenue Distribution Change BDR	\$(0.0)
Liquor Account Distribution 501 BDR	(2.1)
Cannabis Revenue Distribution Change BDR	(1.2)
Subtotal	\$(3.3)
All Revenue Changes	\$2.4



Photo courtesy of the city of Olympia

Homelessness strategy: bringing people inside

A six-year trend of rising homelessness in Washington was broken this year. Major investments in affordable housing and homelessness programs, combined with greater emphasis on serving unsheltered homeless households, have led to fewer people living outside and more living in homeless shelters.

Even so, Washington experiences the 5th highest per-capita rate of unsheltered homelessness in the nation. On any given night in our state, approximately 10,000 people are living outside or in places unfit for human habitation. In fact, the number of unsheltered homeless individuals now exceeds the number of people who lived without shelter during the Great Recession.

The effects of such arrangements can be devastating. Unsheltered individuals experience profound health and safety challenges compared to their sheltered counterparts. They are more likely to have contact with the police, to spend nights in jail and in emergency rooms, and to die earlier. The impacts are far-reaching, too: As people living outside lack customary facilities such as restrooms and laundry machines, unsheltered homelessness presents environmental impacts along roadways and

in city parks and other locations used by homeless individuals.

Making meaningful steps to bring people inside will require a significant increase in shelter capacity as well as investments in additional housing supports and improvements to assistance programs.

Gov. Inslee's supplemental operating and capital budgets provide funding to dramatically decrease the rate of unsheltered homelessness in Washington. These investments are aimed at bringing thousands of individuals off the streets and into shelter while acknowledging the need for more permanent solutions to homelessness:

- A new grant program that will reduce the point-in-time count of unsheltered individuals by 1,890. (\$66 million)

Homelessness strategy: bringing people inside

- A transitional housing pilot program for nondependent homeless youth. (\$1 million)
- Housing and Essential Needs program improvements to serve an additional 2,300 individuals. (\$26 million)
- Permanent supportive housing assistance for an additional 1,080 individuals. (\$15.4 million)
- Affordable housing benchmarks and robust data collection and reporting on homeless system performance to measure success and ensure accountability developed by the Department of Commerce. (\$884,000)
- Construction of new enhanced shelters — or conversion of basic shelters to enhanced shelters — through facility improvements such as laundries, bathrooms and storage spaces. (\$30 million)
- Improvements to the Aged, Blind or Disabled Assistance Program to help homeless clients and refer them to appropriate resources. (\$2.7 million)

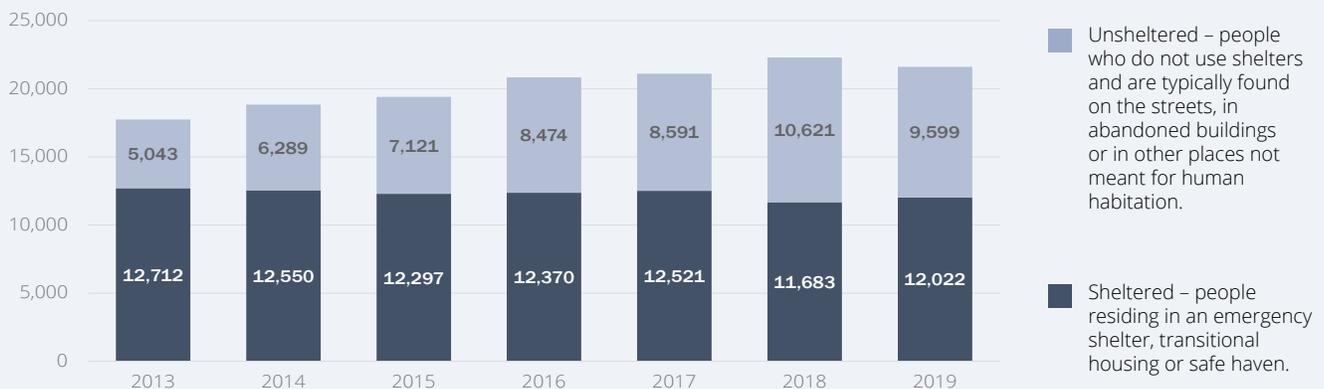
- Grants to local governments for removing waste and contaminated materials associated with vacated homeless encampments. (\$4 million)

These actions will cost \$146 million in the current operating budget and more than \$300 million over the next three years. To cover costs, the governor proposes tapping the state's emergency reserve, which is projected to contain about \$2.5 billion at the end of the next biennium.

The state has made sizable capital budget investments over the past seven years, with more than \$200 million being tabbed in just this biennium. This biennial funding — along with a state sales tax credit for local governments to further invest in affordable housing development — will spark a rise in affordable housing stock throughout the state. Extending these efforts and finding more ways to preserve affordable housing units can help to bring rents in closer alignment with wages of working Washingtonians.

Washington: 5th highest per-capita rate of unsheltered homelessness

Point-in-time count — homeless individuals — 2013–present



Source: Washington State Department of Commerce, June 2019

Building on Washington’s successes by emphasizing diversity, equity and inclusion

While a number of publications have called Washington the best state in the nation and the one with the strongest economy, our successes are not enjoyed by all Washingtonians. Systemic barriers such as institutional racism prevent access to equal opportunities and hamper the advancement of too many Washingtonians.

The facts bear this out. We know that black and Native American babies face higher mortality rates. We know that students with disabilities and students of color have lower high school graduation rates than their peers. We know that women earn only 80 cents on the dollar compared to their male counterparts — and that women of color earn even less. We know that discrimination in the criminal justice system leads to disproportionate sentencing. We know that disparities in state contracting exist.

If we are truly to live up to our title as the best state, Washington must be the best for all Washingtonians regardless of their race, ethnicity, country of origin, immigration status, disability, sexual orientation, gender identity, age and military status.

Gov. Inslee knows that our state is a better place to live and work when we embrace workforce diversity, equity and inclusion through the elimination of barriers to growth and opportunity. This allows each employee to contribute their full measure of talent and builds our capacity to deliver innovative, effective and culturally relevant

services to all the people of Washington. Over the past several years, he has signed executive orders to develop employment plans for [veterans](#), hire more [individuals with disabilities](#), maintain safe and secure spaces for [LGBTQ public employees](#) and collect only necessary information to serve those who are [immigrants](#). His supplemental budget invests in a number of programs to make Washington’s workforce more inclusive, diverse and representative of the people it serves.

Operating budget investments

The Equity Office

Create an office to provide technical assistance to state agencies that request help to reach their inclusion goals. The office will hire eight staff, of whom two will be innovation officers, to assist agencies in using best practices and change management, and to promote systemic and cultural changes. In addition, the office will provide opportunities for community engagement in state government decision-making processes. The Equity Office will help agencies identify policies, procedures, practices, statutes, rules and budget

decision-making practices that may perpetuate inequities. The office will also design an online performance dashboard to measure agencies' progress in meeting diversity goals. (\$1 million General Fund-State)

Statewide diversity, equity and inclusion training

Create and offer a standardized curriculum so state employees receive uniform training on diversity, equity and inclusion. The online training, which will be created and delivered by the Department of Enterprise Services, will be offered statewide and at no charge to agencies with fewer than 3,000 employees. (\$800,000 Enterprise Services Account)

Office of Minority and Women's Business Enterprises

- Increase the pool of qualified Office of Minority and Women's Business Enterprises-certified businesses for public contracting. The more businesses that OMWBE can certify will widen diversity among contractors. (\$200,000 GF-S)
- Set up an electronic database to better monitor how much money is spent on OMWBE-related contracts starting with six of the state's largest agencies, which are responsible for two-thirds of the state's overall spending in the private sector, and two higher education institutions. (\$600,000 GF-S)
- Provide technical assistance to companies wanting to become OMWBE-certified. This is especially useful to smaller companies that lack the resources or time to apply for certification. (\$132,000 GF-S)

- Conduct outreach activities to minority businesses to encourage them to become OMWBE-certified. (\$216,000 GF-S)

Educator professional training

Designate funds already appropriated for professional development for educators in the 2020–21 school year for training on racial literacy and cultural responsiveness. This will help to close opportunity gaps for Washington students and promote diversity, equity and inclusion. (\$39.7 million, already appropriated)

Capital budget investments

Mt. Zion housing

Cover pre-construction costs for a 64-unit affordable housing project for seniors who have been displaced or are at risk of being displaced due to gentrification in the Seattle Central District. (\$250,000 bonds)

El Centro de la Raza building

Make life-safety seismic retrofits and ADA upgrades to improve the safety and accessibility of the facility, benefiting the 14,000 people served annually through its programs and services. (\$2 million bonds)

Seattle Central District Public Development Authority

Replace the roof and mechanical systems at the former Seattle Vocational Institute facility, which will serve residents of the Seattle Central District through services and educational opportunities. (\$10 million bonds)

Human services

Transforming Washington's behavioral health care system

In the biennial budget, Gov. Inslee rolled out his multi-year plan for transforming Washington's behavioral health system by decentralizing long-term civil mental health commitments, creating forensic centers of excellence at the state psychiatric hospitals and building recovery-based services and supports in the community. Long-term inpatient civil commitments will transition from two large state institutions to smaller, community-based facilities — both state-owned and -operated and private — that treat patients more effectively in their home communities, closer to family and friends. Regional recovery-based services and supports will ensure individuals receive the appropriate level of care in the right settings, with a goal of diverting individuals from inpatient commitments.

The safety of patients and staff at the state psychiatric hospitals continues to be a top priority. The supplemental budget includes nearly \$18 million for safety initiatives at Western State Hospital and approximately 70 additional direct-care staff at both psychiatric hospitals. These investments include (1) a permanent recruitment team located at Western State Hospital to tailor recruitment and retention needs to behavioral health institutions; (2) a community-based forensic psychiatry consultation team to offer medication and behavioral health treatment in jails; (3) additional advanced crisis intervention training and more new employee orientation training; and (4) more direct-care staff to bring Western State Hospital staffing up to the level recommended in the Washington state staffing model and more ward psychologists at Eastern State Hospital.

The integration of physical and behavioral health is nearing completion, with only three regions left to integrate in January 2020. This progress brings big changes centered on whole-person care. A 5% funding increase is given to community behavioral

health regions for persons and services not covered by the Medicaid program. These flexible, non-Medicaid funds will be used for court costs related to persons committed under the Involuntary Treatment Act, community inpatient services, crisis and commitment services, and residential services.

Department of Social and Health Services – Aging and Long-Term Care and Developmental Disabilities Services

Dan Thompson community investments

Provide family support and/or employment/day services to eligible persons with developmental disabilities who can be served by community-based services. (\$1 million Developmental Disability Community Trust) *Also referenced on Page 29.*

Cross-agency complex youth

Add two new state-operated living alternative homes to serve youth age 20 and younger. These individuals are no longer eligible for residential habilitation center admission and are not able to successfully transition to out-of-home residential placements because there are no suitable community options. These SOLA homes will house six children and be phased in by June 30, 2021. (\$1.9 million General Fund-State; \$1.6 million General Fund-Federal)

Expanded state-operated living alternatives options

Provide nine community residential placements in three SOLAs for adults seeking a community placement. Placements will be phased in by June 30, 2021. (\$1.7 million GF-S; \$1.6 million GF-F)

Family Mentorship Program

Increase the Family Mentorship Program by 50% which will help connect families who have loved ones in institutional settings with families who have successfully transitioned into a community setting. (\$200,000 GF-S)

Agency provider parity

Add approximately \$.07 per hour to the rates paid to home care agencies. This will cover the additional taxes incurred from higher wages negotiated and funded under the collective bargaining agreement with individual providers. Funding will also cover the employer portion of the Paid Family and Medical Leave Act, which was assessed starting Jan. 1, 2019. (\$514,000 GF-S; \$655,000 GF-F)

Department of Social and Health Services – Economic Services Administration

Eliminate the Supplied Shelter Grant standard

Offer one grant amount for qualified individuals with or without shelter expenses. Currently, individuals who participate in the Temporary Assistance for Needy Families; State Family Assistance; Pregnant Women Assistance; Aged, Blind or Disabled Cash Assistance; or Refugee Cash Assistance programs who have no shelter costs receive a lower monthly grant. Eliminating this grant standard will make an individual eligible for a larger grant, which is based on household size. By eliminating the reduced grant standard, recipients will be able to meet more of their basic needs, such as securing a safe home. This funding covers the expected increase in grant costs. (\$6,000 GF-S; \$1.4 million GF-F; \$2.5 million Home Security Fund Account-State)

Department of Social and Health Services – Special Commitment Center

High-acuity resident supervision

Hire supervisory and direct care staff to ensure residents of the Special Commitment Center's high-acuity program receive equitable treatment and rehabilitation services. This program was established in September 2019 as part of a settlement agreement. (\$475,000 GF-S)

Health Care Authority – Other

Program integrity savings restoration

Restore savings assumed in the 2019–21 budget. Program integrity activities help ensure that state and federal dollars are spent appropriately on delivering high-quality, necessary care and

on preventing fraud and waste. While HCA is implementing a single Medicaid program integrity approach to both fee-for-service and managed care, the savings assumptions are overly aggressive and cannot be achieved as quickly nor at the level assumed in the enacted budget. (\$32 million GF-S; \$93 million GF-F)

Health homes rate increase

Increase the rate paid to health home lead and care coordination organizations serving dually eligible Medicare-Medicaid clients. The health home program promotes person-centered health action planning through better coordination between the client and their health care providers, ensuring clients receive the right care at the right time with the right provider. (\$1.4 million GF-S; \$1.3 million GF-F)

Children's Health Insurance Program coverage

Maintain and add access to federal Children's Health Insurance Program coverage for children who also have access to school employee and public employee benefit plans. CHIP covers kids in families with incomes up to 300% of the federal poverty level, or \$77,000 for a family of four. This will ensure 5,000 children from families of public and school employees keep access to federal benefits. (\$991,000 GF-S; \$991,000 GF-F)

Dental education in the care of persons with disabilities rate increase

Increase the rate paid for education and clinical training for dental professionals and students who treat people with disabilities. (\$500,000 GF-S; \$500,000 GF-F)

Department of Corrections

Prison staffing

Adopt recommendations made in the CGL Management Group's June 2019 review of the department's 30-year-old prison staffing model by increasing:

- Prison custody relief factors to reflect actual requirements and staff leave usage. (\$14.5 million GF-S)

- Funding for on-call nursing staff, nursing supervisors and medical assistants. (\$8.6 million GF-S)
- Critical prison security positions, driven by the medical and mental health needs of incarcerated individuals, including off-site medical transportation, community hospital watches, one-on-one suicide watches and mental health living unit staff. (\$5.1 million GF-S)

Hepatitis C treatment expansion

Boost the number of hepatitis C treatments administered to incarcerated individuals from 354 to 520 each year. If medication prices continue to decrease, the department would be able to increase the number of treatments provided, with the goal of eliminating hepatitis C in Washington by 2030. (\$6.6 million GF-S)

Chemical dependency bed expansion

Add 34 community-based residential beds to meet demand and eliminate the drug offense sentencing alternatives bed wait list. Eliminating the wait list will increase judicial use of the sentencing alternative, reduce the number of community supervision violators and decrease the likelihood of recidivism. (\$2.2 million GF-S)

Health accreditation and advocacy

Improve patient care across the department's health care system through evidence-based programs, patient safety reporting and clinical oversight. Strategic investments include pursuing National Commission on Correctional Health Care accreditation; piloting a patient advocacy program at the Monroe Correctional Center and the Washington State Corrections Center for Women; and providing compassion fatigue training to all health care staff. (\$1.3 million GF-S)

Tolling centralization

Establish a centralized tolling unit and audit all cases being supervised to ensure accurate release dates. Tolling is when time served toward a sentence is paused due to an individual not being available for supervision or confinement. The accuracy of these

calculations could directly affect an individual's liberty if they are held too long in confinement or on supervision, and could affect public safety if an individual is released too early. (\$9.4 million GF-S)

Supervision reforms

Adopt supervision recommendations made by the Sentencing Guidelines Commission and Criminal Sentencing Task Force including:

- Requiring terms of supervision to be served concurrently unless the court expressly orders the terms to be served consecutively and allowing for positive achievement time.
- Allowing nonconfinement sanctions for low-level violations; removing the requirement that after an individual commits five violations under community custody, each subsequent violation must be addressed through a DOC hearing and is subject to a sanction of up to 30 days in jail; and removing requirements outlining special rules for addressing violations that constitute new crimes by individuals on supervision for one of 21 underlying offenses.
- Investing in evidence-based supervision and reentry practices that support accountability and successful reintegration in the community.

(Save \$5.4 million GF-S)

Earned time 50%

Reduce the prison population through a prospective sentencing change that would make certain incarcerated individuals serving time for nonviolent or drug offenses eligible for 50% earned time. Currently, these offenders are allowed to earn up to 33% of their sentence. (Save \$1.8 million GF-S)

Department of Children, Youth, and Families – Juvenile rehabilitation

Juvenile rehabilitation services until age 25

Ensure adolescents up to age 25 are safe and receiving developmentally appropriate rehabilitation services at juvenile rehabilitation facilities by hiring more staff and providing legal advocacy services and programming. Programming services for the

older cohort include postsecondary education, pre-apprenticeship training, trades exploration and independent living skills. (\$15 million GF-S)

Safe and therapeutic environments

Provide critical incident response training, violence prevention and intervention training, and contracted services for a drug detection dog. This will increase personal safety and reduce contraband brought into juvenile rehabilitation facilities. (\$120,000 GF-S)

Department of Health

Preserve Title X Program

Replace lost federal funding to maintain family planning services across the state. The federal Department of Health and Human Services' new rule changes, which conflict with state law for the Title X Family Planning Program, no longer allow the state to use Title X funds for its Family Planning Program. This program offers pharmaceuticals, supplies, health education, training for providers and staff, and reimbursement to providers. (\$8.4 million GF-S)

Foundational public health services

Use General Fund-State funds to cover the Foundational Public Health Services Account appropriation in the 2019–21 biennium. Estimated revenue from vapor distribution taxes will be insufficient. This ongoing funding will ensure the Department of Health is able to continue its important work in fighting communicable diseases and environmental public health risks in conjunction with local and tribal governments. (\$10.5 million GF-S)

Reduce suicide rates

Support the most critical enhancements to the state's suicide prevention system. Substantial investments will provide the department with resources to lead, coordinate and implement the Washington State Suicide Prevention Plan and to coordinate with a broad group of stakeholders. Funding is also provided for services for tribal nations and for a pilot project on preventing suicide in the agricultural industry. (\$2 million GF-S)

Lower vape/tobacco use

Promote vape and tobacco cessation and provide counseling support and nicotine replacement therapy to 18- to 20-year-olds addicted to tobacco and vapor products. Effective January 2020, new state legislation will raise the minimum legal age of sale for tobacco and vapor products from 18 to 21. This will leave many young people in this group addicted to products to which they will soon no longer have legal access. (\$1 million GF-S)

Department of Labor and Industries

Elevator workload

Hire 10 additional elevator program staff to increase the number of statutorily required inspections conducted on publicly used lifting conveyances. (\$1.5 million Construction Registration Inspection Account)

Employment Security Department

Paid Family and Medical Leave program

Hire staff, conduct marketing and meet business needs of the Paid Family and Medical Leave program, which will offer qualified working Washingtonians the opportunity to care for a child, themselves or a family member while receiving a portion of their pay. Eligible workers can start accessing PFML benefits effective Jan. 1, 2020. As the department prepares for benefit rollout, it has identified the need for additional staff and funding to complete implementation, support program operations and provide customer service. Funding is provided for hiring 105 FTEs, conducting communications and outreach, and satisfying other business needs to operate the program in accordance with the law. (\$35.9 million Family and Medical Leave Insurance Account-State)

Department of Commerce

Andy Hill Cancer Research Endowment Fund

Transfer funds to the Andy Hill Cancer Research Endowment Fund Match Transfer Account to address a shortfall in expected revenues. This will provide continuing investment in cancer research. (\$4 million GF-S)

Children & families

Budget widens access to early learning, strengthens child welfare services

Early Learning

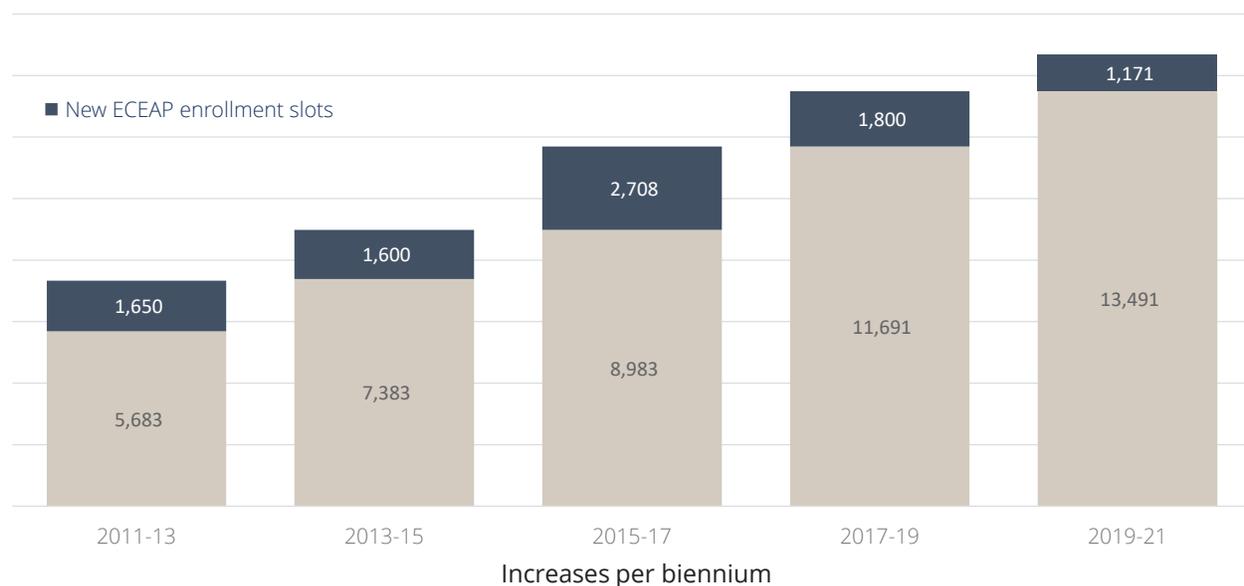
In recent years, Gov. Inslee and the Legislature have significantly expanded access to early learning. The current two-year budget added nearly 1,200 enrollment slots to the Early Childhood Education and Assistance Program, the state’s preschool program for 3- and 4-year-olds whose family income falls below 110% of the federal poverty level. Since 2013, the number of ECEAP enrollment slots has been increased from fewer than 6,000 and by 2021, will reach nearly 15,000.

In his supplemental budget, the governor proposes designating 50 of the 600 new slots for the 2020–21 school year for children in foster care to access ECEAP no matter when during the school year they start. This will be of tremendous benefit to the many 3- and 4-year-olds who become state dependents during the school year and for whom there are no slots.

The supplemental budget provides \$2.2 million General Fund-State for targeted support services and more teachers to help children with different abilities to thrive in preschool. While approximately 3,780 children with special needs are enrolled in ECEAP each year, the state has not yet provided additional resources to support them.

The supplemental budget also continues to boost access to child care for the state’s most vulnerable families. It expands subsidized child care to homeless families from four to 12 months (\$1.4 million GF-S). It also eliminates the co-pay and simplifies the rules to make it easier for teen parents to receive subsidized child care (\$775,000 GF-S). This additional funding will provide children with consistent, high-quality caregiving while their parents meet housing, education or employment goals.

Expanding access to preschool



Source: OFM, Dec. 2019

Child Welfare

Gov. Inslee aims in the supplemental budget to recruit and retain foster parents, help biological parents succeed and families reunify earlier, improve the foster care experience and prevent foster care youth from entering the juvenile justice system.

While the cost of living has risen, the rate paid to foster parents has not been adjusted upward since 2016. The supplemental budget increases the base foster care payment rate by \$100 per child per month to licensed foster care parents (\$5.2 million GF-S; \$1.9 million GF-F). To support children living with unlicensed kinship caregivers, funding is provided to shrink a backlog of 1,600 home studies to help these relatives become licensed foster parents and receive foster parent payment (\$360,000 GF-S; \$140,000 GF-F).

[State law](#) encourages foster parent contact with birth parents when it is in the child's interest. Stronger parent/caregiver relationships reduce trauma, improve reunification rates, reduce re-entry in the child welfare system and retain high-quality foster parents. Until now, the state has not had a program dedicated solely to this goal. A new pilot program — Family Connections — will link skilled foster parent mentors with parent ally mentors to develop child-focused networks of support for families with a child in an out-of-home placement. Mentors in the Family Connections Program will assist the parents and caregivers of 105 children to build relationships that support the child and encourage reunification (\$558,000 GF-S; \$173,000 GF-F).

While youth are in an out-of-home placement, it is important that they have the same opportunities for enriching relationships and recreational experiences as their peers. Funding will expand mentoring programs that serve at-risk youth and allow youth to participate in extracurricular activities such as art, sports, summer camp and clubs (\$900,000 GF-S).

Young people in foster care and in the juvenile justice and mental health systems face significant challenges in obtaining and maintaining stable placements and successfully transitioning to adulthood. Reliable, stable living arrangements reduce a youth's need for hospital inpatient and emergency rooms, hotels and out-of-state living arrangements, and, of course, homelessness. Twelve new short-term placement beds and 21 new long-term placement beds are funded to meet the acute needs of youth with significant mental, behavioral or developmental health needs. These placements will provide enhanced therapeutic services and higher staff-to-child ratios (\$5.3 million GF-S; \$2.4 million GF-F).

Use of the YVLifeSet clinical consultation model shows significant improvements in housing and economic stability, better health and safety outcomes, and reductions in recidivism rates. Combined with anticipated private contributions, funding is provided to contract with a community organization with expertise in the YVLifeSet case management model to serve 122 youth (\$530,000 GF-S).

The End Harm phone line will no longer be the only option for reporting allegations of child abuse or neglect in our state. A new web portal is funded so [mandatory reporters](#) such as medical professionals, teachers and foster parents can communicate allegations of child abuse or neglect online. This will provide more efficient screenings, reduce wait times on the phone line, and improve intake and investigation response times (\$216,000 GF-S; \$65,000 GF-F).

Education

K-12 Education

The majority of the increase in the supplemental operating budget will help cover ongoing costs to meet the state's obligation to fully fund public schools. Additional investments will promote student well-being and equity in access to educational opportunities by:

- Expanding nursing services in Washington's smallest schools. (\$1.7 million General Fund-State)
- Strengthening the new statewide network of behavioral health and safety supports for students. (\$2.6 million GF-S)
- Creating a tribal liaison to facilitate access to career-connected learning opportunities for tribal students. (\$150,000 Workforce Education Investment Account)
- Increasing educational continuity for justice-involved youth and students in residential schools through more support for individualized instruction and records coordination. (\$1 million GF-S)

Higher Education

Washington College Grant

Expand the Washington College Grant investment made in E2SHB 2158 by funding the estimated caseload adjustment for eligible students in fiscal year 2021. (\$28 million in GF-S funds are expended into the Workforce Education Investment Account)

Investing in Washington's workforce

Since taking office, Gov. Inslee has committed to increasing support for all the working people of Washington. He has helped to build an economy that works for businesses and workers alike and partnered with business to transition our workforce to meet the demands of the future. During his time in office, Washington has led the nation on labor standards with an increasing minimum wage, more overtime protections, passage of legislation limiting noncompete clauses and more.

Most recently, he has targeted education funding to link Washington youth to career connected learning opportunities that prepare them for high-demand, high-wage jobs. This year, the governor signed the [Workforce Education Investment Act](#), one of the most progressive higher education investments in the country. With appropriations totaling \$375 million, the act guarantees financial aid for more than 110,000 qualified students in Washington to attend college for free or at a discounted rate. The law also created and funded the Career Connect Washington framework.

To advance this important work, the supplemental budget designates funding for the Job Skills program to expand training for incumbent workers; for career connected learning to make more students and families aware of these opportunities across the state; and for other investments. These include support for fair workweek legislation and a continuation of a study of benefits and assistance for contingent workers.

Incumbent worker training for mid-career workers

Expand customized, short-term and job-specific training for incumbent workers through the Job Skills program. This program co-invests with employers who need customized training due to growth and changes in technology, and to address skills shortages. (\$2.4 million Workforce Education Investment Account)

Career connected learning

Create a marketing campaign and an online program directory at Career Connect Washington (\$1.1 million); fund grants to develop more curricula (\$875,000); and hire a tribal liaison at the Office of Superintendent of Public Instruction to work with tribal students (\$150,000). Funding will also cover two staff members at the Education Research and Data Center to create new dashboards, reports and data marts in response

to anticipated student demand and other legislative requirements in statute (\$286,000). This additional staffing aligns with recommendations from the William D. Ruckelshaus Center Education Data work group. (\$2.4 million total Workforce Education Investment Account)

Secure scheduling/fair workweek

Enforce new regulations and investigate complaints and in anticipation of the passage of SB 5717. This measure proposes changes to the state's Minimum Wage Act to improve scheduling practices for employees in the retail and restaurant industries. These would include requiring certain employers to give employees their work schedules in advance, compensate employees for employer-requested changes to a work schedule and offer additional hours to current employees before hiring new ones. Affected employees would have the opportunity to submit complaints to the Department of Labor and Industries, resulting in additional investigations. Funds will cover seven staff at Labor and Industries. These revised regulations would provide stability to workers and employers. (\$1.2 million Accident Account-State; \$219,000 Medical Aid Account-State)

Labor protections for domestic workers

Establish health and safety standards and wage protections for domestic workers such as nannies, care providers and housekeepers through joint legislation with the Attorney General's Office. Funds are allocated to the Department of Labor and Industries to investigate complaints and enforce new regulations and for IT modifications to support the filing of new complaints. Funding is also provided for a work group in the Attorney General's Office to address additional labor protections and benefits. Work group recommendations will include making Washington industrial insurance — or workers' compensation — available to hiring entities to cover domestic workers; creating a standards board; and expanding sick leave provisions, paid time off and health care benefits. (\$770,000 General Fund-State)

Contingent Worker Safety Net Study

Continue a study to identify gaps in worker access to work-based benefits, employment rights and resources and to define and understand nontraditional and alternative work arrangements. (\$80,000 GF-S)

Natural resources

Department of Agriculture

Gypsy moths

Monitor and eradicate nonnative European, Asian and Hokkaido gypsy moths, which threaten forests and the timber, nursery and Christmas tree industries. (\$176,000 General Fund-State; \$518,000 General Fund-Federal)

Department of Fish and Wildlife

Fishing and hunting opportunities

Maintain programs that provide fishing and hunting opportunities across the state; restore fishing and hunting license customer service on evenings and weekends; continue a mobile licensing application; monitor fisheries to meet obligations in the North of Falcon agreement; and support the Skagit River catch-and-release fishery. This item is partially supported through a proposed increase in hunting and fishing license fees. (\$1.1 million GF-S; \$6.9 million State Wildlife Account)

Department of Ecology

Clean up and study PFAS contamination

Address the emergent issue of environmental contamination by per- and polyfluorinated alkyl substance chemical compounds by testing soil and water samples; sampling three municipal wastewater facilities receiving industrial discharges, which often contain PFAS; and providing cleanup technical assistance to communities affected by PFAS contamination in their water supply systems. (\$1 million Model Toxics Control Operating Account)

Yakima groundwater monitoring

Monitor groundwater nitrate contamination in the Lower Yakima Valley aquifer. The Department of Ecology will monitor 170 groundwater wells. This monitoring will establish baseline conditions to measure how improved management practices affect groundwater quality and help communities make better decisions about how to protect their drinking water supplies. (\$378,000 Model Toxics Control Operating Account)

State Parks and Recreation Commission

Protect and maintain state parks

Hire more staff at state parks during the spring, summer and fall to improve park visitors' experience and satisfaction, as suggested by recent visitor surveys. Also contract with the Washington Conservation Corps to provide more crews to increase park maintenance. (\$1.4 million GF-S; \$910,000 Parks Renewal and Stewardship Account)

No Child Left Inside

Provide additional No Child Left Inside grants for outdoor education and recreation programs so youth are able to experience Washington's natural, cultural, ethnic and artistic heritage. (\$500,000 Outdoor Education and Recreation Program Account)

Keeping up the fight to reduce carbon emissions

In the 2019 session, Gov. Inslee, with a team of legislative partners, passed a package of priority climate bills to reduce carbon emissions and create jobs. These laws, described below, represent the greatest step Washington has ever taken to address the challenge of climate change and meet the state's greenhouse gas emission reductions targets.

The centerpiece of the governor's climate action plan was a bill to transition to 100% clean electricity. The legislation lays out a timeline to phase out all coal power by 2025, achieve a carbon-neutral electricity supply by 2030 and transition to a 100% clean electricity supply by 2045. It includes [innovative provisions](#) to support strong workforce standards and protect vulnerable populations and communities that are highly affected by environmental pollution and climate change, serving as a model for other states exploring 100% clean electricity legislation.

The package included a first-of-its-kind standard that will improve the energy performance of thousands of large Washington buildings and new energy efficiency standards for more than 17 types of appliances. These policies will help cut energy costs for homes and businesses. Legislators also approved a [clean transportation bill](#) that will aggressively incentivize electric and zero-emission vehicles in the state and a proposal to tackle the growing challenge of super-polluting hydrofluorocarbons.

In the biennial transportation budget, lawmakers also approved funds for a new hybrid-electric ferry and funds to convert one vessel to hybrid-electric. The state operates the country's largest ferry fleet, which is a major contributor of transportation-sector emissions.

Overall, \$243 million was provided in the biennial operating, capital and transportation budgets for actions to combat climate change.

Under Washington's 2008 emission limits law, the Department of Ecology is required to periodically recommend updates to the state's emission limits based on current science. Its 2019 report, using the latest research, shows that we need to reduce

emissions faster and cut carbon pollution more deeply to avoid the worst effects of climate change to our water supplies, forests, fish and wildlife, and state economy.

For the 2020 supplemental operating budget, Inslee supports additional actions to fight climate change.

Greenhouse gas emission limits

In 2008, the state set targets to shrink greenhouse gas emissions by 50% over 1990 levels by 2050. The most recent analysis by the United Nations' Intergovernmental Panel on Climate Change calls for reducing global net human-caused emissions by 45% from 2010 levels by 2030 and achieving net zero emissions by 2050 to limit warming to 1.5°C. Gov. Inslee is proposing legislation and \$1.5 million to align Washington state emission targets with the latest scientific guidance. This legislation will also look for ways to increase carbon sequestration on state forest, agricultural and aquatic lands.

Clean fuel standards

The transportation sector generates almost 45% of statewide greenhouse gas emissions. One way to reduce emissions from cars and trucks is to use fuels that emit fewer greenhouse gases from the time they are extracted through their use in vehicles. The governor supports legislation and provides \$1.5 million to implement a clean fuel program to limit greenhouse gas emissions per unit of transportation fuel sold in the state.

Electric vehicles and rideshares

Over the past two years, EV's in the state fleet have been driven more than 1 million miles, saving more than 42,000 gallons of fuel and reducing greenhouse gas emissions by more than 375 metric tons of carbon. The governor has set a target of 50% of the state agency passenger vehicle fleet purchases to be EV's by 2020. A total of \$4.1 million in one-time funding is provided to install additional EV-charging infrastructure at state facilities to support the planned purchase of EV's over the next three years.

The governor also provides funding to support legislation to increase the availability of ZEVs sold to consumers across the states. Similar requirements have been adopted in nine other states. Inslee also supports legislation to require rideshare companies to develop and set up plans to reduce their greenhouse gas emissions and includes \$384,000 for implementation.

Major energy facilities and other infrastructure projects must currently undergo rigorous environmental review for permitting, including review of climate impacts. A total of \$1.4 million is provided to the Department of Ecology to adopt rules to strengthen and standardize the consideration of climate change risks, vulnerabilities and greenhouse gas emissions in environmental assessments for these projects.

Energy and environmental assessments

Multiple strategies will be needed to reduce the state's greenhouse gas emissions. The governor provides \$600,000 to the Department of Commerce to develop a comprehensive analysis of statewide emission reduction strategies to identify the most effective ones for key energy users and customers.

Community solar

Ramping up renewable energy use will be necessary to meet the state's climate emission targets. The state now provides tax incentives to utilities and individuals for solar energy systems. Inslee supports a \$20 million extension of the renewable energy system tax incentive for community solar projects and directs \$293,000 to the WSU Energy Program and the Department of Revenue to administer the extension.

Summary of Climate Investments

Focus Areas	Items	Agency	Budget	Amount
Clean Transportation	EV Charging Stations	DES	Operating	\$4,100,000
	Clean Transportation Fuels Standards	Ecology	Operating	\$1,458,000
	Transportation Network Companies	Ecology	Operating	\$384,000
	Zero-Emission Vehicle Legislation	Ecology	Operating	\$149,000
Clean Transportation Total				\$6,091,000
Clean Electricity	Clean Electricity Bill Implementation	Ecology	Operating	\$502,000
	Community Solar Tax Incentives	DOR, WSU	Operating	\$293,000
Clean Electricity Total				\$795,000
GHG Emissions	Greenhouse Gas Emission Limits	Ecology, Commerce, DNR, WSDA, OFM	Operating	\$1,459,000
	Greenhouse Emission Evaluation	Ecology	Operating	\$1,406,000
	Ecology SEPA Analysis	Ecology	Operating	\$600,000
	2050 Energy Vision	Commerce	Operating	\$600,000
GHG Emissions Total				\$4,065,000
Grand Total				\$10,951,000

Source: OFM, Dec. 2019

Governor proposes new investments to boost orca, salmon recovery efforts

In 2018, Gov. Inslee formed the Southern Resident Killer Whale Task Force to identify, prioritize and support the implementation of a long-term action plan for the recovery of Southern Resident orcas.

The task force issued its initial 36 recommendations in November 2018. That report addresses three primary threats to these marine mammals: prey abundance, toxic contaminants, and disturbance from noise and vessel traffic.

In the 2019 legislative session, lawmakers approved many of the bold investments the governor proposed to support recovery efforts for salmon and critically endangered Southern Residents. These included major legislation to make oil transportation safer in Puget Sound, boost protection of salmon habitat, lessen noise and disturbance from whale-watching and recreational vessels, and reduce toxic pollution. In addition, the operating, capital and transportation budgets included \$1.1 billion for a wide range of programs and projects that will help restore habitat, reduce barriers to salmon migration, enhance salmon hatchery production, and expand pollution prevention and cleanup efforts as well as offer significant benefits for the region's entire ecosystem and complement efforts to tackle climate change, improve water quality and more.

In November 2019, the task force submitted 13 additional recommendations to the governor and Legislature to tackle emergent threats and enable sustained and successful long-term recovery. Five of these recommendations address contaminants, including three that concern human sources of nutrients. The task force also considered two systemic threats to Southern Resident orcas that undermine recovery efforts: (1) climate change and ocean acidification, and (2) rapid human population growth and development.

The Department of Ecology's 2019 Salish Sea Modeling Report found that excess nutrients from human

sources are causing or contributing to low dissolved oxygen levels in many sensitive inlets and bays in Puget Sound, increasing ocean acidification and stressing the marine food web that supports shellfish, marine fish and salmon, the primary food source for Southern Residents. The governor's supplemental operating budget provides \$1.3 million to set new permit standards to reduce nutrients from wastewater treatment plants and to monitor freshwater inputs in the seven largest river systems in Puget Sound. The Department of Ecology will also use \$1.2 million to bolster efforts to keep toxics from consumer products from entering the environment.

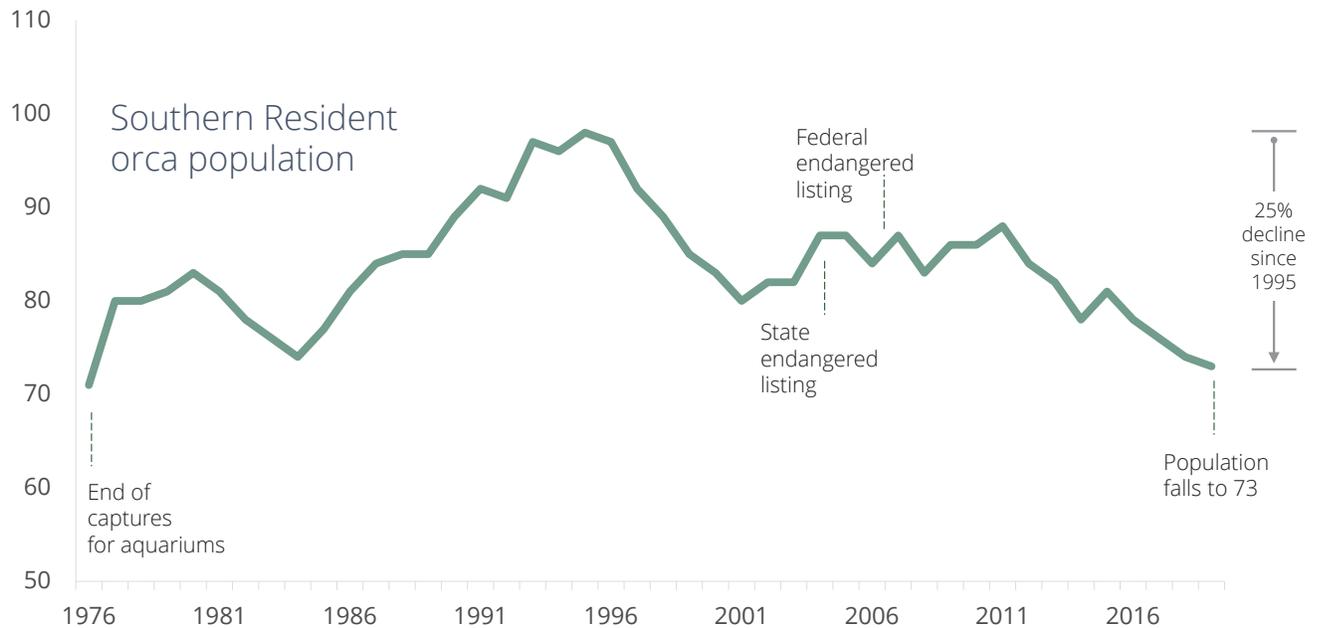
To support the initial recommendations of the task force, an additional \$29.3 million in the supplemental capital budget will fund toxics cleanup, habitat protection, prey abundance and hatchery improvements.

The task force's additional recommendations call for expanding efforts to manage salmon predators. A total of \$1.3 million is provided in the supplemental operating budget to reduce populations of Northern pike, a voracious predatory fish, in the upper Columbia River and to manage sea lion populations in the lower Columbia River.

Toxic contaminants in water and sediments are harmful to the marine food web that supports Southern Resident orcas. Besides reducing the survival of salmon and other forage fish, these toxics are also absorbed by orcas, potentially disrupting reproduction and suppressing immune systems. To mitigate this threat, the supplemental capital budget contains \$21.9 million to clean up toxic sites that impact Southern Resident habitat.

Productive and protected habitat is critical to support sustainable populations of both naturally spawning salmon as well as young hatchery salmon, which are the main source of food for Southern Resident orcas. In this vein, Gov. Inslee provides \$3.2 million in the

Southern Resident orca population fell to 73 in 2019, lowest count in 40 years



Source: Washington Department of Fish and Wildlife, Nov. 2018

supplemental capital budget for fish barrier removal and habitat protection projects. This builds on the \$221 million in habitat funding provided in the biennial capital budget.

Salmon hatcheries increase prey abundance for Southern Resident orcas. Capital investments totaling \$4.1 million are provided to make improvements to keep the state's hatchery system operating and to meet water quality standards. This funding includes a master planning process that will assess the ability of

Department of Fish and Wildlife hatchery infrastructure to support orca recovery, including consideration of the impacts of climate change.

Recovering Southern Resident orcas will be a long-term process. To coordinate recovery work and monitor progress toward implementation of the task force's recommendations, \$140,000 is provided in the supplemental operating budget for an orca recovery coordinator in the Governor's Salmon Recovery Office.

Summary of Orca Investments

Focus Areas	Items	Agency	Budget	Amount
Contaminants	Nutrient Controls for Puget Sound	Ecology	Operating	\$535,000
	Puget Sound Freshwater Monitoring	Ecology	Operating	\$748,000
	Local Source Control Programs	Ecology	Operating	\$750,000
	Safer Products Washington	Ecology	Operating	\$479,000
	Whitmarsh (March Point) Landfill	Ecology	Capital	\$2,500,000
	Whitmarsh (March Point) Landfill - DNR Match	DNR	Capital	\$3,063,000
	Harris Avenue Shipyard	Ecology	Capital	\$1,248,000
	Parcel 15 Remediation (Portac Inc)	Ecology	Capital	\$1,00,000
	Western Port Angeles Harbor & MTCA Design & Cleanup Construction	Ecology	Capital	\$2,250,000
	Lora Lake Apartments	Ecology	Capital	\$3,340,000
	Alexander Avenue Petroleum Tank Facilities	Ecology	Capital	\$1,294,000
	Dakota Creek Industries Shipyard	Ecology	Capital	\$810,000
	Lower Duwamish Waterway	Ecology	Capital	\$720,000
	Lower Duwamish Superfund	Ecology	Capital	\$3,991,000
	North Boeing Field/Georgetown Steam Plant RI/FS	Ecology	Capital	\$175,000
	Earley Business Center	Ecology	Capital	\$1,548,000
	Contaminants Total			
Prey	Columbia River Pinniped Predation	WDFW	Operating	\$924,000
	Northern Pike Suppression	WDFW	Operating	\$357,000
	Orca Vessel Patrols	WDFW	Operating	\$225,000
	Orca Vessels Grant Match	WDFW	Operating	\$278,000
	Soos Creek Hatchery Renovation	WDFW	Capital	\$2,936,000
	Beaver Creek Hatchery - Renovation	WDFW	Capital	\$150,000
	Infrastructure Master Plan for SRKW Recovery	WDFW	Capital	\$1,000,000
Prey Total				\$5,870,000
Habitat	2019-21 Match for Federal Regional Conservation Partnership Program	Conservation Commission	Capital	\$2,249,000
	Forest Riparian Easement Program	DNR	Capital	\$1,000,000
Habitat Total				\$3,249,000
Life after the Task Force	Orca Recovery Coordinator	RCO	Operating	\$140,000
Grand Total				\$33,710,000

Source: OFM, Dec. 2019

Budget prioritizes actions to reduce firearm violence

The supplemental budget offers a comprehensive, thoughtful approach to reducing incidents of firearm violence through data-driven and research-based approaches. Prevention and intervention programs — as well as group violence intervention strategies that emphasize collaboration with law enforcement and the community — concentrate on areas with the highest rates of firearm violence in the state. These programs use data to identify individuals most likely to be involved in firearm violence and then engages them through interventions proven to be effective.

The budget also plans for [a centralized firearm background check process](#) to increase public safety by improving the accuracy and efficiency of firearm background checks. This centralized system also will streamline the background check process, ease the growing burdens on local law enforcement agencies and simplify steps that firearms dealers must follow.

Prevention and intervention

Department of Children, Youth, and Families – Juvenile rehabilitation

Gun Violence Prevention Grants

Establish a grant program in the Office of Juvenile Justice for services supported by research for youth who are at high risk to perpetrate gun violence and who reside in areas with high rates of gun violence. The grant program will give priority to at least one site serving south King County and one site in Yakima County that partner with the University of Washington to deliver family-integrated transition services through use of “credible messenger” type advocates. (\$800,000 General Fund-State)

Shots Fired Program

Deliver community-based violence prevention and intervention services to approximately 150 individuals in south King County, identified through King County “Shots Fired” social network analysis as being at high risk of becoming a victim or perpetrator of a firearm-related offense. (\$425,000 GF-S)

Deterrence and investigation

Department of Commerce

Group Violence Intervention Grants

Create a grant program for group violence intervention strategies. Priority will be given to sites in Yakima and south King counties — areas with the highest rates of gun violence in the state — that can demonstrate the successful leveraging of local or federal resources. The grants require collaboration between law enforcement and the community, using data to identify the individuals most at risk to perpetrate gun violence, as well as connections to services. (\$600,000 GF-S)

Washington State Patrol

Gun violence data analyst

Hire an intelligence analyst to focus on firearm violence activity. The analyst will use data to identify trends, patterns and links to gang and firearm activity, and help law enforcement with analytical case support. This work will assist the multi-jurisdictional drug and gang task forces and marijuana task forces with investigations that involve higher-level cartel and transnational organized crime. (\$150,000 Dedicated Marijuana Account)

Effectiveness and efficiency of firearm background checks

Washington State Patrol

Centralized firearm background check system

Hire a consultant to design the IT system to implement a centralized firearm background check system and a project manager to develop the plan for setting up the background check system in the Washington State Patrol. (\$400,000 GF-S)

General government

Replacing the state's aging, at-risk core financial systems

The state continues ramp-up efforts to modernize and integrate its core enterprise functions for finance, procurement, budget, human resources and payroll. In Washington, those tools are aging, poorly integrated with one another, require heroic efforts by staff to operate and pose identifiable risks that demand action.

Data from these systems can take weeks, if not months, to compile and edit before decision-makers can act. And in the case of goods and services, the state doesn't have a central system to track billions of dollars in annual expenditures.

The [One Washington](#) program was launched in 2013 to overhaul these aging core financial systems. The primary target of the initial update is the state's Agency Financial Reporting System, built with 1960s technology. An AFRS failure would disrupt billions of dollars in paychecks and vendor payments across the state, including those for critical assistance for our neediest and most vulnerable populations.

After funding a business case, planning and research, the Legislature has funded next-level work: One Washington is preparing to evaluate and select the system that will replace the core enterprise functions. A new chart of accounts and the full replacement of AFRS will be the first achievements. Key portions of the new system — including a new automated system for purchasing goods and services — are targeted to go live in fiscal year 2023.

To support this Herculean task, the supplemental budget includes \$25.5 million to select software, hire staff and continue contracted expertise for quality assurance, procurement assistance, integration, legal counsel, organizational change management, project management, a strategic adviser and system integration. Some of this expertise will continue for the life of the project.

Updating the remaining business functions — procurement, budget, human resources and payroll — will follow in subsequent biennia.



Election security

Secretary of State

Election Security Improvement Grants

Provide one-time grant assistance to county auditors to improve election security. Improvements could include multi-factor authentication, emergency generators, vulnerability scanners, facility access control enhancements and alarm systems. (\$1 million GF-S)

Employee compensation

Plan 1 COLA

Increase PERS and TRS Plan 1 pensions for most retirees. The governor's 2019–21 budget proposal included funding for a 3% pension increase for many retirees in the Public Employees' and Teachers' Retirement Systems Plan 1. While

the enacted budget did not include this pension adjustment, it did provide an increase in the monthly subsidy for health insurance for Medicare-eligible retirees, from \$168 per month to \$183.

The supplemental budget augments that assistance to retirees by increasing PERS and TRS Plan 1 pensions by 1.5%, with a maximum increase of \$22 per month. This will affect most plan retirees who do not already receive a cost-of-living increase. (\$82 million General Fund-State over 10 years, including about \$6 million in the first fiscal year)

New collective bargaining agreement

Fund a new collective bargaining agreement with the Association of Washington Assistant Attorneys General/Washington Federation of State Employees, which establishes a wage schedule for this group for the first time. (\$5.6 million)

Capital

Budget funds nursing facility replacement, paves way for other opportunities at Fircrest

The governor's supplemental capital budget makes investments that will impact the future of Fircrest School, a Department of Social and Health Services residential habilitation center in Shoreline that delivers nursing and supportive care for individuals with intellectual and developmental disabilities.

The supplemental budget includes \$6.6 million in bonds and authorizes \$118 million in alternative financing for the replacement of Fircrest's nursing facility. This will replace failing or substandard buildings that are home to 120 individuals.

DSHS will work with the city of Shoreline to site this and a future behavioral health facility on the Fircrest campus as part of its master development plan. The behavioral health facility has the potential to provide community-based care in an area that has a readily available workforce as well as available land. Both facilities can be placed in the northern portion of the campus.

The supplemental capital budget also authorizes DSHS to enter into leases on the southwest and southeast corners of the property to benefit persons served by the Charitable, Educational, Penal and Reformatory Institutions Trust and the Dan Thompson Memorial Trust Account and to support capital investment at Fircrest. This potentially includes a lease with Shoreline for open space and other uses.

In addition, the supplemental operating budget authorizes a \$1 million transfer into the Dan Thompson Memorial Trust Account, which will help support clients with developmental disabilities in the community. The intent is to make annual \$1 million transfers to the account.

Facilities that serve incarcerated youth

Department of Children, Youth, and Families

Green Hill School Recreation Building replacement

Design a modern recreation building that will provide a dynamic therapeutic and physical exercise area so multiple groups can recreate at the same time. More recreation opportunities will help meet the needs of a growing incarcerated youth population who are becoming older and more diverse in their treatment and programming needs as a result of legislation that has increased the age range of youth who may be housed in juvenile facilities. The building's present configuration makes it difficult for staff to effectively supervise incarcerated youth. (\$1.2 million bonds)

Capacity building projects

Renovate and remodel three living units and create sufficient space for health services in Department of Children, Youth, and Families juvenile facilities. These predesigns will initiate capacity projects to accommodate the population increase resulting from the passage of laws to divert incarcerated youth from the adult to the juvenile system. (\$800,000 bonds)

Facilities that serve individuals with developmental disabilities

Department of Social and Health Services

Fircrest School nursing facilities replacement

Design and construct a new 120-bed nursing facility at Fircrest School in Shoreline. Fircrest

provides nursing care for clients with intellectual and physical disabilities. The buildings in which nursing clients are now housed contain failing water, sewer and electrical systems, and their configuration does not comply with 1:1 bedroom-to-client ratio requirements. (\$6.6 million bonds; \$118 million other)

Improvements at the residential habilitation centers

Repair and replace roofs on buildings that offer living spaces and programming areas for medically fragile clients with developmental disabilities. This preserves facilities and enhances treatment opportunities for clients. (\$4.2 million bonds)

Toxics cleanup

Department of Ecology

Remedial Action Grants

Clean up contaminated sites in Washington with help from local governments. This will support cleanup at contaminated industrial sites that affect the air, land and water resources of the state, and continue cleanup work in Puget Sound. Funding protects public and environmental health, creates jobs, promotes economic redevelopment by allowing contaminated properties to be redeveloped and leverages local match funding. (A subset of this funding is detailed in the section “Governor proposes new investments to boost orca, salmon recovery efforts.”) (\$23.7 million Model Toxics Control Capital Account)

Eastern Washington Clean Sites Initiative – Pasco landfill

Continue remediation of the Pasco landfill, which contains approximately 35,000 drums of flammable hazardous substances. The Department of Ecology is seeking drum removal by the potentially liable parties. This will support Franklin County’s contribution to site cleanup. (\$1 million Model Toxics Control Capital Account)

Stormwater Financial Assistance Program

Retrofit projects that treat polluted stormwater in priority areas throughout the state. Funds will be distributed to the highest priority projects through

a competitive rating and ranking process to ensure they provide good water quality value and address problems from urban development. The work accomplished by local governments will help reduce toxics and other pollution from entering waterways and protect marine waters, estuaries, lakes, rivers and groundwater resources throughout the state. (\$3.4 million Model Toxics Control Stormwater Account)

Department of Natural Resources

Whitmarsh (March Point) landfill

Clean up the contaminated former Skagit County March Point landfill site. This project will prevent further degradation of aquatic habitat and resources in Fidalgo Bay and is supplemented by remedial action grant funding from the Department of Ecology. (\$3 million Model Toxics Control Capital Account)

Salmon and habitat protection

State Conservation Commission

State match for the federal Regional Conservation Partnership Program

Add matching funds for federally approved Regional Conservation Partnership Program projects to increase the restoration and sustainability of soil, water, wildlife and related natural resources on regional or watershed scales. (\$2.2 million bonds)

Department of Natural Resources

Grouse Ridge Road culvert replacement

Fund first phase to replace three culverts blocking fish passage to bring 2.5 miles of forest road up to the standards of current forest practice rules and provide the only access to the Washington State Fire Training Academy. (\$3.2 million bonds)

Recreation

Parks and Recreation Commission

Nisqually State Park

Construct a new maintenance and park operation building to support staff who maintain Nisqually State Park, the state’s first park constructed since 1997. Located along the Nisqually and Mashel rivers

near Eatonville, it will feature camping and trails. The park is a cooperative project between State Parks and the Nisqually Indian Tribe. (\$863,000 bonds)

Palouse to Cascade Trail

Design a trestle to cross Crab Creek along the cross-state Palouse to Cascades Trail. The new Crab Creek trestle will replace the old one destroyed by a brush fire, which left a gap in the trail and forced trail users to detour onto local roads. (\$250,000 bonds)

Higher education four-year institutions

University of Washington

Magnuson Health Sciences Center Phase II – renovation/replacement

Fund predesign to study renovating or replacing portions of the Magnuson Health Sciences Center to address the needs for additional, modernized teaching space for the health sciences campus. The Magnuson Health Sciences Center is inadequate for current pedagogies and cannot accommodate all current or planned course offerings, nor support the advanced learning technologies and space requirements of active, team-based learning essential for training health and health care professionals. (\$1 million bonds)

Washington State University

Vancouver Life Sciences Building

Design a new Life Sciences Building to support enrollment growth at the university’s Vancouver campus. This building will provide general science teaching labs to serve the needs of undergraduate students in southwest Washington pursuing STEM careers. (\$4 million bonds)

Eastern Washington University

Roof repairs

Repair and replace failing roofs on four university buildings. This preserves and extends the life of campus infrastructure. (\$3 million other)

Central Washington University

Campus security enhancements

Install an electronic building lock system and a

video security system and upgrade emergency blue-light phones to enhance campus safety and security. These will improve emergency personnel access and response to campus emergencies. (\$3.2 million other)

The Evergreen State College

Historic Lord Mansion

Repair and replace building system piping to prevent stormwater and sewer system overflows in the lower level of the building. (\$300,000 bonds)

K-12 education

Office of Superintendent of Public Instruction

School Seismic Safety Retrofit Program

Improve K-12 school buildings with seismic retrofits and seismic-related safety improvements and provide grants for rapid visual screenings to identify, inventory and score buildings according to their risk of collapse from a major earthquake. (\$10 million bonds)

Other education

State School for the Blind

Independent Living Center

Design purpose-built residential space to teach blind and visually impaired young adults life skills for living independently. Residents in training are now housed in refurbished office space in the school’s administrative building. New space will improve program delivery and safety of residents. (\$1.2 million bonds)

Washington Center for Deaf and Hard of Hearing Youth

Academic and PE Building replacement

Demolish obsolete and hazardous buildings and reroute utilities to prepare the campus for a new modern classroom and physical education building to serve the needs of students and teachers at the Washington School for the Deaf. (\$4.6 million bonds)

Transportation

Budget puts transportation projects on hold to offset lost revenue

In November, Washington voters approved Initiative 976, which significantly cuts funding for state and local transportation projects and operations. It lowers state car-tab fees, repeals Sound Transit car-tab taxes and eliminates a .3% sales tax on vehicle purchases and the authority for cities to charge car-tab fees.

The initiative is projected to reduce state transportation funding by about \$454 million in the current biennium and by more than \$1.9 billion over six years. In addition, total revenue losses for local governments and Sound Transit are projected at more than \$2.3 billion over six years.

In immediate response to the initiative, Gov. Inslee directed the Washington State Department of Transportation to [pause certain projects](#) that are planned but not yet underway. To offset the revenue losses, his supplemental transportation budget directs the department to continue project deferrals for seven months (from Dec. 1, 2019). [Deferred projects](#) are in WSDOT's highways, public transportation, rail and local programs. Pausing projects gives the governor and the Legislature more funding flexibility as they develop a plan for implementing the initiative and make revisions to the current two-year budget.

In implementing the governor's directive, the supplemental budget directs the department to follow guiding principles, including:

- Maintain safety in our transportation system by continuing work on preservation and other related projects.

- Mitigate impacts on people who rely on transit, such as vulnerable individuals and seniors.
- Continue meeting legal obligations such as maintaining progress on fish passage barrier removal.
- Maintain matching funds from nonstate sources, when possible.

The budget also uses some fund balances and administrative reductions, shifts costs where possible and temporarily redirects some revenue to help address the funding gap.

Meanwhile, several local governments — including Seattle and King County — and transit agencies sued to overturn the initiative as unconstitutional on several fronts. In late November, a King County Superior Court judge granted a temporary injunction, finding that the plaintiffs “are likely to prevail on the merits of their constitutional challenge.” The final decision on the initiative’s constitutionality will likely rest with the Washington Supreme Court, which on Dec. 4 allowed the Superior Court injunction to remain in place.

Although the injunction places I-976 on hold, Gov. Inslee’s budget reflects the fiscal impact of the initiative’s passage. In accordance with the injunction, the Department of Licensing continues to collect car tab taxes and fees. The governor has directed the department to provide an accounting of the difference between actual collections and collections if the initiative were in effect as of Dec. 5, 2019.

Transportation Projects Paused in Supplemental Budget

HIGHWAYS

Projects paused for 7 months starting Dec. 1, 2019

SR 161/31st Ave SW Overpass - Improvements
SR 14/E of Bingen - Port of Klickitat Access Improvements
SR 99/S King St Vic to Roy St - Viaduct Replacement
US 12/Nine Mile Hill to Frenchtown Vic - Build New Highway
US 395/NSC Spokane River to Columbia - Shared Use Path
I-90/Barker Rd Intersection Improvements
I-90, US 97 & SR 970 Ellensburg Vic - CED Planning and Mitigation
SR 520/I-5 Interchange - Improvement
US 12/Nine Mile Hill to Frenchtown Vic - Build New Highway
SR 501/I-5 to Port of Vancouver - Intersection and Profile Improvements
US 395/Pasco - Flamingo Mobile Home Park Noise Walls
SR 509/I-5 & SR 516 I/C to 28th/24th Ave S - SR 509 Completion Stage 1
I-90/Barker to Harvard - Improve Interchanges and Local Roads
I-5/NB Seneca St to Olive Way - Mobility Improvements
US 395/Ridgeline Drive - Construct Interchange
I-90/Medical Lake I/C to Geiger Field I/C - Reconstruction - Phase 2
I-90/Canyon Rd Interchange - EB Ramp Terminal Improvements
SR 240/Richland Corridor Improvements
I-90/Raging River Bridge to Bandera Vic - Stormwater Retrofit
US 395/NSC Sprague Ave to Spokane River
I-90/Barker to Harvard - WB on-Ramp Improvement
I-90/Barker to Harvard - Add Lane Harvard Rd Bridge
I-90/Easton Hill to W Easton I/C WB - Replace Bridge and Build Detour
SR 9/SR 204 Intersection - Improvements
I-5/Northbound On-Ramp at Bakerview - Improvements
I-5/Northbound On-Ramp at Bakerview - Improvements

LOCAL PROGRAMS

Projects paused until 2021–23 biennium

Clinton to Ken's Corner Trail
Edmonds Waterfront Connector
Mill Creek-132 nd Street Mid-Block Crossing
Centennial Trail Connector -Phase 3
Columbia River Renaissance Trail Connection
Chelan - Traffic Improvements
Bingen Walnut Creek & Maple Railroad Crossing
Wilburton Trestle

PUBLIC TRANSPORTATION

Projects paused until 2021–23 biennium

Ben Franklin Transit: West Pasco Multimodal Hub
City of Kent: Rapid Ride Facility Passenger Amenities & Access Improv.
Ben Franklin Transit: Duportail Multimodal Hub
Ben Franklin Transit: Downtown Pasco Multimodal Hub
Seattle DOT: Market/45th RapidRide
Spokane Transit Auth: Cheney HP Transit Cor. Imp. & Vehicle Acquisition
City of Burien: Ambaum Blvd and H Line Transit Pathway Improvements
City of Longview-RiverCities Transit:Lexington Connector Exp.
Spokane County CTR Office: Liberty Lake Shuttle
King County Metro - Route 40 Northgate to Downtown

RAIL

Projects paused until 2021–23 biennium

SSPR Railroad - Marshall to Oakesdale Track Rehab (2019 FRAP)
Washington Eastern - Track Rehab - MP 11-24, 37-57 (2019 FRAP)
Columbia Walla Walla Railroad - Aggregate Hopper Cars (2019 FRAP)
Tacoma Rail - Marine View Drive Track Rehab (2019 FRAP)
Puget Sound & Pacific Railroad - Hoquiam Bridge (2019 FRAP)
Statewide - Emergent Freight Rail Assistance Projects
Bridge 12 (Salmon Creek) Replacement
Chelatchie Prairie Railroad - Railroad Tunnel Emergency Repairs
Chelatchie Prairie Railroad Roadbed Rehabilitation
Connell Rail Interchange

Additional projects on [WSDOT's pause list](#) will continue to be deferred until legislative action is taken.