



Washington State final budgets FY 2019-21: Selected impacts on cities

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

	Enacted 2017-19	House proposed	Senate proposed	Final budget
Operating budget – Shared revenues				
Liquor profits (Liquor Revolving Account)	\$98.9 million	\$98.9 million	\$98.9 million	\$98.9 million
Liquor taxes (Liquor Excise Tax Account)	\$56.1 million	\$64.1 million	\$64.1 million	\$64.1 million
Marijuana Excise Tax	\$30 million with the intent to fund at \$15 million per fiscal year in subsequent fiscal biennia	\$30 million	\$30 million	\$30 million
Streamlined Sales Tax Mitigation	\$20.6 million	\$18.6 million (assumes passage of HB 1948 and continued mitigation after October 2019)	\$2.2 million for final payment under mitigation formula, plus \$8.1 million specific distributions for 11 jurisdictions with mitigation payments exceeding \$20,000 per year for 2019-21 biennium, with intent for annual amount to decrease by two-thirds each year	\$18.6 million: \$2.2 million for final payment under mitigation formula, plus \$16.4 million for continued mitigation after October 2019
Municipal Criminal Justice Assistance Account	\$36.9 million	\$42.1 million	\$42.1 million	\$42.1 million
City-County Assistance Account (6050)	\$32.7 million	\$33.2 million	\$33.2 million	\$33.2 million
Annexation sales tax credit	No changes	No changes	No changes	No changes
Fire Insurance Premium Tax	\$9.7 million	\$10.5 million	\$10.5 million	\$10.5 million
Operating budget – Programs				
Pensions	Final rates: <ul style="list-style-type: none"> ▪ PERS employer rate: 12.52% ▪ PSERS employer rate: 11.76% LEOFF employer rate is 5.65%	LEOFF 2 transfer: \$300 million from LEOFF 2 pension fund to Benefits Improvement Account (assumes passage of HB 2144/SB 5983)	LEOFF 2 transfer: \$300 million from LEOFF 2 pension fund to Benefits Improvement Account (assumes passage of HB 2144/SB 5983)	LEOFF 2 transfer: \$300 million from LEOFF 2 pension fund to Benefits Improvement Account (HB 2144)
PERS 1 COLA	PERS 1 COLA: Provides a one-time 1.5% benefit increase with an annual benefit increase max of \$750. State and local government contribution rates would increase.	No COLA assumed in original budget – Amended 3/29/19 to provide a one-time 3 percent COLA to retirees for the Public Employees' and Teachers' Retirement System Plans 1 not to exceed \$62.50 per month. Employer contribution rates are increased to fund the benefit increases.	No PERS 1 COLA	No PERS 1 COLA

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Training for law enforcement	Funding provided for six additional BLEA classes in FY 2018 and seven classes in FY 2019. The agency is allowed to run one additional class in FY 2018 that would be 100% funded by local agencies. Funding provided for an additional equivalency academy class in each fiscal year.	19 BLEA classes each FY. An additional \$460,000 is provided to cities with 10 or less patrol officers to fund temps during BLEA training \$10 million for WASPC to develop and administer a proactive policing grant program for local law enforcement	19 BLEA classes each FY. Two classes must be held in Spokane (current practice).	19 BLEA classes each FY. Two classes must be held in Spokane (current practice).
Mental health field response grants	\$1 million	\$4 million: \$3 million for <i>Trueblood</i> phase one regions	\$4 million: \$3 million for <i>Trueblood</i> phase one regions	\$4 million: \$3 million for <i>Trueblood</i> phase one regions
Law enforcement diversion grant program (HB 1767)	N/A	\$2.4 million	N/A	\$ 2.4 million WSPC to implement grant program
Crisis intervention training	N/A	\$899,000: <i>Trueblood</i> phase one regions	\$899,000: <i>Trueblood</i> phase one regions	\$899,000: <i>Trueblood</i> phase one regions
Municipal Research and Services Center	\$5.6 million	\$5.9 million	\$5.9 million	\$5.9 million
Auto Theft Prevention Authority	\$8.2 million	\$8.2 million	\$8.2 million	\$8.2 million
Cybersecurity audits	N/A	\$2.8 million for state and local government audits	\$1.3 million for state and local government audits	\$2.8 million for state and local government audits
Public defense grants	\$900,000 to cities	\$900,000 to cities	\$900,000 to cities	\$900,000 to cities
Drug & gang prevention	\$1 million grant program \$150,000 for a pilot program in the City of Yakima establishing a prevention pilot	\$9 million for grant program	\$1 million for grant program	\$1 million for grant program
Sex offender address registration	\$10 million	\$10 million	\$10 million	\$10 million
Impaired driver safety account	\$1.4 million	\$1.3 million	\$1.3 million	\$1.3 million
Public health	\$73 million	\$73 million, plus additional \$22 million for foundational public health (assumes passage of 2SHB 1497)	\$73 million, plus additional \$11 million for foundational public health	\$73 million, plus additional \$22 million for foundational public health (HB 1497)

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Community-based behavioral health treatment system	\$40.7 million: <ul style="list-style-type: none"> ▪ \$25.3 million for community based behavioral health facilities ▪ \$15.4 million increasing forensic beds and state hospitals and system improvements 	\$138.1 million: <ul style="list-style-type: none"> ▪ \$65.6 million: Community Long-Term Inpatient Beds ▪ \$27.5 million: Community Treatment Services ▪ \$45 million: Behavioral Health Grants 	\$106.6 million: <ul style="list-style-type: none"> • \$58 million: Community Long-Term Inpatient Beds • \$25.9 million: Community Treatment Services • \$22.7 million: Enhanced Discharge Placements 	<ul style="list-style-type: none"> ▪ \$51.3 million: Community Long-Term Inpatient Beds ▪ \$1.5 million mental health drop-in facilities ▪ \$19 million: Substance use disorder enhancements ▪ \$8.8: Community Treatment Services ▪ \$45 million: Behavioral Health Grants ▪ \$26.5 Enhanced Discharge Placements ▪ \$396,000 to fund a behavioral health facilities siting administrator
Homelessness	Fully funded Housing and Essential Needs (HEN) Program, plus an additional \$14.8 million for homeless services	\$40.8 million: <ul style="list-style-type: none"> ▪ \$12.7 additional HEN 	\$38.4 million: <ul style="list-style-type: none"> ▪ \$15 million additional HEN \$200,000 grants for municipal labor programs that lead to full-time employment and stable housing for to homeless individuals	\$44.1 million <ul style="list-style-type: none"> ▪ \$14.5 million additional HEN \$200,000 grants for municipal labor programs that lead to full-time employment and stable housing for homeless individuals
Model ordinance for siting of behavioral health facilities	N/A	\$396,000 to Dept. of Commerce to develop model ordinance	Mandates Dept. of Commerce to develop model ordinance but does not provide additional funding	Mandates Dept. of Commerce to develop model ordinance within existing funds, but provides \$396,000 for a paid administrator to coordinate
Model Toxic Control Account transfers to operating budget	N/A	N/A	Transfers \$35 million at the end of FY19 from LTCA to the general fund and \$38 million from State Toxics Control Account to the general fund	Transfers \$35 million at the end of FY19 from LTCA to the general fund and \$38 million from State Toxics Control Account to the general fund
Green Economy	N/A	\$150,000 to Commerce to create a blueprint for next steps to develop the green economy in Washington State	N/A	\$150,000 to Commerce to create a blueprint for next steps to develop the green economy in Washington State

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Local Solid Waste Financial Assistance	N/A (See Capital budget under Local Solid Waste Financial Assistance (\$10 million))	N/A (See Capital budget under Local Solid Waste Financial Assistance (\$12.5 million))	\$36.4 million: <ul style="list-style-type: none"> ▪ \$28.4 million for grants to local government ▪ \$4 million for statewide litter collection programs and recycling programs to address Chinese market restrictions. ▪ \$4 million for statewide litter prevention, collection, and education; and recycling programs \$1.9 million for HB 1543 , if passed (Ecology to create market development center and locals to implement contamination reduction plans)	\$10 million for Local Solid Waste Financial Assistance grants \$2.1 million for statewide litter collection programs and recycling programs to address Chinese market restrictions. \$1.4 million for HB 1543 (Ecology to create market development center and locals to implement contamination reduction plans)
Capital budget				
Public Works Trust Fund	\$116.1 million construction/pre-construction/emergency loans	Infrastructure spending: <ul style="list-style-type: none"> ▪ \$100 million, 20% is earmarked for specific projects ▪ \$11 million is Drinking Water State Revolving Fund state match ▪ \$12 million is Water Pollution Control Revolving Account state match Transfers out: <ul style="list-style-type: none"> ▪ \$160 million to the Education Legacy Trust Account ▪ \$25 million to Washington Broadband Program (HB 1498) 	Infrastructure spending: <ul style="list-style-type: none"> ▪ \$205 million, \$5 million of which is funded from bonds ▪ May be spent on culverts via Fish Barrier Removal Board ▪ \$11 million is Drinking Water State Revolving Fund state match ▪ \$12 million is Water Pollution Control Revolving Account state match ▪ \$5 million to Drinking Water Systems Repair ▪ \$20 million for Washington Broadband Program (SB 5511) Transfers out: <ul style="list-style-type: none"> ▪ \$0 million to the Education Legacy Trust Account ▪ \$5 million to Aviation Revitalization Loans 	Infrastructure spending: <ul style="list-style-type: none"> ▪ \$95 million, \$10 million is earmarked for specific projects ▪ \$11 million is Drinking Water State Revolving Fund state match ▪ \$12 million is Water Pollution Control Revolving Account state match Transfers out: <ul style="list-style-type: none"> ▪ \$160 million to the Education Legacy Trust Account ▪ \$5 million to Aviation Revitalization Loans ▪ \$21.5 million to Washington Broadband Program (SB 5511)
Stormwater Financial Assistance Program	\$66.5 million	\$35 million: <ul style="list-style-type: none"> ▪ \$29.7 million for grants directed to areas of Puget Sound that will benefit southern resident killerwhales 	\$18 million for grants to local governments to benefit state waters	\$44 million
Remedial Action Grants	\$29.7 million	\$22.6 million	\$179.8 million	\$50 million

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Local Solid Waste Financial Assistance (Local Toxics Control Account)	\$10 million	\$12.5 million	Repeals LTCA and adds a MTCA Operating Account (SB 5993 is assumed in the budget and restructures the accounts). See Operating budget—Programs under Model Toxics Control Account and Local Solid Waste Financial Assistance (\$28.4 million)	Repeals LTCA and adds a MTCA Operating Account (SB 5993 passage restructures the accounts). See Operating budget—Programs under Model Toxics Control Account and Local Solid Waste Financial Assistance (\$10 million)
Drinking Water State Revolving Fund Loan Program	\$165 million	\$79.5 million	\$46 million, includes \$11 million as state match	\$46 million
Water Pollution Control Revolving Loan Program	\$210 million	\$216 million	\$204 million	\$204 million
Centennial Clean Water Grant Program	\$35 million	\$35 million	\$36 million	\$30 million
Community Economic Revitalization Board	\$13 million \$5 million added for CERB administered broadband program	\$8.6 million: Public Facility Construction Loan Account \$3.5 million: Broadband Infrastructure Program	\$8.6 million: Public Facility Construction Loan Account	\$8.6 million: Public Facility Construction Loan Account \$3.45 million: Broadband Infrastructure Program
Broadband Grant and Loan Program	N/A	\$25 million transferred from the Public Works Trust Fund (assuming passage of HB 1498)	\$20 million of the Public Works Trust Fund (assuming passage of SB 5511)	\$21.5 million of the Public Works Trust Fund (SB 5511)
Puget Sound Restoration and Salmon Recovery Grants	\$48 million for Puget Sound acquisition & restoration and estuary & salmon restoration projects \$19.7 million in (plus \$50 million in federal funds) to the RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species	\$53.6 million for Puget Sound acquisition and restoration, including estuary/salmon restoration \$12.4 million Washington Coastal Restoration Initiative \$25 million (plus \$50 million in federal funds) for Salmon Recovery Funding Board (SRF Board) grants	\$55.9 million for Puget Sound acquisition and restoration local grants, Middle Fork Nooksack diversion dam removal, and Riverbend floodplain restoration \$12.4 million Washington Coastal Restoration Initiative \$25 million (plus \$50 million in federal funds) for Salmon Recovery Funding Board (SRF) grants	\$59.5 million for Puget Sound acquisition and restoration, including estuary/salmon restoration \$14.1 million Washington Coastal Restoration Initiative \$25 million (plus \$50 million in federal funds) for Salmon Recovery Funding Board (SRF) grants
Washington Wildlife & Recreation Program	\$80 million	\$80 million	\$90 million	\$85 million
Youth Athletic Facilities	N/A	\$12 million	\$5 million	\$12 million
Floodplain Management and Control Grants	\$35.4 million - Floodplains by Design (includes \$75,000 to Ecology for grant improvement workgroup)	\$50 million - Floodplains by Design	\$42.8 million – Floodplains by Design	\$50.4 million – Floodplains by Design

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Fish Barrier Removal Board	\$19.7 million	<i>See Fish Passage under Transportation budget</i>	\$30.5 million, of which \$28.8 million is for identified projects	\$26.5 million, of which \$24.7 million is for identified projects
Housing Trust Fund	\$110.8 million	\$150 million: <ul style="list-style-type: none"> ▪ \$109 million for affordable housing ▪ \$69 million allocated to support housing for veterans, homeownership, developmental disabilities, and other low-income/special needs populations ▪ \$40.1 million for specified list of housing projects ▪ \$30 million for supportive housing ▪ \$10 million for preservation grants/loans 	\$175 million: <ul style="list-style-type: none"> ▪ \$20 million for affordable housing grants geared toward housing the homeless (per housing unit construction cost of \$125,000 max) ▪ \$10 million for housing for developmental disabilities ▪ \$10 million for farmworker housing ▪ \$18.5 million for identified projects ▪ \$35 million for supportive housing ▪ \$12.5 million for affordable housing production & preservation grants/loans 	\$175 million: <ul style="list-style-type: none"> ▪ \$10 million for modular housing grants ▪ \$10 million to grants to match private affordable housing contributions ▪ \$57 million for competitive housing projects for developmental disabilities, veterans, farmworkers, homeownership, and low-income populations ▪ \$45 million for identified projects ▪ \$35 million for supportive housing ▪ \$10 million for affordable housing production & preservation grants/loans
Healthy Housing Remediation Program	N/A	\$5 million for contaminated property redevelopment grants for affordable housing	\$14.6 million for contaminated property redevelopment grants for affordable housing	\$5 million for contaminated property redevelopment grants for affordable housing
Aquatic Lands Enhancement Account	\$12.3 million	\$4.3 million	\$6.6 million	\$6.6 million

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Behavioral Health Facilities	N/A	<p>\$117 million for Community-Based Behavioral Health Bed Capacity:</p> <ul style="list-style-type: none"> \$40 million: Department of Commerce competitive grant for expanding community-based behavioral health services \$73.6 million: community-based projects for a variety of behavioral health services <p>\$203.1 million mental health facilities:</p> <ul style="list-style-type: none"> \$69.2 million: two state constructed civil bed facilities \$28.7 million for construction of two new forensic wards providing 60 additional beds at Western State Hospital 	<p>\$208 million:</p> <ul style="list-style-type: none"> \$75 million: Behavioral Health Capacity Grants \$41.5 million for 12 specific behavioral health projects \$28.7 million for the addition of two forensic wards at Western State Hospital 	<p>\$119.9 million:</p> <ul style="list-style-type: none"> \$47 million: Department of Commerce competitive grant for expanding community-based behavioral health services \$70.9 million: community-based projects for a variety of behavioral health services <p>\$120.7 million mental health facilities:</p> <ul style="list-style-type: none"> \$25 million for two state constructed community civil bed facilities; one providing 16 state operated civil beds and one providing 48 mixed-use beds of which 16 beds would be state operated civil beds. \$58 million for ward renovations at Eastern State Hospital and Western State Hospital \$1 million for predesign and siting of a new forensic hospital \$28.7 million for construction of two new forensic wards \$8 million for a new Treatment and Recovery Center at Western State Hospital
Transportation budget				
Fish Passage	<p>\$109 million: state-owned fish passage barrier removal</p> <p>See Fish Barrier Removal Board (\$19.7 million) <i>under Capital budget</i></p> <p>\$250,000: city culverts inventory/assessment</p>	<p>\$214 million: state-owned fish passage barrier removal</p> <p>\$25 million: local grants for removal projects as prioritized by the Fish Barrier Removal Board</p> <p>\$350,000: city culvert inventory/assessment</p>	<p>\$274 million: state-owned fish passage barrier removal. DOT must coordinate with Fish Barrier Removal Board on watershed approach.</p> <p>See Fish Barrier Removal Board (\$30.5 million) <i>under Capital budget</i></p> <p>\$350,000: city culvert inventory/assessment</p>	<p>\$100 million: state-owned fish passage barrier removal. DOT must coordinate with Fish Barrier Removal Board on watershed approach.</p> <p>See Fish Barrier Removal Board (\$26.5 million) <i>under Capital budget</i></p> <p>\$350,000: city culvert inventory/assessment</p>

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Transportation Improvement Board (TIB)	\$261 million	\$249 million	\$246 million	\$249 million
Safe Routes to Schools Grants	\$24.5 million	\$29 million	\$29 million	\$30.million
Bicycle and Pedestrian Safety Grants	\$34.4 million	\$25 million	\$25.1 million	\$28.3 million
Freight Mobility Strategic Investment Board	\$50.7 million	\$42.8 million	\$43.4 million	\$42.9 million