



Washington State proposed budgets FY 2019-21 Selected impacts on cities

*This summary describes some impacts to cities in the Governor's proposed budgets for FY 2019-21.
For more information, please visit the Office of Financial Management website at: ofm.wa.gov*

	Enacted 2017-19	Governor proposed 2019-21
State shared revenues		
Liquor profits (Liquor Revolving Account)	Funded at \$98.9 million	Funded at \$98.9 million
Liquor taxes (Liquor Excise Tax Account)	Funded at \$56.1 million	Funded at \$51.26 million
Marijuana Excise Tax	Funded at \$30 million with the intent to fund at \$15 million per fiscal year in subsequent fiscal biennia.	Funded at \$15 million
Streamlined Sales Tax Mitigation	Funded at \$20.6 million	Funded at \$2.38 million. Covers one quarter of biennium for remaining cities minus an assumed amount for economically based sellers.
Municipal Criminal Justice Assistance Account	Funded at \$36.9 million	Funded at \$39.8 million
City-County Assistance Account (6050)	Funded at \$32.7 million	Funded at \$32.7 million
Annexation sales tax credit	No changes	No changes
Fire Insurance Premium Tax	Funded at \$9.7 million	Funded at \$10.5 million
Capital Budget		
Public Works Trust Fund	Funds 2017 construction loan list - 25 projects, \$97.1 million, plus \$5 million for emergency loans, and \$14 million for pre-construction loans.	<p>Infrastructure related spending: \$130 million for construction/pre-construction/emergency loans \$12 million for Clean Water Revolving Fund state match (this is traditional) \$11 million for Drinking Water Revolving Fund state match (this is traditional)</p> <p>Transfers and appropriations to other uses: Transfers \$140 million from the Public Works Assistance Account to the Education Legacy Trust Account. Commerce: \$8.2 million for PWB and Growth Management Staffing. Conservation Commission: \$8.5 million for Voluntary Stewardship Program Washington Broadband Program - \$7.5m from public works deposited in a new broadband account</p> <p>*Note: There are ongoing questions from the Public Works Board as to whether this projected spending overappropriates the account. The budget utilizes a cash basis accounting to appropriate more spending than the resources in the account would allow, with assumptions of spending rate allowing for a greater appropriation level (burn rate). We will be tracking this issue as it evolves.</p>
Stormwater Financial Assistance Program	Increased by \$11.4 million with \$10 million for grants for retrofit projects consistent with the southern killer whale task force recommendations	Funded at \$66 million
Remedial Action Grants (Toxic cleanups)	Increased to \$9.7 million	Funded at \$32.8 million
Solid Waste Management (Local Toxics Control Account)	Funded at \$10 million	Funded at \$20 million
Drinking Water State Revolving Fund Loan Program	Funded at \$165 million	Funded at \$163 million
Water Pollution Control Revolving Loan Program	Funded at \$210 million	Funded at \$214 million
Centennial Clean Water Grant Program	Funded at \$35 million	Funded at \$35 million
Community Economic Revitalization Board	\$5 million increase to \$13 million with an additional \$5 million for CERB administered broadband program	\$12 million and fully funded at \$18 million. An \$8.6 million for Public Facility Construction loan. \$10 million for administration of broadband infrastructure
Washington Broadband Program		\$25 million (\$7.5m from Public Works Trust Fund, \$17.5m from bonds)

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Puget Sound Restoration and Salmon Recovery Grants	\$48 million for Puget Sound acquisition & restoration and estuary & salmon restoration projects; \$19.7 million in State funds and \$50 million in federal expenditure authority to the RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species	Puget Sound Acquisition and Restoration - \$42.5 million, Washington Coastal Restoration Initiative - \$12.4 million, Salmon Recovery Funding Board (SRF Board) grants: \$35 million (plus \$50 million in federal funds)
Washington Wildlife & Recreation Program		Funded at \$115 million
Floodplain Management and Control Grants	\$75,000 to Dept. of Ecology to convene workgroup to make recommendations and improvements of the floodplains by design grant programs. City government to be included in workgroup.	Floodplains by Design: \$22.2 million, Catastrophic Flood Relief: \$56.7 million
Fish Barrier Removal Board	\$19.7 million	Funded at \$25.1 million
Housing Trust Fund	Funded at \$110.8 million	Funded at \$140 million (\$110m for ~2,500 housing units; \$10m to preserve 670 existing units; and \$10m for 156 net-zero units)
Healthy Housing Remediation Program	N/A	Funded at \$10 million for hazardous site cleanup on Buildable Lands
Community-based Behavioral Health Facilities	N/A	\$31 million for design of state-operated, community-based civil behavioral health facilities (9 facilities, 610 beds). \$47 million to build new wards and treatment space at Western State Hospital. \$7.5 million for predesign of one 500-bed forensic facility (to replace Western State Hospital).
Programs		
Pensions	Final rates: PERS employer rate is 12.52% PSERS employer rate is 11.76% LEOFF employer rate is 5.65%	Rates adjusted to reflect pension contribution rates adopted by the Pension Funding Council: PERS employer rate increases from 12.52 to 12.62% and PSERS employer rate increases from 11.76 to 11.96%. LEOFF 2 rate decreases to 5.15%
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.	PERS 1 Cost of Living Adjustment funded. Benefits to increase 3% with a cap of \$62.50 per month. \$44 million General Fund-State per biennium. Local government contribution rates would increase.
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.	Funding provided for 19 BLEA classes in each fiscal year which meets the AWC priority request. Local governments will continue to pay a local cost-share for training.
Mental health field response	\$1 million for implementation of mental health field response grant programs	Funded at \$4 million (\$3 m of which goes to <i>Trueblood</i> phase one regions)
Crisis intervention training		\$889,000 for crisis intervention training for <i>Trueblood</i> phase one regions. <i>See also</i> Mental Health Field Response.
Municipal Research and Services Center	Funded at \$5.6 million	Funded at \$5.9 million
Auto Theft Prevention Authority	Funded at \$8.2 million (an increase of \$500,000 over last biennium)	Funded at \$8.2 million
Cybersecurity audits		\$2.8 million for state and local government audits
Public defense grants	FY 2019 funded at \$960,000	
Drug & Gang Prevention Grants	\$500,000 per year plus \$150,000 for a pilot program in the City of Yakima establishing a prevention pilot	Funded at \$8 million
Sex offender address registration	Funded at \$5 million per year	Funded at \$10 million
Impaired driver safety account	Funded at \$1.4 million	Funded at \$1.3 million
Public health	Funded at \$73 million (same as last biennium)	Funded at \$73 million (same as last biennium)
Community-based Behavioral Health Treatment System		\$30 million for community treatment services; \$40 million to expand community alternative placements; \$110 million for grants to community service providers to expand capacity for individuals discharged from state hospitals. <i>See also</i> Community-based Behavioral Health Facilities under Capital Budget.

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Affordable housing		See also Housing Trust Fund (\$140m) and Healthy Housing Remediation Program (\$10m) under Capital Budget . \$4.3 million to Buildable Lands counties/cities/planning org.'s to analyze the impacts of zoning and land use on affordable housing; \$10 million for grants to local governments to reduce costs of developing units; \$5 million rural home rehab.
Homelessness		\$38.5 million for permanent supportive housing and temporary rental assistance for families; \$34.3 million for permanent supportive housing for vulnerable adults; \$8 million focused on housing youth; \$12 million for Consolidated Homeless Grant Program.
Model Ordinance siting of behavioral health facilities		Funding is for Department of Commerce to conduct this activity
<i>Transportation</i>		
Transportation budget		\$275 million for state culvert correction in the case area of the U.S. District Court injunction. See also Fish Barrier Removal Board under Capital Budget .
Transportation Improvement Board	Funded at \$260.8 million	\$5.9 million for Small City Preservation Program, and City Hardship Assistance program. \$222.5 million is provided for Urban Arterial Program, Sidewalk Program, Small City Arterial Program, and Arterial Preservation Program. \$14.67 million is provided for the Complete Streets Program.
Freight Mobility Strategic Investment	\$50.78 million for capital projects	\$43.47 million for capital projects