

HOUSE BILL REPORT

HB 1067

As Reported by House Committee On: Appropriations

Title: An act relating to fiscal matters.

Brief Description: Making 2017-2019 fiscal biennium operating appropriations.

Sponsors: Representatives Ormsby and Jinkins; by request of Office of Financial Management.

Brief History:

Committee Activity:

Appropriations: 1/9/17, 1/12/17, 3/27/17, 3/28/17 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Makes biennial operating budget appropriations for the 2017-19 biennium and makes supplemental budget appropriations for the 2015-17 biennium.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford and Tharinger.

Minority Report: Do not pass. Signed by 13 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Condotta, Haler, Harris, Manweller, Nealey, Schmick, Taylor, Vick and Volz.

Staff: Charlie Gavigan (786-7340).

Background:

The state government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. A two-year biennial operating budget is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after

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adoption of the biennial budget. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, including higher education, as well as allocations for the funding of K-12 public schools.

State Near General Fund plus Opportunity Pathways appropriations are \$38.5 billion for the 2015-2017 biennium (after the 2016 supplemental) and total budgeted funds are \$79.6 billion.

Summary of Substitute Bill:

State Near General Fund (State General Fund and Education Legacy Trust Account) plus Opportunity Pathways Account appropriations for the 2017-19 biennium are \$44.9 billion. Total budgeted funds are \$88.3 billion (includes state, federal, and other funds). Fund transfers and other provisions are made.

Some of the larger State Near General Fund plus Opportunities Pathways Account appropriations for the biennium include:

- \$22.0 billion for K-12 public schools;
- \$5.9 billion for the Department of Social and Health Services;
- \$8.2 billion for other human services programs, including the Health Care Authority and the Department of Corrections; and
- \$3.8 billion for higher education institutions and financial aid.

Funding is provided for state employee and nonstate employee collective bargaining agreements, arbitration awards, nonrepresented state employee compensation increases, Initiative 732 cost-of-living adjustments, and additional K-12 salary increases.

Supplemental changes are made to the 2015-2017 Operating Budget. State Near General Fund plus Opportunity Pathways appropriations are increased by \$2.0 million; total budgeted funds are increased by \$1.6 million.

Substitute Bill Compared to Original Bill:

The substitute bill makes numerous funding and other changes. Please see leap.wa.gov for more detailed information.

Appropriation: The bill contains multiple appropriations. Please refer to the bill and supporting documents.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

Please refer to the January 9, 2017, and the January 12, 2017, recordings of the public hearings on the original bill.

Please refer to the March 27, 2017, recording of the public hearing on the proposed substitute bill.

Persons Testifying:

Hearing Date January 9, 2017

(In support of the original bill) Kim Mead, Washington Education Association; Emily Murphy, Children's Alliance; Cynthia Macklin, National Alliance on Mental Illness–Washington; Joe Kendo, Washington State Labor Council; David Hlebain, Statewide Poverty Action Network; Josephine Tamayo Murray, Catholic Community Services; Christine Long, Catholic Community Services of Western Washington; Katie Warren, Washington State Association of Head Start and Early Childhood Education and Assistance Program; Debi Chadwick; Judy East, Washington State PTA; Annie Blackledge, The Mockingbird Society; Victoria Nanney and Dennis Eagle, Washington Federation of State Employees; Randy Hauck, Community Residential Services Association; Steve DuPont, Central Washington University; Michelle Thomas and Kate Baber, Washington Low-Income Housing Alliance; Katie Scott, Solid Ground; Nikki Wegner, Community Employment Alliance; Jerry Bender, Association of Washington School Principals; Diana Stadden, The Arc of Washington State; Noah Siedel, Self Advocates in Leadership; Joan Miller, Washington Council for Behavioral Health; Chris Mulick, Washington State University; David Buri, Eastern Washington University; Scott Sigmon, Leading Age Washington; Dave Knutson, Washington Health Care Association; Marc Webster, Washington Student Achievement Council; Seamus Petrie, Washington Public Employees Association; Tali Rausch, Washington's Paramount Duty; Becca Kenna-Schenk, Western Washington University; Joe Dacca, University of Washington; Colleen Rust, The Evergreen State College; Michael Althaus, Columbia Legal Services; and David Lord, Disabilities Rights Washington.

(Opposed to the original bill) Derek Harris, Washington Association for Children and Families; Seth Dawson, Washington Association for Substance Abuse and Violence Prevention; Leslie Emerick, Washington Home Care Association; and Brad Banks, Behavioral Health Organizations.

(Other testimony on the original bill) Laurie Lippold, Partners for our Children; Jill Sells, Reach Out and Read; Jim Theofilis, A Way Home-Washington; Sarah Margaret Wright, Seattle Children's Hospital; Claire Lane, Anti-Hunger and Nutrition Coalition; Denny Johnston, Retired Public Employees Council; Brad Banks, Home Care Coalition; Doug Nelson, Public School Employees, Service Employees International Union 1948; Wes Henricksen, Washington Chapter of the American Academy of Pediatrics; David Finet, Washington State Community Action Partnership; Josh Weiss, Washington State Association of Counties; Cherie Berthon, State Board for Community and Technical Colleges; Larry Brown, State Board for Community and Technical Colleges; Scott Morgan, Green River College; Terry Kohl, Washington State Snowmobile Association; Eric Lohnes, Association of Washington Business; Elissa Goss, Washington Student Association; and Victoria Lincoln, Association of Washington Cities.

Hearing Date January 12, 2017

(In support of the original bill) Chris Reykdal, Office of the Superintendent of Public Instruction; Joe McDermott, King County Council; Phyllis Farrell, League of Women Voters-Washington State; Jessica Vavrus, Washington State School Director's Association; and Teri Wright, Washington Citizens' Commission on Salaries for Elected Officials.

(Opposed to the original bill) Daniel Fallstrom, Washington State Snowmobile Association; Representative Walsh; and Marty Cole, Naselle Youth Camp.

(Other testimony on the original bill) Demas Nesterenko, Service Employees International Union 775; Jan Bussert, Washington State Nurses Association; Nigel Turner, Tacoma Pierce County Health Department; Liz Trautman, The Mockingbird Society and Washington Coalition for Homeless Youth; Tim Sullivan, Washington Information Network 211; Jeff Ketchell, Snohomish Health District and Washington Association of Local Public Health Officials; and Charlie Brown, Prepared Response, Incorporated.

Hearing Date March 27, 2017

(In support of proposed substitute bill) Samantha Fogg; Emma Fogg; Laurie Lippold, Partners for Our Children; Len McComb, Washington State Hospital Association; Kim Mead, Washington Education Association; Kate White-Tudor, Washington Association of Community and Migrant Health Centers; Steve Breaux, Planned Parenthood Votes Northwest and Hawaii; Bob Cooper, Washington Defenders Association and Washington Association of Criminal Defense Lawyers; Seth Dawson, National Alliance on Mental Illness-Washington; Christina Wong, Northwest Harvest; Will Rice, Northwest Catholic Community Services; Christine Long, Housing and Essential Needs Program; Lindsey Grad, Service Employees International Union Healthcare 1199NW; Adrienne Thompson, Professional and Technical Employees-Local 17; Tracy Grant; Thatcher Heldring; Melissa Johnson, School Nurse Organization of Washington; Diana Stadden, The Arc of Washington State; Donna Patrick, Developmental Disabilities Council; Lance Morehouse, Sherwood Community Services; Noah Seidel, Self Advocates in Leadership; Katara Jordan, Building Changes; Miho Wright, St. Mike's Tikes Early Learning Center; Peter Diedrick, Washington State School Retirees' Association; Dave McKee, Retired Public Employees Council; Barbara Billinghurst; Emily Murphy, Children's Alliance; Jerry Bender, Association of Washington School Principals; Mitch Denning, Alliance of Educational Associations; Tom Fitzsimmons, Independent Colleges of Washington; Jay Doran, Equal Justice Coalition; Rachel Lagen Lundmark, Volunteer Legal Services; Tanikka Watford; Joel Ryan, Washington State Association of Headstart and Early Childhood Education and Assistance Program; Stephanie Mischo; Brian Carroll, Washington Association for Children and Families; Demas Nesterenko, Service Employees International Union 775; Seamus Petrie, Washington Public Employees Association; Thao Tran, Service Employees International Union 775 Benefits Group; Nahaci Torres-Moyer, Washington Federation of State Employees; Nora Selander, Associated Students of Western Washington University; Paige Campbell, Associated Students of Washington State University; Elissa Goss, Washington Student Association; Michael Althaus and Brandy Sincyr, Columbia Legal Services; Michele Thomas and Kate Baber, Washington Low-Income Housing Alliance; JoLyn Berge, Seattle Public Schools; Liz Mills, YWCA of Seattle-King-Snohomish; Colleen Laing, United Way of King County; Pricilla

Lisicich, Safe Streets; Andy Nicholas, Washington State Budget and Policy Center; Sara Lazkani, Island Wood; Oak Rankin, Glacier Peak Institute-Washington State Institute Science, Technology, Engineering, and Mathematics; Doug Levy, Western States Arts Federation; Katie Kolan, Washington State Medical Association; Brad Banks, Hepatitis Education Project, Home Care Coalition, and Behavioral Health Organizations; Melissa Johnson, Community Residential Services; Amy Brackenbury, Public Health Roundtable; Jennifer Muhm, Washington State Nurses Association; Nigel Turner, Tacoma-Pierce County Health Department; April Putney, King County; Josh Weiss, Washington State Association of Counties; Steve DuPont, Central Washington University; Chris Mulick, Washington State University; Joe Dacca, University of Washington; JoAnn Taricani, University of Washington Faculty Senate; Bill Lyne, United Faculty of Washington State; Cherie Berthon, State Board for Community and Technical Colleges; Stuart Halsan, Centralia College; Joe Kendo, Washington State Labor Council, AFL-CIO; Brenda Wiest, Teamsters 117; Matt Zuvich, Washington Federation of State Employees; Rochelle Moore, Plymouth Housing Group; Alex Hur, Statewide Poverty Action Network; Marc Webster, Washington Student Achievement Council; Jim Bamberger, Office of Civil Legal Aid; Sophia McSherry, Office of Public Defense; Greg Link, Washington Appellate Project; Brady Hornenstein, Administrative Office of the Courts and Board for Judicial Administration; and Claire Lane, Anti-Hunger and Nutrition Coalition.

(Opposed to the proposed substitute bill) Bill Clarke, Bio Track; Eric Lohnes, Association of Washington Business; and Terry Kohl, Howard Briggs, and James Bauer, Washington State Snowmobile Association.

(Other testimony on the proposed substitute bill) Emily Carmichael; Andrew Hill; Sara Betel and Geneva Betnel; Janica Lockart, Children's Home Society of Washington; Ann Christian, Washington Council for Behavioral Health; Jim Theofelis, A Way Home—Washington; Lauren Frederick, The Mockingbird Society; Liz Trautman, Washington Coalition for Homeless Youth Advocacy; Michael Pugsley, Ashley House; Eric Bailey, Alliance Nursing; David Elliott, Office of the Secretary of State; Dave Mastin, Office of the Superintendent of Public Instruction; Will Berkovitz, Jewish Family Services; Melissa Taylor; Jessica Vavrus, Washington State School Directors' Association; Rebecca Vaux, Washington's Paramount Duty; Dan Steele, Washington Association of School Administrators and Washington Association of School Business Officials; Nancy Chamberlain, Washington State PTA; Lee Phillips, Sunrise Services, Incorporated; Mary Fischer, Institute for Family Development; Amy Hatch-Winecka, Washington Salmon Coalition; John Rosenberg, Regional Fisheries Coalition; Michael Moran, Confederated Tribes of the Colville Reservation and Washington State School Retirees' Association; Melissa Gombosky, Inland Empire Paper Company; Victoria Lincoln, Association of Washington Cities; Becca Kenna-Schenk, Western Washington University; David Buri, Eastern Washington University; Colleen Rust, The Evergreen State College; Doug Nelson, Public School Employees of Washington, Service Employees International Union 1948; Byron Manering, Brigid Collins; and Elizabeth Smith, American Civil Liberties of Washington.

Persons Signed In To Testify But Not Testifying: (January 9, 2017 Hearing) Kate Hummel, State Board for Community and Technical Colleges.

(January 12, 2017 Hearing) Alexandra Olins.

(March 27, 2017 Hearing) Cris Shardelman; Mark Gjurasic; and Timothy Stokes, South Puget Sound Community College.