

HOUSE BILL REPORT

HB 1106

As Reported by House Committee On: Appropriations

Title: An act relating to fiscal matters.

Brief Description: Making 2015-2017 operating appropriations.

Sponsors: Representatives Hunter, Ormsby, Sullivan, Gregerson and Reykdal; by request of Governor Inslee.

Brief History:

Committee Activity:

Appropriations: 1/12/15, 1/14/15, 3/30/15, 3/31/15 [DPS].

Brief Summary of Substitute Bill

- Makes biennial operating budget appropriations for the 2015-17 biennium and makes supplemental budget appropriations for the 2013-15 biennium.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, Pettigrew, Sawyer, Senn, Springer, Sullivan, Tharinger and Walkinshaw.

Minority Report: Do not pass. Signed by 15 members: Representatives Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, Fagan, Haler, G. Hunt, MacEwen, Magendanz, Schmick, Stokesbary, Taylor and Van Werven.

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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Supplemental budgets frequently are enacted in each of the following two years after 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.

After the 2014 Supplemental Operating Budget, Near General Fund-State plus Opportunity Pathways appropriations for the 2013-15 biennium were \$33.8 billion and total budgeted funds were \$67.6 billion.

Summary of Substitute Bill:

State Near General Fund (State General Fund and Education Legacy Trust Account) plus Opportunity Pathways Account appropriations for the 2015-17 biennium are \$39.0 billion. Total budgeted funds are \$79.3 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:

- \$18.4 billion for K-12 public schools, including approximately \$1.3 billion for implementation of Substitute House Bill 2776 (2010).
- \$6.4 billion for the Department of Social and Health Services, including \$673 million for children and family services programs, \$1.1 billion for mental health programs, \$1.3 billion for programs for developmentally disabled persons, \$1.9 billion for long-term care programs, \$901 million for economic services programs, \$176 million for juvenile rehabilitation programs, and \$129 million for substance abuse programs.
- \$6.1 billion for other human services programs, including \$4.0 billion for low-income health and other services in the Health Care Authority and \$1.8 billion for the Department of Corrections.
- \$3.5 billion for higher education institutions and financial aid.

Funding is provided for state employee and non-state employee collective bargaining agreements, arbitration awards, non-represented state employee compensation increases, Initiative cost-of-living adjustments (COLA), and additional K-12 salary increases.

Supplemental changes are made to the 2013-15 Operating Budget. State Near General Fund plus Opportunity Pathways appropriations are reduced by \$40 million; total budgeted funds are increased by \$954 million. Supplemental changes to the 2013-15 Operating Budget made in 2015 by this act and the earlier supplemental budget, Chapter 3, Laws of 2015 (Substitute House Bill 1105), increase State Near General Fund appropriations by \$26.2 million and increases total budgeted funds by \$1.2 billion.

Substitute Bill Compared to Original Bill:

The substitute bill makes numerous funding and other changes to the Governor's budget proposal. Supplemental changes to the 2013-15 Operating Budget are also made.

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, except for section 967, which takes effect July 1, 2015.

Staff Summary of Public Testimony:

Please refer to the January 12, 2015, and January 14, 2015, recordings of the public hearings on the original bill.

Please refer to the March 30, 2015, recording of the public hearing on the proposed substitute bill.

Persons Testifying:

Hearing Date January 12, 2015

(In support of original bill) Lani Todd, Service Employees International Union 925; Melissa Johnson, Headstart and Early Childhood Education and Assistance Programs; Jill Sells, Reach out and Read and Washington American Academy of Pediatrics; Alex Hur, Equity in Education Coalition of Washington and State Nurses Association; Emily Murphy, Children's Alliance; Laura Wells, Fight Crime: Invest in Kids; and Madeleine Thompson, Washington Student Achievement Council.

(With concerns on original bill) Randy Dorn, Superintendent of Public Instruction; Ramona Hattendorf, Washington State Family and Community Engagement Trust; Dan Steele, Washington Association of School Administrators; Ryan Pricco, Child Care Aware of Washington; Nick Lutes, State Board for Community and Technical Schools; Julie Garver, The Evergreen State College; Chris Mulick, Washington State University; Mitch Denning, Alliance of Education Associations; Ben Rarick, State Board of Education; Doug Nelson, Public School Employees Service Employees International Union 1948; Genesee Adkins, University of Washington; David Buri, Eastern Washington University; and Becca Kenna-Schenk, Western Washington University.

(Opposed to original bill) Mary Howes and Desi Saylor, Class Size Counts; Shawn Lewis, Washington Education Association; Paul Bell, Bellevue College; Anne Belson, The Evergreen State College; and Amber Carter, Association of Washington Business.

(Other testimony on original bill) Steve Dupont, Central Washington University; and Jerry Bender, Association of Washington School Principals.

Hearing Date January 14, 2015

(In support of original bill) Sharon Kitchel and June Conklin, Service Employees International Union 775; Kate White-Tudor, Washington Association of Community and Migrant Health Centers; Laura Simonds, National Alliance on Mental Illness of Washington; Scott Livengood, Community Residential Services Association; Melissa Johnson, Association of Alcohol and Addition Programs and Washington State Nurses Association; Dennis Mahar, Area Agencies on Aging; Elizabeth Trautman, Youth Care; Alia Griffing, Washington Federation of State Employees; Steven Aldrich, Friends Committee on Washington Public Policy; Lynn Palmer, Virginia Twedt and Helen Hepp, Friends of Schafer and Lake Sylvia; Darcy Nonemacher, Washington Environmental Council; John Ehrenreich, Washington Forest Protection Association; Ted Jackson, Sky Valley Recreation; and Susan Gemmel, Washington Information Network 2-1-1.

(In support with concerns on original bill) Paul Benz, Faith Action Network and Hunger Nutrition Program; Victoria Lincoln, Association of Washington Cities; Alicia Luna, Community Café Collaborative; Allison Mondy, Lifelong; Joseph Jackson, Thurston County Prosecutors Office and Monarch Children's Advocacy Center; Susie Tracy, Washington State Medical Association and Public Health Roundtable; John Ficker, Washington State Residential Care Council; Hillary Madsen, Columbia Legal Services; John Brumbach and Lee Grogg, Ryther; and Kelsey Hulse, Thurston County Food Bank.

(With concerns on original bill) Bob Cooper, Washington State Association of Drug Court Professionals; Ryan Hall, Parent Trust Families in Recovery Network Program; Jonathan Seib, Washington Academy of Family Physicians; and Marsha Fromhold, Seattle Cancer Care Alliance.

(Opposed to original bill) Derek Franklin, Washington Association for Substance Abuse and Violence Prevention; Nikki Wegner, Community Employment Alliance; Eric Mathes, The Arc of King County; Margaret Lee Thompson, The Arc of the United States; Donna Patrick, Developmental Disabilities Council; Seth Dawson, Washington Association for Children and Families; Keith Flewelling, Washington State Chapter of APCO-NENA; David Lord, Disability Rights Washington; Lisa Thatcher, Washington Society of Certified Public Accountants; and Christie Hedman, Washington Defender Association.

(Other testimony on original bill) Robin Zukowski, Columbia Legal Services; Len McComb, Washington State Hospital Association; Laurie Lippold, Partners for Our Children; and Jim Theofelis, Mockingbird Society.

Hearing date March 30, 2015

(In support of proposed substitute bill) Kim Wyman, Secretary of State; Fred Jarrett, King County; Paul Roberts, City of Everett, Association of Washington Cities; Paul Benz, Faith Action Network; Claire Lane, Anti Hunger and Nutrition Coalition; Christina Wong, Northwest Harvest; Nadia Bucio; Claudia Flores; Becca Kenna-Schenk, Western Washington University; Alex Hur, Statewide Poverty Action Network; Lani Todd, Service Employees International Union 925; David Buri, Eastern Washington University; Jon Brumbach, Ryther; Melissa Gombosky, Education Service District 105; Melissa Johnson, Washington State Nurses Association and Community Residential Services Association; Karen Strickland, American Federation of Teachers-Washington; Steve DuPont, Central Washington

University; Gary Sandwick, Catholic Community Services; Robin Koskey, Building Changes; Cherie Tessier, Passport for Changes; Amy Hirotaka, Code.org; Genesee Adkins and Ian Goodhew, University of Washington; Kelly Church, The Arc of Snohomish County; Jim Theofelis, Mockingbird Society; Christina Xiao, Associated Students University of Washington; Chris Mulick, Washington State University; Joe Cunningham, King County Parent Coalition and the Arc of King County; Janis Avery, Treehouse; Robert Sweeney, National Guard Association of Washington; Katy Warren, Washington State Association of Headstart and Early Childhood Education and Assistance Programs; Jessica Goodman; Jim Huckabay, Council of Faculty Representatives; Gregory Robinson, Washington Community Mental Health Centers; Michael Boe, Nicholas Cannady, and Michelle Woodrow, Teamsters 117; Mary Curry, Pathways Enrichment Academy; Marty Brown, State Board for Community and Technical Colleges; Michelle Johnson, Pierce College; Derek Harris, Community Youth Services; Phyllis Gutierrez Kenney, Sea Mar; Ray Corona, Latino Community Fund; Liz Tidyman; Garrett Havens, Washington Student Association; Donna Patrick, Developmental Disabilities Council; Emily Murphy, Children's Alliance; Merritt Mount, Washington State Community Action Partnership; Hayley Hohman, Associated Students of Washington State University; Diana Stadden, The Arc of Washington State; Brittany Stadden and Noah Seidel, Self Advocates in Motion; Tom Fitzsimmons, Independent Colleges of Washington; Cathy Knight, Area Agencies on Aging; Peggy Quan, AARP; Darla Helt, Clark County Parent Coalition; Alia Griffing, Washington Federation of State Employees; Laurie Meeker, United Faculty of Washington State; Len McComb, Washington State Hospital Association; and Richard Harrison, Northwest Justice Project.

(In support with amendment(s) to the proposed substitute bill) Tim Knue, Washington Association for Career and Technical Education; Jill Sells, Reach Out and Read; Joe Kendo, Washington State Labor Council; Nick Federici, Sharon Kitchel, and Mesfin Tessema, Service Employees International Union 775; Ellicott Dandy, One America; and Jim Bamberger, Office of Civil Legal Aid.

(In support with concerns on the proposed substitute bill) Joanne Moore, Washington State Office of Public Defense; Julie Garver, The Evergreen State College; Laurie Lippold, Partners for Our Children; Robin Zukoski, Columbia Legal Services; Bob Cooper and Mary Taylor, Washington State Association of Drug Court Professionals; Ben Rarick, State Board of Education; Mary Fischer, Institute for Family Development; Jennifer Allen, Planned Parenthood Votes Northwest; John Ficker, Washington State Residential Care Council; Lindsay Grad, Service Employees International Union 1199 NW; Dan Steele, Washington Association of School Administrators; Mitch Denning, Alliance of Educational Associations; Deb Merle, Washington State School Directors Association; Matt Zuvich, Washington Federation of State Employees; Seamus Petrie, Washington Public Employee Association; and Steven Aldrich, Friends Committee on Washington Public Policy.

(Neutral on proposed substitute bill) Hillary Madsen, Columbia Legal Services.

(With concerns on the proposed substitute bill) William and Joyce Ostling; Marcie Taylor, Community Employment Alliance; Madelyn Carlson, Washington Information Network 2-1-1; Eden Mack, Seattle PTSA; Kelly Powers, Bagley PTA; Steve Nesich and Sherry Kranick, Washington PTA; Kate White-Tudor, Washington Association of Community and Migrant Health Centers; Janis Traven, Washington Coalition for Gifted Education; Kim

Mead, Washington Education Association; Don Hansen, Cascade Park; Holly Shepherd, Cynthia Taylor, Helen Stoll, and Chad Solvie, Martha and Mary Nursing Home; Doug Nelson, Public School Employees Service Employees International Union 1948; M. Scott MacMurray; and Ken Kanikeberg, Office of Superintendent of Public Instruction.

(Opposed to the proposed substitute bill) Tim Eyman, Voters Want More Choices; Tisha McMeekin; Glen Morgen; Ted Trask; James Lydigsen; Jill Steinberg, Maritza Rivera, and Mary Howes, Class Size Counts; Sandy Belzer; Steve Edwards; Doug Wisdom; David Spring; Katie Kolan, Washington State Medical Association; Susie Tracy, Family Medicine Residency Network; Pat Tarzwell; Randy Churchill; Keith Flewelling, Thurston County 911 and APCO-NENA Washington; Peggy Fouts, Grays Harbor 9-1-1 and Advisory Committee E911; Jeff Cohen, Kline Galland; Jeffery Hattori, Jennifer Hamasaki, Gigi Ridings, and Carmen Tsuboi, Seattle Keiro Rehabilitation and Care Center; Nikole Jay, Judson Park; Patrick O' Neill, Wesley Homes; Patricia Benavidez; Eddie Hamilton; Amber Carter, Association of Washington Business; Scott Sigmon, Leading Edge Washington; Ken Morse; and Jonathan Seib, Washington Academy of Family Physicians.

(Other testimony on the proposed substitute bill) Peter Goldmark, Commissioner of Public Lands; Tracy Oster, Communities in Schools-Federal Way; David de la Fuente, Communities in Schools-Kent; Jim Ventris, Communities in Schools-Renton; Charles Shelan, Washington Association for Children and Families; Courtney Ellwell and Vicki Wagner, Youth Suicide Prevention; Jim Cooper, United Ways of Washington; Kathleen Southwick, Washington Information Network 2-1-1; John Page, Tacoma Public Schools; Martin LeBlanc, Islandwood; Nina Auerbach, Washington Association for Infant Mental Health; Connie Brown, Pierce County Human Services Coalition; Debbie Graham and Courtney Shiel, Safe Babies-Safe Moms; Melanie Smith, Wellspring Family Services; Kate Baber and Michelle Thomas, Washington Low Income Housing Alliance; Mark Putnam, Committee to End Homelessness-King County; Daniel Malone, Downtown Emergency Services Center; and Josh Weiss, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.