

Preliminary 2010 Supplemental State Budget Impacts on Cities

This summary describes some of the impacts to cities in the Governor's proposed 2010 supplemental budgets. The Governor is required by law to submit a balanced budget, and stated in her materials that this budget does not reflect her values. She is expected to introduce another proposed budget in January. For more information on these budgets visit the Legislative Evaluation & Accountability Program Committee (LEAP) website: <http://leap.leg.wa.gov/leap/default.asp>.

Issue	Governor's Budget	Comments
CITY FISCAL HEALTH AND FLEXIBILITY		
Streamlined Sales Tax Mitigation	\$10 million is transferred to the General Fund. It appears that this is just the excess balance and won't impact distributions. \$53.4 M is appropriated to this account	
City-County Assistance Account	Continued appropriation of the City-County Assistance Account. \$27.547 million appropriated in 2010 budget; \$28.564 in biennial budget. Difference is due to revenue forecast.	
Municipal Criminal Justice Assistance Account	\$25.6 million appropriated for this account. No change in 2010 budget.	
Liquor Revolving Account	\$80.4 million appropriated to account; Plus an additional \$18.7 million distributed to local governments because of assumed additional liquor profits associated with additional stores and store hours. No change in 2010 budget.	
Liquor Excise Tax Account	\$50.95 M appropriated in 2009-11 budget. \$50.38 M appropriated in 2010 budget. Difference due to revenue forecast.	
Annual County Property Valuation	\$843,000 is provided to the Dept. of Revenue for SSB 5368 (requiring annual revaluation). This would require that all counties value real property for property tax purposes annually by January 1, 2014. Funds are provided for DOR to administer a grant program and provide guidance. No change in 2010 budget.	
COMMUNITY SAFETY & JUSTICE		
Drug Treatment	Eliminate outpatient services for chemical dependency and detoxification treatment for more than 3,600 low-income adults. (\$8.7 M). Reduce chemical dependency and detoxification treatment for 3,800 low-income adults. (\$5.4 M). Reduce funding for General Assistance Unemployable for chemical dependency treatment for 1,200 low-income adults. (\$2.7 M).	
Training for Law Enforcement	Reduce the number of Basic Law Enforcement Academy classes because law enforcement agencies are not hiring due to the recession. The Criminal Justice Training Commission is funded for 13 classes in Fiscal Year 2010 and 16 classes in Fiscal Year 2011. (\$1.6 M)	
Mental Health	Reduce Medicaid rates paid to Regional Support Networks, which deliver community mental health services under the state and federal Medicaid program, by 1 percent. (\$1.2 M + \$1.5 M). Reduce non-Medicaid funding for community mental health services, which include counseling, case management, acute care, the program for adaptive living skills and jail services. (\$15 M).	
State Crime Lab	Eliminate 25 staff positions in the Washington State Patrol, including criminal records analysts, fire protection preparedness specialists and crime lab scientists. (\$3.8 M). Post-Conviction DNA Analysis is transferred from the Department of Commerce to the Washington State Patrol.	
Offender Supervision/re-entry	Eliminate 'tolling' for those in prehearing confinement on a violation and for those who have been sanctioned to time in jail for a violation. This means that a violator's community supervision sentence will run continuously regardless of whether the violator is incarcerated at any time during the sentence or in prehearing confinement. (\$1.2 M). Reduce offender re-entry funding, with the exception of funding for evidence-based and promising programs. (\$3.5 M). Reduce the prison population for non-violent offenders who are custodial parents of minor children, which will allow the Department of Corrections to close a prison unit at a women's facility. (\$225,000 M). Funding for the Children of Incarcerated Parents Advisory Board is eliminated from Dept of Commerce. The advisory board monitors, guides, and reports on recommendations related to policies and programs for children of families with incarcerated parents. (\$78,000).	

Auto Theft Authority	Cuts \$8 million for Auto Theft Prevention. \$4 million is appropriated to Dept of Corrections, \$3.7 million to the Dept of Social and Health Services for gang prevention/ intervention grants and \$300,000 to the Dept of Community, Trade and Economic Development for community development grants. Funding is left at \$5.8 million. No change in 2010 budget.	
E-911 Military Department	Increase of \$7.5 million to the Military Department's state appropriation to reflect actual state revenues, thereby increasing funding to 911 call centers operated by local governments. The state provides funding to local governments whose costs exceed their local 911 tax collections.	
FLEXIBLE GENERAL GOVERNMENT OPERATIONS		
Municipal Research Council	\$5.455 million was appropriated in 2009-11 budget. Reduced to \$2.729 M in 2010 budget. Remaining \$2.7M transferred to the Department of Commerce. In addition, beginning July 1, 2010, the functions of MRC are transferred to the department of Commerce.	
LEOFF 1 Retiree Medical Study	\$25,000 provided for continuation of an actuarial evaluation of local government liabilities for Law Enforcement Officers' and Fire Fighters' Retirement System Plan Post-retirement medical benefits. No change in 2010 budget.	
CTED Local Government Support	Administrative costs are reduced for local government administration.	
LAND USE & ENVIRONMENTAL STEWARDSHIP		
Puget Sound Partnership	\$11.4 million is provided for Puget Sound Partnership. \$33 million is provided in the capital budget for grants that protect and restore habitat in Puget Sound.	
Growth Management Assistance	Grants to local governments to develop growth management plans are eliminated. Legislation will be proposed to extend the local growth management plan update cycle time frame.	
Buildable Lands	Unclear if funding maintained.	
Waste reduction, recycling and litter control	\$14.6 M was appropriated in 2009-11. This is reduced to \$12.5 M in 2010 budget. Local governments traditionally receive 20% of these funds.	
QUALITY INFRASTRUCTURE FOR SAFETY & DEVELOPMENT		
COMMUNITY & ECONOMIC DEVELOPMENT TOOLS		
Public Works Assistance Account	\$17.2 million from the first half of the biennium is redirected to the state general fund. An additional \$24 million is transferred to the state general fund in the second half of the biennium. The first \$17.2 million was anticipated due to increased revenues to the PWAA over April 2009 projections. The second \$24 million transfer is unclear at this time, but appears to be due to swapping PWAA funds for State Construction funds on previously appropriated projects. (the projects remain funded).	
Local Toxics Control Account	\$45.2 million of the Local Toxics Control Account are transferred to the state general fund. \$36.6 million of the State Toxics Control Account is transferred to the state general fund.	
Transportation Improvement Board, Freight Mobility Strategic Investment Board, County Road Administration Board	1) Funds from the respective state agencies are transferred to WSDOT-Highways and Local Programs Division. 2) The funds cannot be fully released until a reorganization plan has been approved by the Office of Financial Management, and after the House of Representatives and Senate has been notified. 3) Our understanding is that this proposed consolidation does not change the Boards for the respective agencies. In addition, all dedicated funding accounts for the respective agencies are retained.	
Economic Development Strategic Reserve	\$1.5 million is provided for efforts to assist with currently active industrial recruitment efforts that will bring new jobs to the state or will retain headquarter locations of major companies currently housed in the state. No change in 2010 budget.	
Community Economic Revitalization Board (CERB)	\$6.253 million provided. No change in 2010.	

Water Assistance Accounts	Provide \$ 42 M funding to local governments for projects through the Water Pollution Control Revolving Funds. Provide state matching funds through EPA for loans from Clean Water centennial fund to local governments - \$\$2.9 m state; \$14 M federal.	
Parks and Recreation	\$12 M transferred from Outdoor Education and Recreation Program Account to the general fund.	
Flood Control Assistance Account	Appropriation is reduced from \$1.965 M in 2009-11 budget to \$1.963 M in 2010 budget.	
Main Street Technical Assistance	Funding for the Mainstreet Program is eliminated in FY 2011.	
<i>SOCIAL & HUMAN SERVICES</i>		
Public Health	Eliminate the Basic Health Program which provides health care coverage for approximately 65,000 individuals (\$160.6 M). Eliminate General Assistance Unemployable Medical Service program, which provides healthcare to approximately 20,000 individuals (\$118.9 M)	
General Assistance Unemployment Program	Eliminated the General Assistance Unemployable program. General Assistance grants will continue for individuals with pending applications for federal Supplemental Security Income. General Assistance grants will also continue for individuals of the General Assistance Aged, Bland and Disabled programs. \$88.5 M	
Low Income Weatherization	The expenditure authority for the Low Income Weatherization Assistance Account is reduced from \$8.3 M to \$6.9 M.	
Transitional Housing	\$1.8 M of the home security fund is provided for transition housing assistance or partial payments for rental assistance under the independent youth housing program.	