



The M/V Tacoma, a Jumbo Mark II-class ferry, is scheduled to be converted to run on hybrid-electric power in 2024.

Focused solutions for essential needs

Gov. Jay Inslee's 2024 supplemental budget maintains the state's efforts on several critical issues including homelessness, behavioral health, the fentanyl and opioid crisis, education, and climate change.

There was an increase in forecasted near general fund revenues since the 2023-25 budget took effect in July. From March to November, forecasted near general fund revenues increased by over \$2.9 billion for the four-year outlook period. This increase slightly exceeds the more than \$2 billion rise in costs related to providing ongoing services, higher caseloads, and inflation. However, new revenue sources such as the capital gains tax helped ensure those costs are paid for.

There is a healthy projected near general fund ending balance of nearly \$2.8 billion at the end of 2023-25, with total reserves projected to be more than \$4 billion.

Despite positive trends in revenue growth and other economic factors such as employment and personal income, caseload costs have gone up for many entitlement programs. This includes public schools, long-term care, medical assistance, foster care, and other programs that serve Washington's most vulnerable populations.

The state is also seeing rapid increases in the costs of infrastructure projects. Major federal investments in infrastructure such as roads and bridges led to a high level of competition for contractors and companies who bid on these kinds of projects. This has increased costs and reduced our purchasing power.

Transform Washington’s behavioral health system to serve more people, more quickly

The governor’s 2024 supplemental budgets propose an additional \$464 million for behavioral health. This adds to the \$1 billion allocated in the 2023-25 budget to continue transforming Washington’s behavioral health system. Our state’s behavioral health care needs exceed the system’s capacity, and demand continues to grow. The budget invests in 110 new beds at state-run facilities and increases the reimbursement rate for community-based facilities. The aim is to meet demand for institutional care while treating more people earlier at community-based facilities that provide patients an appropriate level of care.

Save lives from fentanyl overdoses and expand opioid treatment

The governor’s 2024 supplemental budget proposes an additional \$64 million to combat the opioid and fentanyl epidemic. This would add to the more than \$200 million allotted for addressing substance use disorder in the 2023-25 budget.

The governor’s approach focuses on five key areas: education and awareness, health engagement hubs, overdose prevention,

treatment access, and recovery supports. The supplemental budget also dedicates \$9.5 million to Tribal communities who experience fatality rates quadruple the state average. Moreover, the budget designates \$2.7 million to multi-jurisdictional task forces (previously called “drug and gang task forces”). These task forces play a key role in addressing drug distribution.

Invest in affordable housing and homelessness solutions

Washington’s strong economy is attracting workers from all over the world. However, like many places, the state faces a big shortage of affordable housing. More people need emergency shelter, especially since federal COVID-19 housing assistance ended. In 2023, 14,083 people in Washington were found living without shelter, which is 1,450 more than the year before. To tackle this, Inslee’s supplemental budget plans to spend \$140 million to help families and individuals avoid losing their home through eviction, create more affordable housing, and continue addressing encampments. Inslee’s largest funding increase is \$100 million for the Rapid Capital Housing Acquisition program, which allows the state to quickly open new shelter and housing options for people living in encampments. This funding is critical to the state’s ability to move people into safer housing options.

Ensure Washington families experience the benefits of the Climate Commitment Act

Washington continues to lead the nation in the fight against climate change, underscored by passage of the Climate Commitment Act (CCA) in 2021.

The CCA created a cap-and-invest program that launched in January 2023. In combination with other climate policies, the CCA will help Washington achieve its commitment to reducing greenhouse gas emissions by 95% of 1990 levels by 2050. The program requires the state's largest polluters to reduce the amount of pollution they emit over time. Until they do so, they must purchase allowances for their emissions through an auction. Those payments are reinvested in Washington neighborhoods and communities.

The current budget includes \$2.1 billion for a wide range of programs and services that lead to cleaner air, more clean energy jobs, and more resilient communities. Examples include free transit for all youth under 18, electric school buses, safer walking and cycling routes, heat pumps for thousands of low-income families, public electric vehicle charging stations, and more. The governor's proposed 2024 supplemental budget invests an additional \$900 million from CCA funds that will speed up and increase benefits to neighborhoods, Tribes, workers, businesses, and the people hit hardest by climate change and pollution. Overall, \$366 million or 41% of the CCA funds will be invested to benefit vulnerable communities and

those historically hit hardest by pollution. The governor also proposes a significant boost in utility bill assistance that will bring cost relief to an estimated 750,000 households.

Support education and school workers

Washington has doubled its investment in K-12 education over the last 10 years. This growth not only reflects the McCleary decision and the state's obligation to fully fund K-12 public education, but it includes strategic investments to set students up for success. Paraeducators are an important part of student success. The proposed budget includes an additional \$64 million for a \$3 per hour wage increase to support school districts' capacity to recruit and retain this workforce. This equates to an approximate 11% wage increase on average, for 32,000 workers.

The 2024 supplemental budget will also respond to special education needs with an additional increase to the funding cap, up to 17.25%. This will further help fully fund services for districts with high populations of students with special needs. With this \$17 million investment, the state will now be funding nearly \$4.4 billion for special education.