



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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January 14, 2022

TO: Honorable Christine Rolfes
Honorable Lynda Wilson
Senate Ways & Means Committee

Honorable Timm Ormsby
Honorable Drew Stokesbary
House Appropriations Committee

FROM: David Schumacher
Director

SUBJECT: CORRECTIONS TO GOVERNOR INSLEE'S PROPOSED 2022 SUPPLEMENTAL OPERATING BUDGET

We recommend the following changes to Governor Inslee's proposed 2022 supplemental operating budget for your consideration. We will provide updated data to your staff that reflects any small and technical changes in funding and timing.

Administrative Office of the Courts (AOC)

Blake Decision: Resentencing and Vacating, (\$44,500,000 General Fund-State) – Section 113(5)
Blake Decision: LFO Aid Pool, (\$23,500,000 General Fund-State) – Section 113(6)

At AOC's request, we amended the Blake decision provisos in Sections 113(5) and 113(6) that would move appropriations from General Fund-State to the Judicial Stabilization Trust Account-State. AOC's appropriations in the governor's proposed budget did not reflect this fund shift. This technical correction requests removal of General Fund-State and replaces it with Judicial Stabilization Trust Account-State, resulting in a net zero gain adjustment.

Office of the Governor

OCO Records and Hotline Support: \$216,000 General Fund-State – Section 116

The funding to support the intake and records management for 3,000 annual cases handled by the Office of the Corrections Ombuds (OCO) was inadvertently omitted from the governor's proposed budget.

Department of Archeology and Historic Preservation

Black Heritage Survey: \$48,000 General Fund-State – Section 148

Historic properties that are associated with Black and African American communities in Washington are underrepresented in the cultural resources record. DAHP received a federal grant from the National Park Service for \$50,000 to engage the community in identifying geographic areas where Black and African Americans lived and worked, identify places that are of historic significance, enter them into the database of historic properties, and create outreach products to inform and educate the public. To enhance this effort, \$50,000 in state funds is requested. This decision package was not transmitted to OFM due to a process error. Had we received it, we would have funded it in the governor's budget.

Historic Properties in Seattle: \$150,000,000 General Fund-State – Section 149

In general, historic properties have only been viewed in terms of their architectural significance, not for their cultural heritage. There are places of importance to communities of color and marginalized communities that may not be architecturally significant but have cultural significance. DAHP seeks funding for a trial mapping project focused on the City of Seattle that will provide information that state and local planners can use to make land use and transportation decisions through an equitable lens. The project will entail engaging with underrepresented/marginalized communities in Seattle to determine what places are important, creating documentation of historic places, and making this information available to local and state mapping platforms. This decision package was not transmitted to OFM due to a process error. Had we received it, we would have funded it in the governor's budget.

Assistant State Archeologist: \$336,000 General Fund-State – Section 150

DAHP's workload has doubled in the past five years with no commensurate increase in staffing. The agency expects this workload to continue to grow with increasing numbers of federal, state and local infrastructure projects. State law requires archaeological sites on both public and private property to obtain a permit from DAHP, and current staff capacity can no longer manage this level of reviews. This decision package was not transmitted to OFM due to a process error. Had we received it, we would have funded it in the governor's budget.

Health Care Authority

BH Rate for SCHIP: \$803,000 General Fund-State, \$1,490,000 General Fund-Federal – Section 211

The governor's proposed budget should have included the behavioral health rate increases for State Children's Health Insurance Program (SCHIP) clients.

Department of Corrections

Medical Staffing Stabilization: (\$1,348,000 General Fund-State) – Section 223(7)

The governor's proposed budget included funding for incentives for health care staff at the Department of Corrections in addition to the compensation investments proposed in part 7 of the budget. The broad compensation proposal, combined with the interest arbitration award for the Teamsters 117 agreement, were included in the budget to address these types of staffing concerns.

Employment Security Department

Attorney General Expenditures for Unemployment Insurance Program and Paid Family Medical Leave Program: \$1,679,000 Total Other Funds – Section 225

- *FY 2022: \$477,000 Unemployment Compensation Administration Account-Federal and \$347,000 Family and Medical Leave Insurance Account-State*
- *FY 2023: \$495,000 Unemployment Compensation Administration Account-Federal and \$360,000 Family and Medical Leave Insurance Account-State*

Additional expenditure authority is required to cover a one-time increase in legal fees for Attorney General services associated with the Unemployment Insurance program and Paid Family and Medical Leave program. Increased legal services are primarily associated with fraud and recoveries.

Department of Fish and Wildlife

Non-rep Law Enforcement Officer Increase: \$72,000 General Fund-State, \$173,000 Other Funds – New Section

Funding for cost increases for compensation of non-represented law enforcement officers that reflects re-classification and compensation agreements was inadvertently left out of the governor's proposed budget.

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Monitor Shellfish Harvest: \$1,685,000 General Fund-State – Section 308(55)

The governor's proposal includes funding to improve monitoring of recreational shellfish harvests starting on April 1, 2023. However, based on new information provided by the department, harvest monitoring can start earlier on July 1, 2022. Funding, therefore, should be increased from \$395,000 to \$1,685,000 to start the work at the beginning of fiscal year 2023.

Office of Superintendent of Public Instruction

Materials, Supplies & Operating Costs: (\$959,000 General Fund-State) – Sections 504(8) and 504(13)(g)

Appropriation amounts should be adjusted to accurately reflect a technical correction in the K-12 inflation calculations for materials, supplies and operating costs (MSOC).

Multiple State Agencies

Collective Bargaining Agreements – Section 9

The governor's budget combined funding for the collective bargaining agreements with the vaccine mandate leave day. A correction should be made to separate the funding.

Thank you for your consideration. Please feel free to contact OFM staff if you have any questions.

cc: Susan Howson, Senate Ways & Means Committee
Charlie Gavigan, House Appropriations Committee
Nona Snell, Office of Financial Management