



2017-2019 Biennial Budget Proposal Comparison

Throughout the 2017 legislative session, the Governor, House of Representatives, and Senate will each propose a budget to fund the state’s priorities for the 2017-2019 biennium. After each branch of government introduces a budget proposal, the House Appropriations committee and Senate Ways & Means committee hold hearings on these proposals and ultimately pass a negotiated budget. Throughout the legislative session, the Statewide Poverty Action Network will provide an overview of the emerging budget proposals that impact our legislative priorities.

BASIC NEEDS

The **Temporary Assistance for Needy Families (TANF)** assists parents with incomes so low they cannot meet basic needs for themselves and their dependent children. Since 1998 the value of the TANF cash grant has declined 41% and today the TANF cash grant is worth just 31% of the Federal Poverty Level, which has also caused TANF eligibility to narrow. When the TANF/WorkFirst program began in 1998, it served 45 out of every 100 people living below the Federal Poverty Line; today the number has decreased to 10. This caseload decline and projected underspend for the next biennium exists despite increased poverty and need in the community. Any TANF underspend should be used to invest in this critical program, not used to fund other programs in the budget.

The **State Family Assistance** program provides cash assistance to low-income immigrant families with children who do not yet qualify for the federal TANF program.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
<p>Increases the cash grant by 7.5%; the average grant for a family of four would increase from \$613/month to \$659/month.</p> <p>Removes asset limits for accessing TANF. Current asset limits are \$1,000 in liquid assets and a vehicle appraised at no more than \$5,000.</p> <p>Eliminates means-testing for non-parental caregivers. The caregiver’s income will no longer be considered in the child’s eligibility determination.</p>	<p>Net increase to current services = \$22.68m</p> <p>Additionally, reallocates \$32m of federal TANF/WorkFirst dollars away from the program to the general fund.</p> <p>Allocates \$12.05m to fund an 8 percent grant increase for Temporary Assistance for Needy Families, State Family Assistance, and Refugee Cash Assistance.</p> <p>Allocates \$5.12m to provide for changes to asset-limit eligibility. One</p>	<p>Net cut to current services = \$23.39m</p> <p>Additionally, reallocates \$63.32m of federal TANF/WorkFirst dollars away from the program to the general fund.</p> <p>Reduces funding by \$15.99m to correspond with anticipated caseload drop from enacting more stringent work participation activity requirements and time limit extensions.</p> <p>Reduces funding by \$4.47m for Tribal TANF.</p>	<p>Allocates \$4.0m for a 2.5% grant increase; the average grant for a family of four will increase from \$613/mo. to \$628/mo.</p> <p>Allocates \$1.6m to eliminate means testing for cash assistance provided to non-parental caregivers.</p> <p>Reduces TANF/WorkFirst Transportation Enhancement grant which helps participants resolve outstanding traffic-related fines, tickets, etc. by \$500,000.</p>



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	<p>vehicle worth up to \$10,000 and \$6,000 in additional assets would be exempt, per ESHB 1831, which is still being considered by the legislature (the current asset limit is a vehicle for \$5,000 and assets worth no more than \$1,000).</p> <p>Allocates \$5.0m to the Department of Commerce to provide emergency assistance to homeless families in the Temporary Assistance for Needy Families program.</p> <p>Allocates \$2.58m for the Working Family Support program, which provides a monthly \$10 food stipend to eligible working clients with children in the home who are not receiving TANF benefits.</p> <p>Allocates \$1.32m to increase income eligibility for non-parental caregivers receiving child-only TANF grants from 300 percent to 400 percent of the Federal Poverty Line.</p> <p>Reduces funding by \$1.99m to reflect changes in program eligibility due to the state's recent minimum wage increase by way of Initiative 1433.</p> <p>Reduces funding for the Diversion Cash Assistance program (DCA) by \$1.4m, which provides short-term</p>	<p>Reduces funding by \$3.23m for Diversion Cash Assistance (DCA), which provides short-term relief for families so they can avoid seeking assistance through TANF.</p> <p>Reduces funding by \$1.18m to correspond with an assumed caseload drop from enacting a more stringent job search requirement prior to applying for TANF.</p> <p>Reduces funding by \$1.0m to eliminate expanded transportation services implemented in the '15-'17 biennium.</p> <p>Allocates \$2.48m to eliminate means-testing for nonparental/kinship caregivers.</p> <p>\$63.32m in federal funds are taken from the TANF/WorkFirst program and are reallocated to the state's general fund (<i>\$47m of these funds are reallocated for higher education financial aid to fund the Opportunity Grant program and partial funding to State Need Grant</i>).</p>	<p>\$36.2m in federal funds are taken from the TANF/WorkFirst program and are reallocated to the state's general fund.</p>
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	<p>relief for families so they can avoid seeking assistance through TANF due to program underspend in FY 2016.</p> <p>\$32m in federal funds are taken from the TANF/WorkFirst program and are reallocated to the state's general fund.</p>		
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The **Working Connection Child Care (WCCC)** program provides subsidized child care to low-income families whose incomes are below 200% of the federal poverty level. WCCC is a critical support that helps low-income parents access and afford child care so they can enter and make gains in the workforce.

Governor's budget	House budget	Senate budget	FINAL BUDGET
<p>Maintains current investment.</p>	<p>Net increase = \$127,000</p> <p>Maintains current investment.</p> <p>An additional \$127,000 is allocated so families with children who are residing with their parent or legal guardian and have received child welfare services or a family assessment response in that past six months may qualify for WCCC.</p>	<p>Net cut = \$30.34m</p> <p>Reduces funding by \$19.82m to extend the age of children whose parents are exempt from completing work participation of the TANF/WorkFirst requirements from under 12 months to less than 2 years old.</p> <p>Reduces funding by \$15.45m to eliminate 12-authorization for WCCC and replace it with the discontinuation of services if a change in a family's financial situation lasts longer than 3 months.</p> <p>Reduces funding by \$7.85m by making eligibility for WCCC contingent upon participants' cooperation with child support enforcement, and a</p>	<p>Reduces funding by \$14.83m to extend the age of children whose parents are exempt from completing work participation of the TANF/WorkFirst requirements from under 12 months to less than 2 years old.</p> <p>Allocates \$127,000 to allow WCCC access to children residing with a parent/legal guardian who have received child welfare/child protective services/family assessment response intervention in the previous six months.</p>



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		<p>consequent anticipated caseload decline.</p> <p>Reduces funding by \$871,000 to correspond with an enrollment freeze at 31,000 households.</p> <p>Allocates \$1.62m to reserve 100 WCCC slots for children who have been placed in a foster care setting.</p> <p>Allocates \$12.03m for unanticipated increase in WCCC caseload.</p>	
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The **Housing and Essential Needs (HEN)** program provides assistance with housing and essential needs, such as health and hygiene products, to very low-income adults who have a disability that temporarily prevents them from working.

Governor's budget	House budget	Senate budget	FINAL BUDGET
<p>Maintains current investment.</p> <p>Provides an additional \$20 per month in reimbursement for travel expenses to access support services.</p>	<p>Net increase = \$906,000</p> <p>Maintains current investment.</p> <p>Allocates \$906,000 for a new monthly transportation stipend of \$10 for program recipients.</p>	<p>Net cut = \$42.2m</p> <p>The initial Senate proposal eliminated the HEN program (cutting \$59.7m).</p> <p>The proposed budget replaces HEN with the Family Homeless Assistance program. This new program would only serve former HEN clients with dependent children (allocates \$7.5m).</p> <p>An amendment to the adopted Senate budget allocates significantly reduced funding to the HEN program (allocates \$10m).</p>	<p>Maintains current investment.</p>



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The **Aged, Blind and Disabled (ABD)** program provides a \$197 monthly cash grant to low-income elderly and disabled adults who are waiting to transfer to the federal Supplemental Security Income program. A small number of disabled and elderly immigrants who are not eligible for the federal Supplemental Security Income and Social Security programs also receive assistance through the ABD program. Recipients use their cash grant to pay for housing and meet their basic needs.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Increases the cash grant to \$400/month	<p>Net increase = \$4.86m</p> <p>Allocates \$3.84m in order to increase the monthly grant from \$197 to \$227.</p> <p>Allocates \$1.02m to provide for changes to asset-limit eligibility. One vehicle worth up to \$10,000 and \$6,000 in additional assets would be exempt, per ESHB 1831, which is still being considered by the legislature (the current asset limit is a vehicle for \$5,000 and assets worth no more than \$1,000).</p>	<p>Net cut = \$3.77m</p> <p>Reduces funding by \$3.77m to implement a 35-month time limit for participation in the program.</p>	Maintains current investment.

The **State Food Assistance** program helps immigrant families and individuals avoid hunger by providing subsidies to help purchase food. Immigrants are not eligible for the federal Supplemental Nutrition Assistance Program (SNAP – formerly called Food Stamps) until they have been in the U.S. for five years.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Maintains current investment.	Maintains current investment.	<p>Net cut = \$4.24m</p> <p>Reduces funding by \$4.24m to prohibit the use of SFA funds for sweetened beverages, desserts, and candy.</p>	Maintains current investment.



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The **Housing Trust Fund (HTF)** is the main source of funding for affordable housing in our state. This housing makes it possible for people living on low incomes to afford housing and still have enough money to cover other basic needs. Investments in the HTF have created thousands of jobs and have generated millions in state and local tax revenues. To date, the Housing Trust Fund has successfully built, rehabilitated, and preserved more than 40,000 healthy and affordable homes across the state.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Adds \$101.6 million to build and preserve affordable housing.	Adds \$106.37m to build and preserve affordable housing.	Adds \$96.57m to build and preserve affordable housing.	<i>The Capital Budget has not yet been approved.</i>

HEALTH CARE

Under federal health care reform, the Affordable Care Act, states had the option to **expand Medicaid**. By choosing to adopt the Medicaid expansion in 2013, our state is now working to provide healthcare to all Washingtonians with incomes below 138 percent of the federal poverty level. Since expansion, a record number of Washingtonians have signed up for this critical health care program. With the current U.S. Congress abandoning efforts to repeal the Affordable Care Act, the threat to the continuation of the Medicaid expansion has subsided.

Medicaid's Adult Dental coverage is an optional Medicaid program that had been eliminated for nearly all adult Medicaid recipients in recent years. In 2013, the legislature restored funding to Adult Dental, which ensured that the people who are newly eligible for Medicaid under the expansion could also access adult dental coverage at no cost to the state. Unfortunately, there are still many adults going without the care they need, including disabled, senior immigrants.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Maintains current investment.	Allocates funding to implement SB 5540 (still being considered by the legislature), which creates a statewide oral health pilot program focused on improving oral health for adults with diabetes and pregnant women. Because SB 5540 has been amended, the cost of implementation is still being determined. We will update this document as we have more information about the cost of this program.	Allocates funding to implement SB 5540 (still being considered by the legislature), which creates a statewide oral health pilot program focused on improving oral health for adults with diabetes and pregnant women. Because SB 5540 has been amended, the cost of implementation is still being determined. We will update this document as we have more information about the cost of this program.	Allocates \$1m to an Oral Health Pilot Program in Yakima, Adams, and Cowlitz counties to enhance provider reimbursement rates and increase the number of allowable periodontal treatments. Medicaid clients who are diabetic and/or pregnant and are receiving care within the region are eligible.



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	Maintains current investment in Adult Dental patients that would not be served by the pilot program.	Reduces funding by \$5.83m for Adult Dental. This reduction assumes a 5% savings from transitioning the program from a fee-for-service plan to a plan contracted through a managed care organization (MCO), however we are not confident that this transition would yield this large of a savings to the state.	
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The **Apple Health for Kids** program provides health care for children from families earning up to 300% of the Federal Poverty Level, regardless of citizenship status.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Maintains current investment.	Maintains current investment.	Maintains current investment.	Maintains current investment.

REVENUE

In Washington state, people with the lowest incomes pay seven times the amount of their personal income in taxes than those in the top one percent of income earners. Poverty Action is committed to increasing revenue for basic education and essential health and human services investments and ensuring those investments are equitable and require the wealthiest Washingtonians to pay their fair share of taxes.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Enacts a tax on high-end capital gains, generating \$821 million Eliminates six tax breaks, generating \$320 million Resets business tax rates on personal and professional services, generating \$2.3 billion	Net increase in revenue = \$2.8 billion Shifts the Real Estate Excise Tax (REET) from a flat 1.28 percent, to a progressive structure, lowering the rate for homes valued under \$250,000 (0.75 percent) and raising the rate for homes values between \$1m - \$5m (2 percent) and above \$5m (2.5 percent), generating \$419.7	Net increase in revenue = \$58.4 million Changes driving with a suspended license from a misdemeanor to a traffic infraction resulting in a \$550 fine and allocates a portion of the money to the state's general fund, generating \$2.4 million.	<u>\$1.6 billion for fiscal year 2017 (\$6.6 billion for the next four years)</u> is generated by increasing the state property tax rate to \$2.70 of assessed property value . This in an increase from the current cap of one percent of assessed property value and will remain in place for the next four years.



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<p>Enacts a new tax on carbon pollution, generating \$1.1 billion</p> <p>Reduces property taxes for three-quarters of households and businesses statewide</p>	<p>million.</p> <p>Closes the capital gains corporate tax break with a 7 percent excise tax on transactions, generating \$715 million.</p> <p>Creates a mechanism to collect and remit sales tax from online retailers doing business in Washington, generating \$340.8 million.</p> <p>Shifts the burden of the B&O tax liability, exempting businesses taxable under \$250,000 (72 percent of businesses), and imposing a 20 percent rate increase on the highest grossing businesses, generating \$1.197 billion.</p> <p>Closes several tax breaks, generating an additional \$137.1 million.</p>	<p>Implements a surcharge on Public Employee Retirement System (PERS) employers, generating \$56 million.</p>	<p><u>\$456.4 million for fiscal year 2017 (\$1.3 billion for the next four years)</u> is generated by 1) requiring internet marketplace facilitators and remote sellers to collect sales taxes on their out of state sales; 2) applying a sales tax to bottled water; 3) applying a tax to fuels manufactured for own use; and 4) applying a business and occupation tax to out-of-state retailers without physical presence in Washington.</p> <p>By creating, modifying, or extending thirteen tax preferences -- including lowering the business and occupation tax rate on manufacturers from 0.484 percent to 0.2904 percent and extending the motion picture competitiveness program for 10 years -- <u>a \$15.7 million decrease will occur in fiscal year 2017, but a \$97 million increase over the next four years.</u></p>
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