

The Senate Republicans released their [2017-19 Operating budget proposal](#) this morning, 3/21, and will hold a public hearing this afternoon. The Senate is expected to pass its budget out of Ways & Means on Wednesday, and will likely take floor action on Thursday. The Capital budget is anticipated to be released next Monday.

Overall, the proposed 2017-19 budget spends a total of \$43.0 billion (NGF-S and Opportunity Pathways), which is a \$4.6 billion increase in spending over the 2015-17 budget. The 2019-21 budget assumes a projected spending level of \$50.0 billion.

**Major policy increases** include in the Senate Budget:

- Includes \$1.8 billion for changes associated with replacing the K-12 prototypical school funding allocation model with a per pupil guarantee model, and supplemental per pupil amounts for additional items such as special education, highly capable, and homeless students;
- The budget amends the prior education reform funding proposal (SB 5607) to: 1.) Implement a lower per pupil amount to \$9,200 for the 2018-19 school year as the new funding structure phases in, which will increase to \$10,200 in following years; and 2.) lowers the local effort levy tax rate to a \$1.55 per \$1,000 of assessed value (down from \$1.80 per \$1,000);
- Rejects the Governor's collective bargaining agreements except WSP and DOC and instead provides \$1,000 increase to public employee salaries - \$187M;
- \$95 million for mental health hospitals and for developing additional community options;
- \$49 million for Hepatitis C treatment costs;
- \$27 million in funding for 1,800 slots dedicated to STEM and high-demand fields. 70% of the slots will be dedicated to STEM degrees and 30% dedicated to high-demand degrees;
- \$37 million funding for the state need grant;
- \$14.7 million for the opportunity scholarship program;
- \$700 million from the Budget Stabilization Account for the unfunded liability in the PERS 1 retirement system;
- Assumes \$2.5 million for passage of funding for homelessness prevention through the implementation of SB 5864.

**Major 2017-19 savings** include:

- Repeals I-1351 class size and staffing formula (\$1.9B savings);
- Repeals I-732 cost of living adjustments (\$255M savings);
- Elimination of the state contribution to the Law Enforcement Officers' and Firefighters' Plan 2 retirement system contributions (except fire districts) (\$109M savings);
- Uses a one-time TANF WorkFirst fund balance (\$63M savings);
- Elimination of the Housing and Essential Needs Program (\$60M savings);
- Changes in eligibility in the Working Connections Child Care program (\$44M savings);
- Changes in eligibility in the Temporary Assistance for Needy Families (TANF) and WorkFirst programs (\$33M programmatic savings; \$63 million in one-time savings from the use of federal funds);
- Changes in sentencing and supervision (\$28M savings);
- Assumes savings from the elimination of science assessments for high school graduation (\$7M savings).
- Washington Management Services reduction (\$39.9 M savings)
- 1% across the board reduction (\$10.2M savings)