



BUDGET MEMO: FINAL 2024 SUPPLEMENTAL OPERATING BUDGET

May 2024

The 2024 Washington State Legislative Session was a short session, which means it moved at a rapid pace as legislators worked not only to pass bills in a compressed timeframe of just 60 days, but also pass the supplemental operating, transportation, and capital budgets. In Washington, the big two-year biennial budget is always passed in the first year of the biennium (odd-numbered years), and the second year (even-numbered years) is when the legislature passes supplemental budgets that make changes to the full biennial budget that had passed in the previous session. Supplemental budgets typically are focused on making tweaks to the budget to account for changes in caseloads, mandatory cost adjustments, and unexpected or urgent issues that emerge after the full biennial budget passed.

The 2024 session was a fairly 'typical' short session with the final supplemental budgets being relatively modest in regards to new investments. This is in contrast to the last short session in 2022 where there were significant new funds available due to federal COVID relief dollars, and the previous 2020 short session that was tightening up right as the pandemic was starting to take hold. The fiscal landscape for the 2024 session was more stabilized with a slight upward trend in revenue, but still fairly modest. It is with this landscape in mind that budget writers did the work of developing and passing the 2024 supplemental budget.

This memo will provide an overview of the budget and revenue landscape the legislature faced while developing the 2024 supplemental operating budget and a summary of funding levels in the final budget passed by the legislature, including highlights of prevention-related items that were funded.

Revenue Forecast & Budget Landscape

Revenue Forecast

On February 14th, the Economic and Revenue Council (ERFC) released the [spring quarterly revenue forecast](#). These revenue projections provide House and Senate budget writers with the fiscal landscape they must work with as they write the supplemental budget.

In the February 14th forecast, when compared to the Winter 2023 revenue forecast released in November, the forecast of funds subject to the [budget outlook](#)¹ projected an increase of \$121.8 million in the 2023-25 biennium and \$215.4 million in the 2025-27 biennium. This brings forecasted total revenue for the current 2023-25 biennium to \$67 billion (an increase of 3.5% over 2021-23 biennial revenue), and \$71.7 billion (an increase of 7.0% over the 2023-25

¹ Funds subject to the budget outlook include the state general fund (GF-S), the Education Legacy Trust Account (ELTA), the Opportunities Pathways Account (OPA), and the Workforce Education Investment Account (WEIA). [Chapter 8, Laws of 2012](#), requires the legislature to adopt a four-year balanced budget. Since the 2013-2015 biennium, the legislature has been required to enact a balanced operating budget that leaves a positive ending fund balance in the general fund and related funds (ELTA, OPA, and WEIA). For more background on the Four-Year Outlook, see the [Prevention Alliance policy brief on Washington's Four Year Outlook](#).

biennium. This shows state revenue projections were up though not by a significant amount, which means that while they weren't facing a 'cuts budget', there were not a lot of additional resources available for the legislature to appropriate.

Initiatives

One thing that was unique to the 2024 budget landscape was the certification of six initiatives to the legislature. Two of those initiatives in particular ([I-2117](#): repealing the Climate Commitment Act, and [I-2109](#): repealing the capital gains tax) would have a significant impact on the budget should they pass. For each initiative, the Legislature could choose whether to 1) adopt the initiative; 2) adopt an alternative to appear on the November ballot alongside the initiative; or 3) take no action and allow the initiative to advance to the November ballot for voter consideration. The legislature chose not to take action on either I-2117 or I-2109, so they will now be on the ballot this November. With this in mind, many of the investments made by the legislature using funds from those revenue sources were done on a one-time basis, or made other stipulations depending on the outcome of the initiative(s). The outcome of these two initiatives in the November general election will be a critical piece of the fiscal landscape going into the 2025 session.

Final Operating Budget

General Overview

The final 2024 supplemental operating budget appropriates \$71.087 billion in funds subject to the outlook (NGF-O)² for the 2023-25 biennium, which is a net increase in spending of \$1.283 billion compared to the budget passed during the 2023 session. Policy level changes compared to the budget passed last session are a net increase of \$1.036 billion. Policy level changes mean new or increased spending for programs and services, as opposed to maintenance level funding.

Funding investments were largely focused on addressing urgent and emergent issues including behavioral health, the fentanyl crisis, housing and homelessness, addressing climate change, and K-12 education.

The final budget passed under the Senate bill number ([SB 5950](#)). This is a procedural step where whichever chamber passes their budget off their chamber floor first, that budget bill number becomes the vehicle for the budget. While the bill page is usually the go-to place for proposed legislation, when it comes to the budget it is best to refer to the [LEAP legislative proposals page](#) (Legislative Evaluation & Accountability Program committee), where the most recent budget proposals and accompanying documents can be found. Reading through the actual budget bill can be a lengthy and tedious project, so the legislature provides some helpful supporting documents on the LEAP page for each version of the bill as it advances. These documents include highlight and summary documents, as well as agency detail documents that delineate

² Funds subject to the budget outlook include the state general fund (GF-S), the Education Legacy Trust Account (ELTA), the Opportunities Pathways Account (OPA), and the Workforce Education Investment Account (WEIA). [Chapter 8, Laws of 2012](#), requires the legislature to adopt a four-year balanced budget. Since the 2013-2015 biennium, the legislature has been required to enact a balanced operating budget that leaves a positive ending fund balance in the general fund and related funds (ELTA, OPA, and WEIA).

the programs and services funded under each agency and provides a description of the funded items. Links to these documents for the House proposal, Senate proposal, and final budget are all found in Table 1.

The Senate passed the final budget with a vote of 39 to 8. The House passed the final budget with a vote of 58 to 39. A high level summary comparing the final budget passed by the legislature with the two proposals as passed off the floor of each chamber is provided below in Table 1.

Table 1: Comparing the Final 2024 Supplemental Operating Budget with Senate and House Proposals

	Senate-Passed Operating Budget (February 23rd)	House-Passed Operating Budget (February 24th)	Final Operating Budget (March 7th)
Appropriations total for 2023-25 budget	\$70.954 billion	\$71.164 billion	\$71.087 billion
Increase in General Fund spending compared to the budget passed last session	\$1.15 billion total increase. Of this amount, \$735 million is new policy level spending. The remaining balance is attributed to maintenance level, reversions ³ , and other adjustments.	\$1.36 billion total increase. Of this amount, \$1.09 billion is new policy level spending. The remaining balance is attributed to maintenance level, reversions, and other adjustments.	\$1.28 billion total increase. Of this amount, \$1.04 billion is new policy level spending. The remaining balance is attributed to maintenance level, reversions, and other adjustments.
Ending fund balance & Total Reserves	The NGF-O ending fund balance for the 2023-25 biennium is projected to be \$2.14 billion. Combined with the Budget Stabilization Account and the WA Rescue Plan Transition Account, the Senate proposal leaves \$4.27 billion in total reserves.	The NGF-O ending fund balance for the 2023-25 biennium is projected to be \$2.688 billion. Combined with the Budget Stabilization Account and the WA Rescue Plan Transition Account, the Senate proposal leaves \$4.02 billion in total reserves.	The NGF-O ending fund balance for the 2023-25 biennium is projected to be \$2.75 billion. Combined with the Budget Stabilization Account and the WA Rescue Plan Transition Account, the final proposal leaves \$4.08 billion in total reserves.
Links to documents	Senate Budget Bill as Passed Senate Statewide Summary & Agency Detail Budget Outlook	House Budget Bill as Passed House Agency Detail Budget Outlook	Final Budget Bill as Passed the Legislature Agency Detail Summary Budget Outlook

³ Reversions are unused appropriation authority. If an agency does not spend all of its appropriation in the timeframe specified by the budget, the authorization to spend that dollar amount expires. To learn more budget-related terms, see the [Glossary of Budget Terms](#) from the Office of Financial Management.

Funding for Prevention Priorities

When we look at prevention-related priorities, the final supplemental operating budget provided some strong new investments. Funding was provided for what would be considered traditional health and prevention (behavioral health, foundational public health, health care premium subsidies for people to be able to better afford coverage) as well as investments in the social determinants of health (affordable housing and rental assistance, supports for people experiencing homelessness, hunger relief programs, child welfare prevention), and more. Some highlights are provided in Table 2 below. Please note that this is not a comprehensive list of all prevention-related items funded in the budget, but rather highlights some of the strategies on the Prevention Alliance platform this year that were successfully funded.

Table 2: Highlights of Prevention-Related Items in Final Budget

Item	Final Budget ⁴
Early Support for Infants & Toddlers (ESIT) (HB 1916)	\$4.2 million
Free School Meals – funding to reimburse schools participating in community eligibility program	\$45 million
Health Care Access – funding is provided for a Medicaid-like program for those not eligible for federal programs	\$28.38 million
School-Based Health Centers (SBHC) – funding for the SBHC grant program at DOH.	\$500,000 operating + capital funds for 8 SBHC sites
Supporting young adults (18-24) following inpatient behavioral health treatment (HB 1929)	\$1.476 million
Washington health corps behavioral health scholarship program. (HB 1946)	\$150,000
Reporting on Dependency Outcomes (SB 6068)	\$248,000
Infant Child Care – funding for contracted child care slots for infants in child protective services	\$1.58 million
Home Visiting – funding for home visiting slots targeted to families in Child Protective Services, Family Assessment Response, or Family Voluntary Services where parental substance use is a factor	\$1.6 million
Community Health Workers in Pediatric Settings	\$2.822 million
Housing Trust Fund	\$127.5 million (Capital funding)

⁴ Amounts listed in this column are the total amount that was funded, which in some cases may be a combination of state funding with other funding sources (such as federal Medicaid match or other non-state funding sources). The amount of state general fund dollars (NGF-O) and/or other funding sources is delineated in the [agency detail](#) document.

Prepared for the Prevention Alliance by:
Carrie Glover
Carrie Glover Consulting
carrie@carriegloverconsulting.com

For more information about the Prevention Alliance, contact:
Julie Peterson
Executive Director
Foundation for Healthy Generation
juliep@healthygen.org

This publication was supported by National Center for Chronic Disease Prevention and Health Promotion of the Centers for Disease Control and Prevention under award number NU58DP004830. The content of this publication is solely the responsibility of the authors and does not necessarily represent the official views of the Centers for Disease Control and Prevention.