



2021-23 Biennial Budget Proposal Comparison

Throughout the 2021 Legislative Session, the Governor, House of Representatives, and Senate will each propose an operating budget for the 2021-2023 biennium. The operating budget determines the level of funding for all state spending, including many investments and programs that serve communities living on low incomes and in poverty in Washington state.

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, Statewide Poverty Action Network will provide an overview of the budget proposals that impact low-income communities.

Going into this legislative session, the budget will have to contend with the lasting economic crisis that the COVID-19 pandemic has created. This includes a significant budget shortfall that has placed many basic needs programs at risk of cuts. We hope to see investments in programs that support those living on the lowest incomes in our state, who have also most deeply felt the impacts of this pandemic

BASIC NEEDS

Temporary Assistance for Needy Families (TANF) assists parents with incomes so low they cannot meet basic needs for themselves and their dependent children. [Click here for more details about the program.](#)

State Family Assistance (SFA) provides a cash assistance program comparable to TANF to documented immigrant families with children who have resided in the U.S. less than five years and do not yet qualify for the federal TANF program.

Poverty Action priority: Poverty Action supports continued investments to TANF and policy changes that restore policies which prioritize equity and the well-being of families and children. We hope to protect current investments in the TANF program that help families meet their most basic needs, including by implementing bills from the 2020 session as scheduled, instead of delaying their start dates to save money. We are also advocating to undo harsh policies which prevent families experiencing hardship from accessing TANF and create inequitable outcomes for Black and Indigenous families. This includes enacting common-sense time limit extensions and easing harsh sanction policies.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Maintains investments in the TANF program. Does not delay implementation of bills passed in the 2020 session: allows families on TANF to retain a			



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<p>portion of their child support payments (SB 5144), eases full family sanctions by an additional 10 months (SB 6478), and eases time limits for homeless families (HB 2441).</p> <p>Allocates \$24.9 million in combined state and federal funds to undo harsh time limit policies introduced in the great recession.</p>			
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The **Working Connections Child Care (WCCC)** program provides subsidized child care to families whose incomes are below [200 percent 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 advance in the workforce.

Poverty Action priority: COVID-19 has highlighted the importance of child care in our state and had a significant adverse impact on the availability of child care. We support our organizational partners goals of maintaining current investments and making meaningful investments in Working Connections Child Care.

Governor's budget	House budget	Senate budget	FINAL BUDGET
<p>Allocates \$39.7 million of state funds to ease the current benefit cliff by halving the copay for families between 144-220% of the Federal Poverty Level.</p> <p>Allocates \$23.9 million to increase eligibility for WCCC by increasing the income limit by 10% for applicants. Allows families up to 210% of the Federal Poverty Line, instead of 200% to qualify.</p>			



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The **Housing and Essential Needs (HEN)** program provides rental, utility, transportation assistance and hygiene supplies to very low-income adults who either have a temporary disability that prevents them from working or who have a permanent disability and are in the process of applying to federal Supplemental Security Income (SSI).

Poverty Action priority: We are committed to protecting all investments and increasing state resources for HEN. The COVID-19 pandemic has demonstrated the deep importance of housing to the wellbeing of all Washingtonians. This year, we have also been advocating to extend the eviction moratorium in order to keep people housed through the public health and economic crises.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Allocates \$104.1 million of state funds for the HEN program.			

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 federal Supplemental Security Income (SSI). A small number of disabled and elderly immigrants who are not eligible for the federal programs also receive assistance through the ABD program. Recipients use their grant to pay for housing and meet their basic needs.

Poverty Action priority: At a minimum, we support preserving current investments in the ABD program. We maintain the importance of raising the ABD cash grant to \$363/month to create parity with a one-person TANF cash grant.

Governor's budget	House budget	Senate budget	FINAL BUDGET
Maintains current investments. Allocates \$236,000 of state funds account for an increase in the caseload after mid-certification reviews were suspended due to COVID-19. This allows more time to conduct eligibility reviews scheduled between November 2020 and June 2021.			



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Medical Care Services (MCS) provides health care and dental coverage for elderly or disabled immigrants who receive Aged, Blind, or Disabled (ABD) assistance or Housing & Essential Needs (HEN), but who are ineligible for Apple Health, our state’s Medicaid program, because of federal limits on serving immigrants.

Poverty Action priority: Maintain current investment and benefits.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
Maintains current investment and benefits.			

Dental Coverage is one of the benefits of our state’s Medicaid program, Apple Health, which provides critical access to dental care for low-income communities. The Medicaid dental budget has long been underfunded, to the detriment of patients’ access to care. Approximately 1.3 million Medicaid-insured Washingtonians, including more than 440,000 children, went without dental care in 2019. This year, due to the economic crisis brought on by the pandemic, adult dental coverage was under threat of elimination.

Poverty Action priority: We support maintaining current levels of investment and oppose any cuts to this essential health program.

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

The **State’s Food Assistance Program (FAP)** helps immigrant families and individuals avoid hunger by providing subsidies to help purchase food. This is a critical investment, because 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.

Poverty Action priority: Maintain current investment.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
Maintains current investment and benefit levels. Allocates \$6.7 million of state funds to fund maximum food benefit			



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payments to people who qualify for the state’s Food Assistance Program. (The state must receive a waiver from the federal Food and Nutrition Services to offer the maximum food benefit.)			
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The **Housing Trust Fund (HTF)** is a part of the capital budget and is the main source of funding to build, restore, and maintain 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. Investing in the HTF creates thousands of jobs and generates millions of dollars in state and local tax revenues.

Poverty Action priority: We support housing advocates’ priority of investing a \$240 million into the Housing Trust Fund.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
Allocates \$240 million state dollars into the Housing Trust Fund: \$220 million to build new units and \$20 million to preserve aging units.			



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REVENUE

In Washington state, people with low incomes pay up to six times the amount of their personal income in taxes compared to the top one percent of income earners. Our state also continually faces budget shortfalls, threatening necessary investments in basic education and essential health and human services.

Poverty Action priority: Enact progressive revenue, including a Capital Gains Tax, which will increase funding essential health and human services. Ensure those investments are equitable and require the wealthiest Washingtonians to pay their fair share of taxes.

As part of this strategy, we are advocating for fully funding and modernizing the **Working Families Tax Credit (WFTC)**, which would provide a targeted tax credit to the lowest 40 percent of income earners in the state and would play a critical role in rebalancing the current inequity in our tax code.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
<p>Capital gains tax: Proposes a 9% tax on capital gains above \$25,000 for individuals or \$50,000 for joint filers. Estimated to generate \$1.1 billion in fiscal year 2023 and more than \$2.4 billion during the 2023–25 biennium.</p> <p>Narrowing tax loophole related to “bad debts:” Proposes narrowing the scope of the existing bad debt (when customers fail to pay) deduction on business and occupation (B&O) and sales/use taxes. Estimated to generate \$36.2 million during the 2021–23 biennium.</p> <p>Covered lives assessment: Proposes a tax on insurance companies for each person covered each month (excluding patients on Medicaid).</p>			



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<p>Estimated to generate \$205 million in fiscal year 2023 and about \$343 million in 2023–25. Revenue will be dedicated funding for foundational public health services.</p> <p>Proposes a cap and trade policy. In his proposal, the Department of Ecology would administer a program that ensures covered industries comply with that cap via greenhouse gas credits, or “allowances.” Money made from allowance sales would go into a “climate investment account” set aside for supporting efforts such as clean transportation and infrastructure, climate resilience efforts such as forest management, and clean energy programs. A portion will also go toward funding the Working Families Tax Credit by 2023.</p>			
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