



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 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. When the Governor released his budget in December 2020, he was working to balance a significant budget shortfall that placed many basic needs programs at risk of cuts, however by the time the House and Senate released their proposals in March, the state's revenue picture had brightened substantially. Either way, we will advocate for 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 increase the cash grant amount and 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
Allocates \$24.9 million in combined state and federal funds to maintain COVID protections through 2023, including expanded Time Limit	Allocates \$34.83 million for a 10% increase in the cash grant for all families.	Allocates \$52.23 million for a 15% increase in the cash grant for all families.	



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<p>Extensions for those experiencing continued hardship.</p> <p>Does not delay implementation of bills passed in the 2020 session: allows families on TANF to retain a 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 \$25.97 million to maintain COVID protections through 2023, including expanded Time Limit Extensions for those experiencing continued hardship.</p> <p>Allocates \$2.8 million for an \$80 per month diaper stipend for families with children under three.</p> <p>Does not delay implementation for bills passed last session.</p>	<p>Allocates \$12.34 million to implement 2SSB 5214, which gives families more time to access TANF if they were on the caseload during months of high unemployment (7% or higher) after March 2020.</p> <p>Does not delay implementation for bills passed last session.</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 for families up to 210%</p>	<p>Allocates \$90.79 million of federal dollars to reduce copays and ease the benefits cliff using the following structure:</p> <ul style="list-style-type: none"> Families under 36% State Median Income (SMI) will have a copay of either \$15 or waived (depending on what Federal rules allow) 	<p>Allocates \$72.9 million in federal funds and sets aside \$111.98 million in state funds during the next 2023-25 biennium to reduce copays and ease the benefits cliff using the following structure:</p> <ul style="list-style-type: none"> Families up to 82% of the Federal Poverty Level (FPL) will have a \$15 copay. 	



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<p>of the Federal Poverty Level (up from 200% to qualify).</p>	<ul style="list-style-type: none"> Families between 36-50% SMI will pay a \$65 copay. Families above 50% SMI have a copay capped at \$115 through September 30, 2023. <p>Allocates \$22.87 million in Federal funds to expand income eligibility for families to households up to 60% of the State Median Income (E2SSB 5237).</p>	<ul style="list-style-type: none"> Families between 82% and 137.5% FPL will have a \$65 copay. Families at or above 137.5% FPL will start at a \$65 copay and increase based on income. <p>Allocates \$20.86 million in federal funds to expand income eligibility for families to households up to 60% of the State Median Income starting July 2021.</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
<p>Allocates \$104.1 million of state funds to fully fund the HEN program.</p>	<p>Allocates \$130.7 million in state and federal COVID relief funds for the HEN program.</p>	<p>Allocates \$104.1 million in state funds to fully fund the HEN program.</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 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 \$4.7 million to extend mid-certification reviews for ABD and other cash benefits programs (i.e. TANF).	Maintains current investments. Allocates \$1.67 million to extend mid-certification reviews for ABD and other cash benefits programs (i.e. TANF).	Maintains current investments. Allocates \$2.56 million to extend mid-certification reviews for ABD and other cash benefits programs (i.e. TANF).	

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.	Maintains current investment and benefits.	Maintains current investment and benefits.	



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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. In late 2020, 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, opposing any cuts to this essential health program, and investing in strategies to increase access to oral health care.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
<p>Maintains current investment.</p>	<p>Restores \$400,000 for Access to Baby and Child Dentistry (ABCD) program for increased outreach and the support of local ABCD programs and providers. This funding restores funding included in the 2020 supplemental budget.</p> <p>Restores \$500,000 to fund a one-time public-private partnership program to connect Medicaid patients to dental care and access to care. This funding restores funding included in the 2020 supplemental budget.</p>	<p>Allocates \$76.05 million of state funds for Medicaid Adult Dental to increase reimbursement rates for adult dental services.</p> <p>Restores \$400,000 for Access to Baby and Child Dentistry (ABCD) program for increased outreach and the support of local ABCD programs and providers. This funding restores funding included in the 2020 supplemental budget.</p> <p>Restores \$250,000 to fund a one-time public-private partnership program to connect Medicaid patients to dental care and access to care. This restores funding included in the 2020 supplemental budget.</p> <p>Allocates one-time \$100,000 to convene the Dental Therapy Taskforce to examine how to bring the current practice of dental therapy on tribal lands to a statewide</p>	



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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: Increase investments in food assistance in recognition of the increase in food insecurity during the COVID-19 crisis.

Governor’s budget	House budget	Senate budget	FINAL BUDGET
<p>Maintains current investment and benefit levels.</p> <p>Allocates \$6.7 million of state funds to fund maximum food benefit 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.)</p>	<p>Allocates \$32.72 million to the state’s Food Assistance Fund utilizing state funds and federal funds from American Rescue Plan Act of 2021.</p> <ul style="list-style-type: none"> • \$9.62 million of this will be used to extend and fund the maximum food benefit payment through September 2021, creating parity with the federal SNAP amount. • \$23.1 million to fund the expansion of the Emergency Food Assistance Program. <p>Allocates \$989,000 for a Transitional Food Assistance program that is both a state cash assistance benefit and food assistance, for families that qualify for both SNAP and FAP but do not qualify for TANF. Families will receive a one-time cash benefit and food benefits for up to 5 months after being terminated from SNAP or FAP due to voluntary closure or being over the income limit.</p>	<p>Allocates \$35 million to the state’s Food Assistance Program.</p> <ul style="list-style-type: none"> • \$4.9 million of this is used to fund maximum food benefit payment through September 2021, creating parity with the federal SNAP amount. • \$23.1 million of this is used to fund the expansion of the Emergency Food Assistance Program. <p>Federal funding under the American Rescue Plan Act of 2021 is also included.</p>	



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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: <ul style="list-style-type: none"> • \$220 million to build new units • \$20 million to preserve aging units. 	Allocates \$295 million state dollars into the Housing Trust Fund: <ul style="list-style-type: none"> • \$20 million to preserve aging affordable housing units. • \$10 million for community housing and cottage communities • \$5 million to support the housing needs of individuals with intellectual/ developmental disabilities. • \$50 million to acquire and renovate property to be used for emergency, transitional, and permanent supportive housing. • \$25.9 million to increase shelter capacity. 	Allocates \$315 million state dollars into the Housing Trust Fund: <ul style="list-style-type: none"> • \$10 million (with funding from the American Rescue Plan Act of 2021) to support the housing needs of individuals with intellectual/developmental disabilities. • \$90 million to acquire and renovate property to be used for emergency, transitional, and permanent supportive housing. • \$35 million to increase shelter capacity. • \$20 million to expand permanent supportive housing services. 	



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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>	<p>Capital gains tax: Proposes a 7% tax on capital gains. Estimated to generate \$357 million in fiscal year 2023 and more than \$719 million during the 2023-25 biennium.</p> <p>Allocates \$268 million in state funds to implement the Working Families Tax Credit.</p> <ul style="list-style-type: none"> \$250 million of this funding will implement and expand the Working Families' Tax Exemption to include those with individual taxpayer identification numbers (ITIN) who would otherwise be eligible for the federal Earned Income Tax Credit (EITC). 	<p>Capital gains tax: Proposes a 7% tax on capital gains. Estimated to generate \$357 million in fiscal year 2023 and more than \$719 million during the 2023-25 biennium.</p> <p>Allocates \$268 million in state funds to implement the Working Families Tax Credit.</p> <ul style="list-style-type: none"> \$250 million of this funding will implement and expand the Working Families' Tax Exemption to include those with individual taxpayer identification numbers (ITIN) who would otherwise be eligible for the federal Earned Income Tax Credit (EITC). 	



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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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Higher Education

More than 40 percent of American students who start at four-year colleges haven't earned a degree after six years. While Washington needs credentialed workers to meet future workforce demands, there is not enough state funding to help students of color and low-income students access and graduate from a community, technical, or four-year college. Lack of access to the internet and childcare, as well as food and housing insecurity has led students of color to defer enrolling in college during the COVID pandemic, further widening the opportunity that exists and continues after K-12.

Poverty Action priority: To address these issues, Poverty Action is pushing to expand access and funding to state financial programs and support services that assist students with housing, food, books, transportation, and healthcare.

Governor's budget	House budget	Senate budget	FINAL BUDGET
<p>No commitment to increase the WEIA or the Washington College Grant, with an emphasis on providing more support services and advancing equitable outcomes for students in the CTC system:</p> <ul style="list-style-type: none"> • Invests \$2.3 million for diversity, equity, and inclusion initiatives and technology grants at CTC campuses. • Dedicates \$1.1 million to help increase FAFSA completions. • Adds \$9.9 million for a new Native Pathways program and an Ethnic Studies program in CTC system. 	<p>Maintains support for Workforce Education Investment Act, fully funding the Washington College Grant.</p> <p>Proposes \$15.9 million in Guided Pathways program to help community college students finish their programs.</p> <p>Adds \$14 million in new emergency assistance grants to help students pay for rent, food, utilities etc.</p> <p>Includes funding for HB 1166, which increases programs that address food and housing insecurity, and HB 1044, which creates prison to postsecondary education pathways.</p> <p>Dedicates \$1.1 million to help increase FAFSA completions.</p>	<p>Maintains support for Workforce Education Investment Act, fully funding the Washington College Grant.</p> <p>Includes \$15.8 million for SB 5914, which increases full-time faculty at CTCs, creates a grant program to add mental health counselors, and reduces residency requirements for undocumented students to one-year.</p> <p>Adds \$5.1 million in the 2021-23 biennium and \$9.6 million in the 2023-25 biennium for SB 5227, which mandates anti-racism trainings for faculty, students, and staff in the higher education system.</p> <p>Dedicates \$1.1 million to help increase FAFSA completions.</p>	