

Alternative Outlook for the Governor's Proposed 2023-25 Biennial Omnibus Operating Budget

Prepared at the request of Representative Orcutt *

Funds Subject to Outlook

(Dollars in Millions)

	2021-23			2023-25			2025-27		
	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27
Beginning Balance	4,161	6,310	4,161	3,625	597	3,625	93	-1,300	93
Forecasted Revenues	31,478	32,232	63,709	31,994	33,246	65,240	34,742	36,306	71,048
November 2022 Revenue Forecast (NGF-O)	31,478	32,475	63,952	32,421	33,764	66,185	34,823	36,059	70,883
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	460	812	1,272
Adj 4.5% Calc to Reflect Removal of Capital Gains **	0	0	0	0	0	0	-14	-29	-43
Remove Cap Gains From the Forecast **	0	-243	-243	-427	-518	-945	-527	-537	-1,064
Other Resource Changes	-273	-1,403	-1,676	-389	1,677	1,288	-345	-357	-702
Budget Driven Revenue	0	8	8	-16	-15	-31	4	5	8
GF-S Transfer to BSA (1% of GSR) **	-300	-309	-609	-311	-323	-634	-333	-345	-678
Prior Period Adjustments	60	20	80	20	20	41	20	20	41
ACFR Adjustments	-24	0	-24	0	0	0	0	0	0
Revenue Legislation	0	0	0	-2	-1	-3	0	0	0
Enacted Fund Transfers	-8	-1,172	-1,180	0	0	0	0	0	0
Proposed WRPTA Transfer	0	0	0	0	2,100	2,100	0	0	0
Other Proposed Transfers	0	50	50	-81	-104	-185	-35	-38	-73
Total Revenues and Resources	35,366	37,139	66,194	35,229	35,520	70,153	34,491	34,648	70,439
Enacted Appropriations	29,531	34,594	64,125	29,531	34,594	64,125	34,884	35,182	70,066
Carryforward Level Adjustments	0	0	0	1,830	-3,336	-1,506	-3,346	-3,357	-6,703
Maintenance Level Total	0	356	356	1,077	1,831	2,907	2,328	2,578	4,907
K-12 Education	0	87	87	467	966	1,433	1,223	1,426	2,648
Low Income Health Care & Comm Behavioral Health	0	301	301	73	18	91	18	23	41
Social & Health Services	0	-32	-32	114	239	353	234	241	475
Higher Education	0	-25	-25	50	93	143	110	131	241
Corrections	0	7	7	38	57	95	55	56	111
All Other	0	16	16	255	272	527	332	380	712
Debt Service	0	2	2	80	185	265	210	176	386
Hospital Safety Net	0	0	0	0	0	0	146	146	292
Policy Level Total	0	-1,333	-1,333	2,362	2,510	4,873	2,105	2,446	4,551
K-12 Education	0	0	0	247	330	577	336	341	678
Low Income Health Care & Comm Behavioral Health	0	44	44	177	145	321	169	224	393
Social & Health Services	0	9	9	459	541	1,000	494	515	1,009
Higher Education	0	100	100	163	175	338	139	140	279
Corrections	0	20	20	39	45	84	42	41	84
All Other	0	-100	-100	839	1,016	1,854	932	1,031	1,964
Debt Service	0	0	0	8	66	74	191	369	560
Compensation & Benefits	0	0	0	413	503	917	505	506	1,010
Pensions	0	-800	-800	17	-311	-294	-557	-576	-1,133
FMAP Adjustments	0	-606	-606	0	0	0	0	0	0
Hospital Safety Net	0	0	0	0	0	0	-146	-146	-292
Reversions	-475	-103	-578	-167	-172	-339	-180	-181	-361
Revised Appropriations	29,056	33,514	62,570	34,632	35,427	70,059	35,791	36,669	72,460
Projected Ending Balance	6,310	3,625	3,625	597	93	93	-1,300	-2,021	-2,021

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	2021-23			2023-25			2025-27		
	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27
Budget Stabilization Account									
Beginning Balance	19	335	19	651	983	651	1,346	1,730	1,346
GF-S Transfer to BSA (1% of GSR) **	300	309	609	311	323	634	333	345	678
BSA Transfers	5	0	5	0	0	0	0	0	0
Prior Period Adjustments	10	0	10	0	0	0	0	0	0
Interest Earnings	0	7	7	21	40	61	51	61	113
Budget Stabilization Account Ending Balance	335	651	651	983	1,346	1,346	1,730	2,137	2,137
Washington Rescue Plan Transition Account									
Beginning Balance	1,000	1,000	1,000	2,100	2,100	2,100	0	0	0
GF-S Transfer to WRPTA	0	1,100	1,100	0	0	0	0	0	0
Transfer Balance from WRPTA to GF-S	0	0	0	0	-2,100	-2,100	0	0	0
Washington Rescue Plan Transition Account Ending Balance	1,000	2,100	2,100	2,100	0	0	0	0	0
Total Reserves	7,644	6,375	6,375	3,680	1,439	1,439	431	116	116
Percentage of Reserves to Revenues and Other Resources	24.5%	20.7%		11.6%	4.1%		1.3%	0.3%	
NGF-O	20.2%	11.8%		1.9%	0.3%		-3.8%	-5.6%	
Budget Stabilization Account	1.1%	2.1%		3.1%	3.9%		5.0%	5.9%	
Washington Rescue Plan Transition Account	3.2%	6.8%		6.6%	0.0%		0.0%	0.0%	

Notes:

* This alternative Outlook was prepared at the request of Representative Orcutt and is not the adopted Outlook for the Governor's Proposed 2023-25 Operating Budget

**The November 2022 revenue forecast incorporates assumed \$2.252 billion NGF-O revenue over the 5-year period from FY 2023 to FY 2027 from the enactment of Chapter 196, Laws of 2021 (capital gains tax). On March 1, 2022, the Douglas County Superior Court invalidated the tax. The state is appealing the ruling by the Douglas County Superior Court and the decision is before the Washington State Supreme Court, which on November 30, 2022 issued an order that permitted the tax to be collected pending a Supreme Court ruling. At the request of Representative Orcutt, this alternative Outlook has been prepared which removes estimated capital gains revenue from the forecast and makes adjustments to the 4.5% additional revenue and 1% BSA transfer calculations to reflect the removal of the estimated capital gains revenues.