

June 2019 Budget Outlook
Outlook for the Enacted 2019-21 Operating Budget

Funds Subject to the Outlook (General Fund State, Opportunity Pathways Account, Education Legacy Trust Account)

(Dollars in Millions)

	2017-19			2019-21			2021-23		
	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2019-21	FY 2022	FY 2023	2021-23
Beginning Balance	1,149	2,111	1,149	1,880	1,142	1,880	372	-77	372
Current Revenues	22,143	23,964	46,106	24,715	25,840	50,555	27,003	28,218	55,221
March 2019 Revenue Forecast	22,143	23,964	46,106	24,715	25,840	50,555	26,730	27,629	54,358
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	273	589	863
Other Resource Changes	-198	-522	-720	-49	131	82	182	143	324
GF-S Transfer to BSA (1%)	-216	-223	-440	-243	-255	-497	-263	-273	-536
GF-S Extraordinary Revenue to BSA	0	-1,696	-1,696	0	0	0	0	0	0
Extraordinary Revenue from BSA to GF-S	0	1,136	1,136	0	0	0	0	0	0
CAFR Adjustments	-26	0	-26	0	0	0	0	0	0
Prior Period Adjustments	91	20	111	20	20	41	20	20	41
Revenue Legislation	0	0	0	162	332	495	341	350	691
Other Legislation	0	0	0	-69	-76	-145	-59	-20	-80
Budget Driven Revenue	0	-2	-2	-11	-9	-20	-3	-3	-6
Enacted Fund Transfers	58.8	208.1	266.9	0.0	0.0	0.0	0.0	0.0	0.0
Proposed Fund Transfers	0.0	73.0	73.0	91.0	118.0	209.0	146.9	68.0	214.9
Governor's Vetoes	0.0	-38.0	-38.0	0.0	0.0	0.0	0.0	0.0	0.0
McCleary Penalty Account	-105	0	-105	0	0	0	0	0	0
Total Revenues and Resources	23,094	25,553	46,535	26,546	27,113	52,517	27,557	28,284	55,917
Enacted Appropriations	21,036	23,626	44,661	21,035	23,626	44,661	23,815	24,009	47,824
Carryforward Level Adjustments	0	0	0	3,037	406	3,442	418	424	842
Maintenance Level Total	0	87	87	650	1,731	2,381	2,566	2,910	5,476
Policy Level Total	0	102	102	849	1,165	2,014	990	1,139	2,128
K-12 Education	0	13	13	148	197	345	170	158	328
SEBB Rate	0	0	0	105	224	329	253	255	509
Low Income Health Care & Comm Behavioral Health	0	5	5	45	-54	-8	-43	-38	-82
Hospital Safety Net	0	0	0	0	0	0	-146	-146	-292
Social & Health Services	0	29	29	68	78	147	32	21	54
Higher Education	0	1	1	34	36	70	35	43	79
Corrections	0	12	12	30	40	70	39	39	77
All Other	0	40	40	172	189	362	107	151	257
Debt Service	0	0	0	3	37	40	116	227	343
Employee Compensation	0	0	0	164	289	453	289	289	577
Non-Employee CBAs	0	0	0	70	117	186	126	130	255
Governor Vetoes	0	3	3	10	11	21	11	11	22
Reversions	-53	-142	-195	-166	-187	-354	-155	-140	-295
Revised Appropriations	20,983	23,673	44,656	25,404	26,741	52,145	27,634	28,342	55,976
Projected Ending Balance	2,111	1,880	1,880	1,142	372	372	-77	-58	-58
Budget Stabilization Account									
Beginning Balance	1,638	1,369	1,638	1,671	1,948	1,671	2,249	2,570	2,249
GF-S Transfer to BSA (1%)	216	223	440	243	255	497	263	273	536
GF-S Extraordinary Revenue to BSA	0	1,696	1,696	0	0	0	0	0	0
Extraordinary Revenue from BSA to GF-S	0	-1,136	-1,136	0	0	0	0	0	0
BSA Transfer to Pension Stabilization Act	-463	-463	-925	0	0	0	0	0	0
Appropriations from BSA	-41	-42	-84	0	0	0	0	0	0
Prior Period Adjustments	2	0	2	0	0	0	0	0	0
Interest Earnings	16	23	40	34	46	80	58	66	124
Budget Stabilization Account Ending Balance	1,369	1,671	1,671	1,948	2,249	2,249	2,570	2,909	2,909
Total Reserves	3,480	3,551	3,551	3,089	2,621	2,621	2,493	2,851	2,851

Footnotes:

1. Disproportionate Share Hospital (DSH) - The federal Affordable Care Act directed reductions in DSH Medicaid grants to states, beginning in 2014. Subsequent federal legislation has delayed the reductions several times and under current law they are scheduled to take effect during fiscal year 2020. Pursuant to direction at the June 6 meeting, the June Outlook assumes federal legislation will be enacted to further delay the reduction in federal DSH grants beyond the 2021-23 biennium.
2. The policy assumptions for the K-12 model used to develop the amounts reflected in the enacted budget for Chapter 410, Laws of 2019 (ESSB 5313) were different from the bill as it was enacted in its final form. As a result, the four-year budget costs reflected in the June Outlook are approximately \$34 million higher than the current estimates for the act.