Update: Operating Budget

Senate Ways & Means Committee 2018 Committee Days

James Kettel, Operating Budget Coordinator November 2018 WASHINGTON STATE



Resources* have increased since the 2018 Session... ...by roughly \$1.6 B (or a 1% increase)

	<u>2017-19</u>	<u>2019-21</u>	<u>2021-23</u>	
1. <u>Starting Point</u> : Resources* available (<i>thru the Feb</i> 2018 Forecast)	\$45.6 B	\$48.7 B	-	
2add the June 2018 Forecast	\$0.4 B	\$0.2 B	\$53.5 B	
3add the Sept 2018 Forecast	\$0.1 B	\$0.5 B	\$0.4 B	
4. Ending Point: Resources* available (thru the Sept 2018 Forecast)	\$46.1 B	\$49.4 B	\$53.9 B	
		6 Year Tota \$149.4 B		
Takeaway #1 Resources are up since the 2018 Session by roughly \$1.6B (or a 1% increase).				



adjustment, BSA transfer, extraordinary adjustments

Resources will likely be sufficient for Maintenance Level... ...but <u>not</u> for all Policy Level options.

			Keep in Mind	
3. Agency Request (thru PL)	\$153.6 B	\mathcal{VS}	\$149.4 B	= \$4 B overspent
2. Agency Request (thru ML)	\$147.2 B	vs	\$149.4 B	= Still Okay
1. Agency Request (thru CFL)	\$140.9 B	$\mathcal{V}S$	\$149.4 B	= Okay
	Expenditures*		Resources	
	<u>6 Year Total</u>		<u>6 Year Total</u>	

ML can only be scrubbed so much

- Many PL items are unavoidable
- *Also...*some big ticket items are not present
 ML: HCA forecast, K12 caseload, *and more*
 - o PL: CBAs, SEB, Trueblood, and more

Takeaway #2Resources will likely be sufficient for ML,
but not for all PL options.



Issues for consideration during the 2019 Session, with a relatively large fiscal impact, will likely include...

K12

- School Employee Benefits (SEB)
- Special Education

DSHS

- State hospital operations
- Trueblood lawsuit
- Residential Habilitation Centers

Low Income Healthcare

- Managed Care Dental
- Hospital safety net assessment

Natural Resources

- Model Toxics Control Act (MTCA)
- Conservation and land management

Higher Education

- Expansion of the State Need Grant
- Training for high demand professions

Other Human Services

- Homelessness
- Capacity in correctional facilities
- Expansion of ECEAP

Other

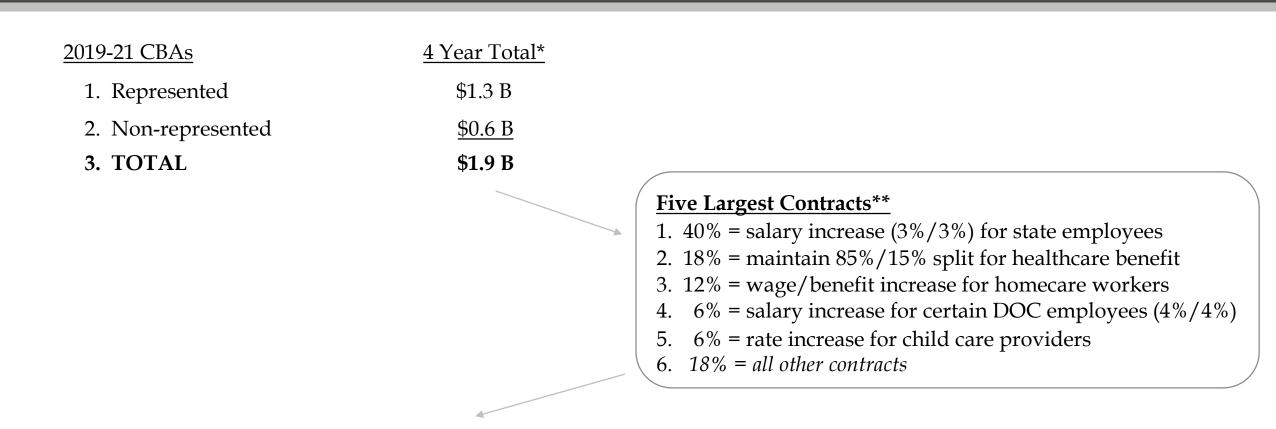
- Emergency response to natural disasters
- IT projects in multiple agencies
- Debt service
- Public health initiatives
- State veterans homes
- Collective Bargaining Agreements

Takeaway #3

Issues spanning multiple agencies, with large fiscal impacts, will be considered during the 2019 session.



OFM will determine the financial feasibility of 2019-21 CBAs... ...the Gov's budget may (or may not) recommend funding



Takeaway #4 OFM will determine financial feasibility of the 2019-21 contracts. The Gov's budget may (or may not) recommend funding.

*Estimated Expenditures; Near General Fund-Outlook

**Items #1 and #2 include the impact for represented staff, non-represented staff, and higher education staff

