

Four-Year Outlook, Enacted 2012 Supplemental Budget
Near GFS and Opportunity Pathways Account

Dollars in Millions

	2012	2013	2014	2015	2016	2017
Beginning Balance (Near General Fund-State)	(60)	(434)	47	(649)	(1,043)	(1,316)
Revenues	2012	2013	2014	2015	2016	2017
June 2012 Revenue Forecast	15,077	15,809	16,163	16,880	17,639	18,433
Statutory Transfer to Education Construction Acct	(102)	(102)	-	-	-	-
Other Enacted Revenue Transfers	223	225	-	-	-	-
December 2011 Enacted Revenue Transfers	100	6	-	-	-	-
2012 Supplemental Transfers from Other Accounts	24	4	-	-	-	-
Transfers to Budget Stabilization Account	(129)	(136)	(139)	(146)	(152)	(159)
Working Capital Reserve Adjustment	-	238	-	-	-	-
Total Revenue	15,193	16,044	16,023	16,734	17,487	18,274
Biennial Total		31,237		32,757		35,761
Expenditures						
2011-13 Enacted Budget	15,626	15,623	15,626	15,623	15,623	15,623
Assumed Reversions	(60)	(60)				
Carry Forward Level						
Remove One-Time K-12 Apportionment Delay Payment			(128)	-	-	-
Restore K-12 Salary Reduction			74	92	92	92
Restore One-time Bus Depreciation, Nat Board, and Safety Net			61	49	49	49
All Other K-12 Biennialization			110	34	34	34
Children's Health Insurance Program Reauthorization Act (CHIPRA) Bonus			32	48	48	48
Restore 3% Salary Cut			85	86	86	86
DSHS Mandatory Caseload Adjustments			48	-	-	-
Biennialize Debt Service			62	-	-	-
All Other Carry-forward Adjustments			19	33	33	33
2013-15 Carry-forward Level			15,990	15,965	15,965	15,965
Changes from the 2013-15 Carry-forward Level						
K-12 Education (not including basic education enhancements)			51	102	154	207
Medical Assistance (based on spending history and caseload growth)			92	188	288	393
Mental Health, Long Term Care and Developmental Disabilities			35	71	108	145
Children's Services and Economic Services			14	29	44	60
Dept. of Corrections, Juvenile Rehabilitation & Special Commitment Center			18	37	56	75
Loss of Hospital Safety Net GF-S Offset			100	100	100	100
Involuntary Treatment Act			-	4	15	15
Debt Service			59	121	187	257
I-732 K-12 and Community Colleges Teachers/Staff Pay Increases			91	201	330	482
Collectively Bargained Additional Pay Step			17	21	42	63
Federal Health Reform			10	20	30	40
Paid Family Leave (Benefits begin October 2015)			5	9	23	29
Preliminary Pension Rate Changes (based Actuary's estimate)			166	200	339	382
Wildland Fire Suppression (historical average)			10	9	9	9
Restoration of local public health, K-20 Network, Governor's Emergency Fund, and other payments. See detail on page 2.			61	51	71	51
Total Expenditures	15,566	15,563	16,719	17,128	17,760	18,272
Biennial Total		31,129		33,848		36,032
NGFS & Opportunity Pathways ENDING BALANCE	(434)	47	(649)	(1,043)	(1,316)	(1,314)
Budget Stabilization Account	129	266	405	551	703	862
Total Reserves	(305)	313	(244)	(492)	(613)	(452)

See Page 2 for assumptions.

Potential Policy Enhancements				
Continue Implementation of Basic Education bill (HB 2776)	314	738	1,168	1,427
Financial Aid Increases (assumes a 2-3% tuition increase)	22	37	52	67
Total Potential Policy Enhancements	336	775	1,220	1,494

Baseline Revenue and Expenditure Assumptions

a. After FY 2015, revenue grows at 4.5% per year

Maintenance Level Growth Based on Official Caseload Growth:

b. K-12 Enrollment is assumed to grow at .56% per year. Other K-12 is assumed to grow at 1.9% per year.

c. Medical Assistance Inflation is assumed at 4.32% per year.

d. DSHS Mental Health, Long Term Care, Developmental Disabilities, Children/Family Services, Economic Services (non-TANF programs), Juvenile Rehabilitation, Special Commitment Center, and Department of Corrections grow on average by about 2% per year.

Other Maintenance Adjustments

e. The Hospital Safety Net Account sunsets in FY 2013, with an assumed GF-S Offset in subsequent years.

f. Debt Service is assumed to grow at about 6% per year at Maintenance Level.

g. I-732 K-12/Community Colleges Pay Increases based on Seattle CPI (June 2012). 2.1% 2.0% 2.5% 2.4%

h. 2011-13 Collective Bargaining included an additional pay step for classified staff.

i. Federal Health Reform is based on the latest estimate from the Urban Institute.

j. Paid Family Leave (Benefits begin October 2015) is based on the original fiscal note.

k. Pension increase uses State Actuary's Nov 2011 estimate for FY 2014-2017, which will be updated in August.

l. Fire Suppression (historical average)

m. Detail of Items Added Back to Special Appropriations

	2014	2015	2016	2017
Governor's Emergency Fund	0.9	0.9	0.9	0.9
K-20 Network	8.0	8.0	8.0	8.0
County Public Health Assistance	24.0	24.0	24.0	24.0
Fire Contingency	4.0	4.0	4.0	4.0
O'Brien Building COP Payment	3.0	3.0	3.0	3.0
SERA Account Repayment	5.0	5.0	5.0	5.0
Statutory payment - Local Public Safety Enhancement Account RCW 41.26.802	10.0	-	20.0	-
State Data Center Debt Service (GF-S Share)	6.0	6.0	6.0	6.0
Total	60.9	50.9	70.9	50.9

Adjustments Beyond the Baseline (Policy Items)

n. Continue Implementation of Basic Education bill (HB 2776), which includes Full Day Kindergarten, K-3 Class Size, Materials/Supplies/Operating Costs, and Transportation costs.

o. Financial Aid Increases---Assumes there is at least a 2% to 3% tuition increase.

Items Not Yet Included

p. Employee/Teacher Health Benefit Increases are currently under discussion so no estimate is available.

q. State Employee Salary Adjustment not yet included. Current IPD rates are: 2.1% 2.2% 1.8% 1.7%