

An architectural line drawing of a grand building with a large dome. The dome is topped with a spire. Below the dome is a portico with several columns. In the foreground, there are trees and a statue on a pedestal. The drawing is in black lines on a white background.

2007-09 Budget Outlook

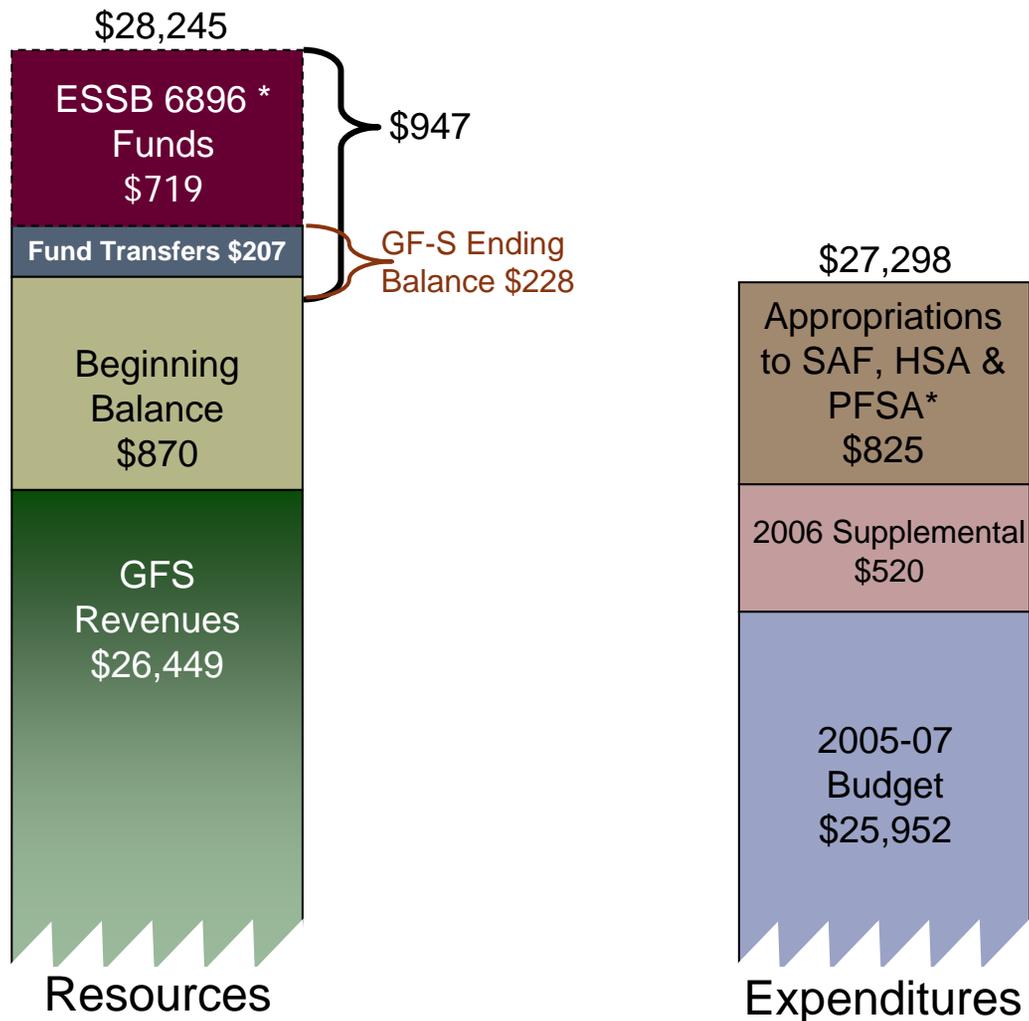
House Appropriations
Committee

Presented by
Dave Johnson
November 30, 2006



The Budget Picture in March 2006

(2005-07 with 2006 Supplemental, Dollars in Millions)

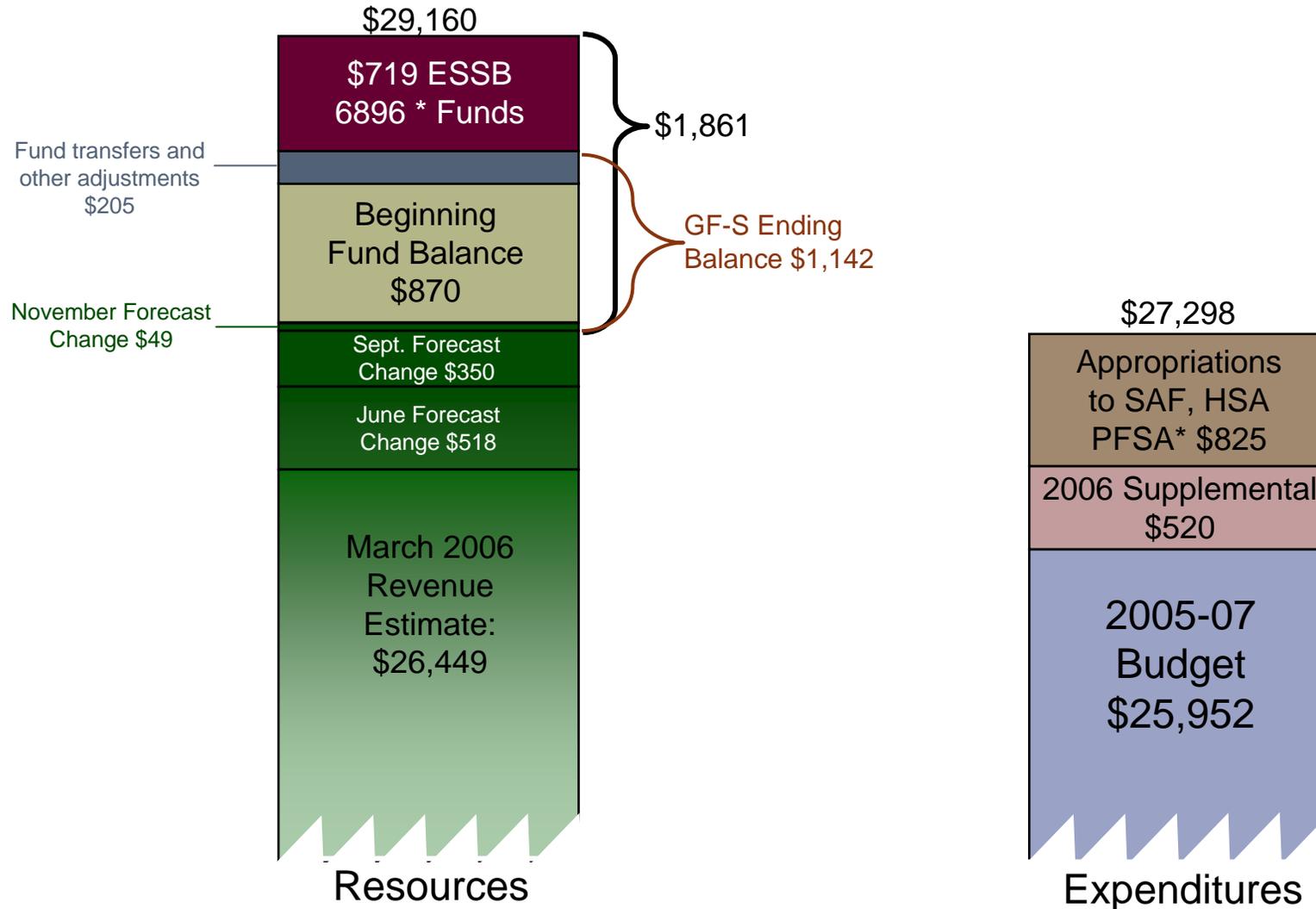


* \$825 million GF-S was appropriated for deposit into the Student Achievement Fund, Health Services Account and Pension Funding Stabilization Account. Of this, \$106 million was appropriated in 2005-07 from these other funds, leaving \$719 million available for future budgets.



Since March 2006, Forecasted Revenues Have Increased

(2005-07 with 2006 Supplemental, Dollars in Millions)



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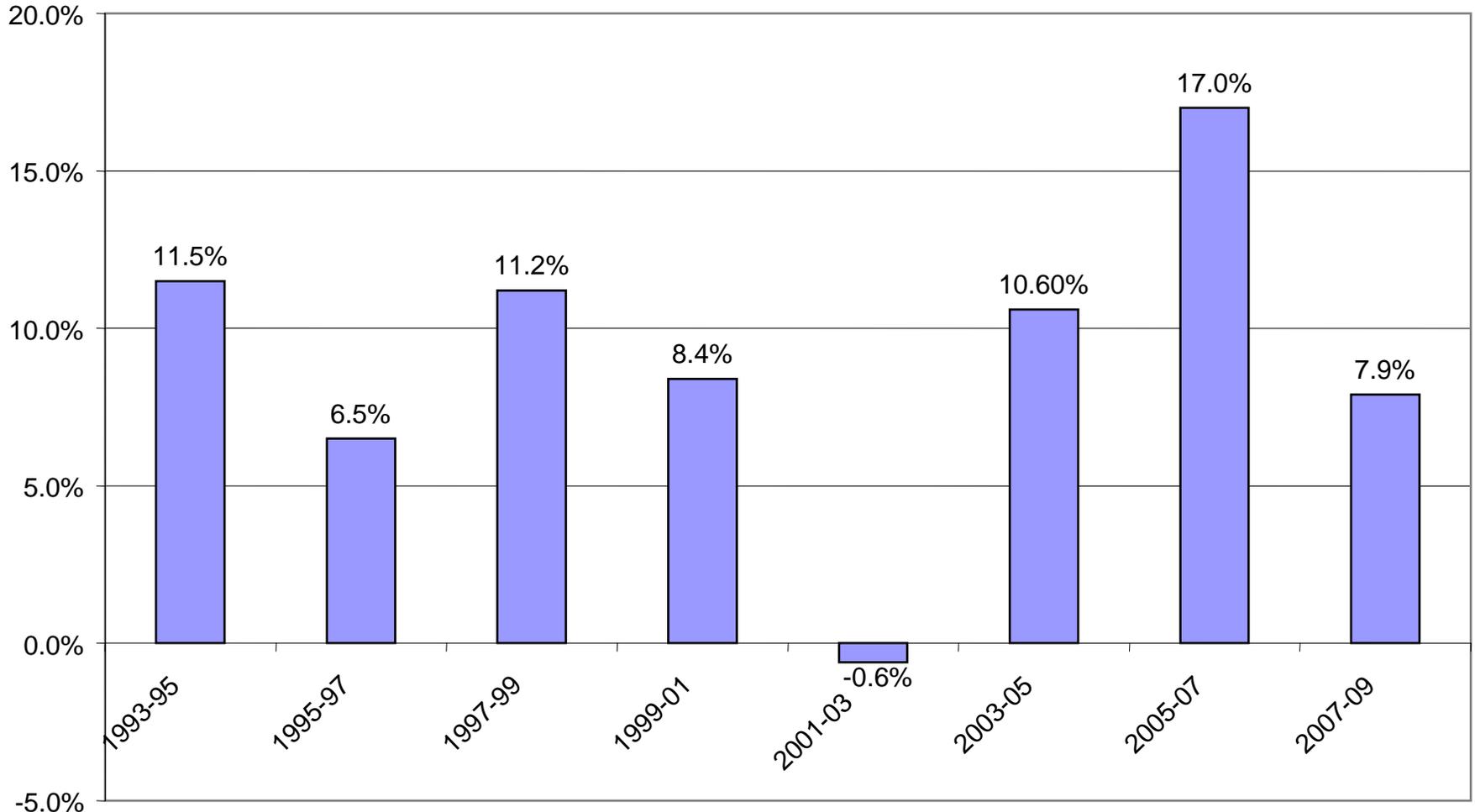


Recent Revenue Forecasts Have Been Up, Especially in the Current Biennium

	<u>2005-07</u>	<u>2007-09</u>
Enacted Budget Forecast	\$ 26,449	\$ 28,915
June Forecast Change	\$ 518	\$ 548
September Forecast Change	\$ 350	\$ 62
November Forecast Change	<u>\$ 49</u>	<u>\$ 8</u>
Forecast Changes Since March	917	618
Current Forecast	\$ 27,366	\$ 29,533



Percent Growth in General Fund-State Revenue

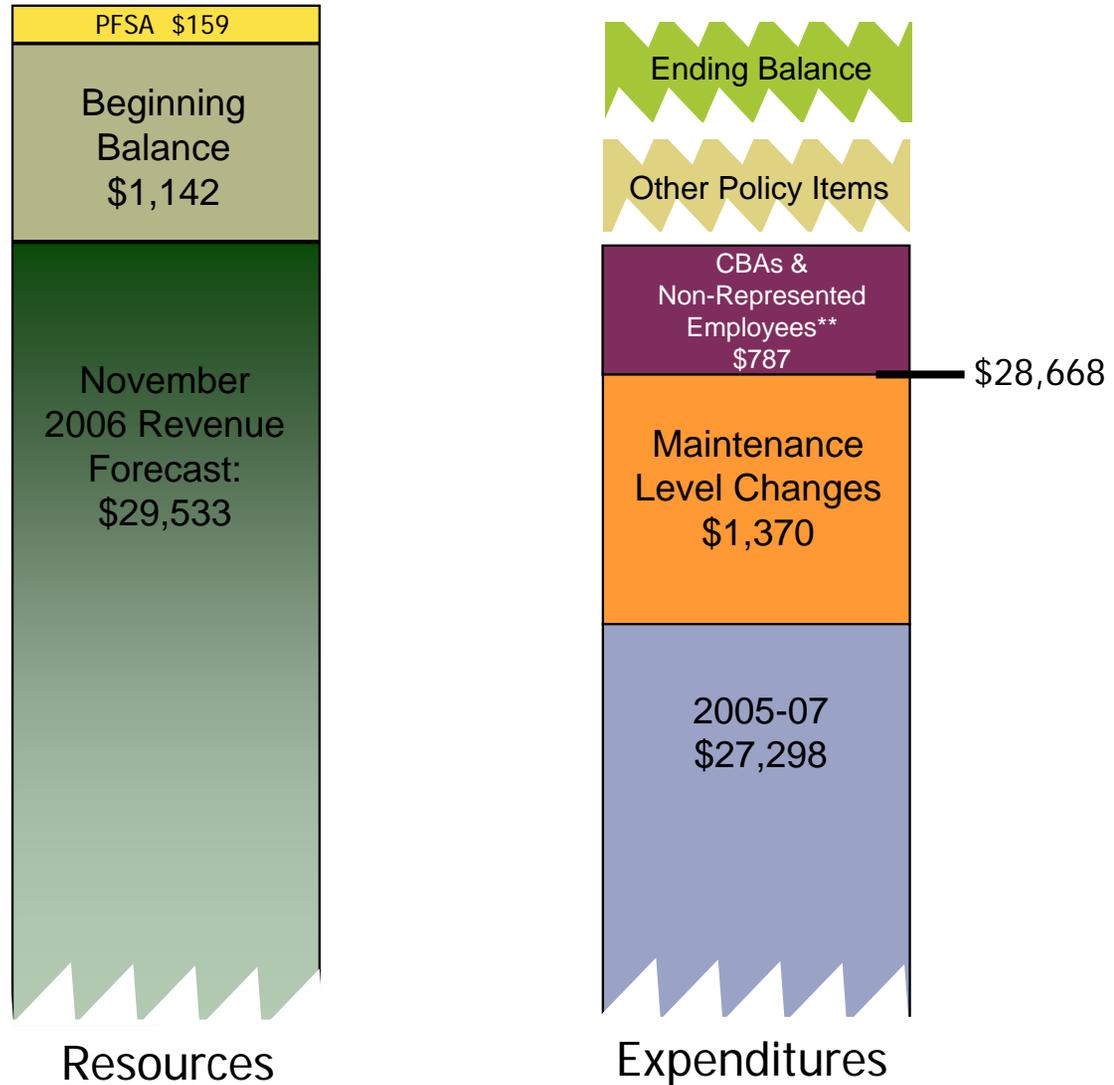


Biennium



2007-09 Budget General Fund Outlook

(Dollars in Millions)



* For illustrative purposes, assumes a zero supplemental. Spending in the 2007 supplemental reduces 07-09 resources on a dollar for dollar basis.
 ** For illustrative purposes, assumes similar increases as for represented employees.



Estimated 2007-09 Maintenance Level Budget

(Dollars in Millions)

Potential 2007-09 Items

	<u>\$\$\$ in Millions</u>
<u>Carryforward</u>	
Carry Forward Changes	(142)
<u>Potential Maintenance Level Items</u>	
<i>Pensions</i>	
Increased contribution rates	237
Gain-sharing rates	148
<i>K-12</i>	
Enrollment/Workload	(29)
Inflation, Staff Mix & Levy Eq.	66
I-732 (COLA: 3.4%, 2.6%)	350
<i>Human Services</i>	
Corrections	142
DSHS: Long Term Care	38
DSHS: Medical Assistance	199
DSHS: Economic Svcs	30
DSHS: Childrens	11
DSHS: Special Commitment Center	12
DSHS: Other (JRA, DD, Mental Health, Leases, etc.)	49
<i>Other</i>	
Backfill PSEA	6
General Govt/Judicial/Legis/Naturals/Higher Ed/etc.	53
Higher Education: I-732	35
Bond Retirement and Interest	69
Other	63
Spec Approps (K20, Fire Contig, etc.)	33
Subtotal Maintenance Items	1,512
Total Maintenance & Carryforward Changes	1,370



2007-09 Budget General Fund Outlook

Potential Policy Compensation Items

(Dollars in Millions)

Home Care	\$ 65
Child Care	\$ 86
K-12 Health	\$111
State Health	\$ 65
G.G. Rep. Employees	\$243
G.G. Non-Rep Employees*	\$ 65
HEd Rep. Employees	\$ 38
HEd Non-Rep Employees*	<u>\$114</u>
Total:	\$787

* For illustrative purposes, assumes similar increases as for represented employees.



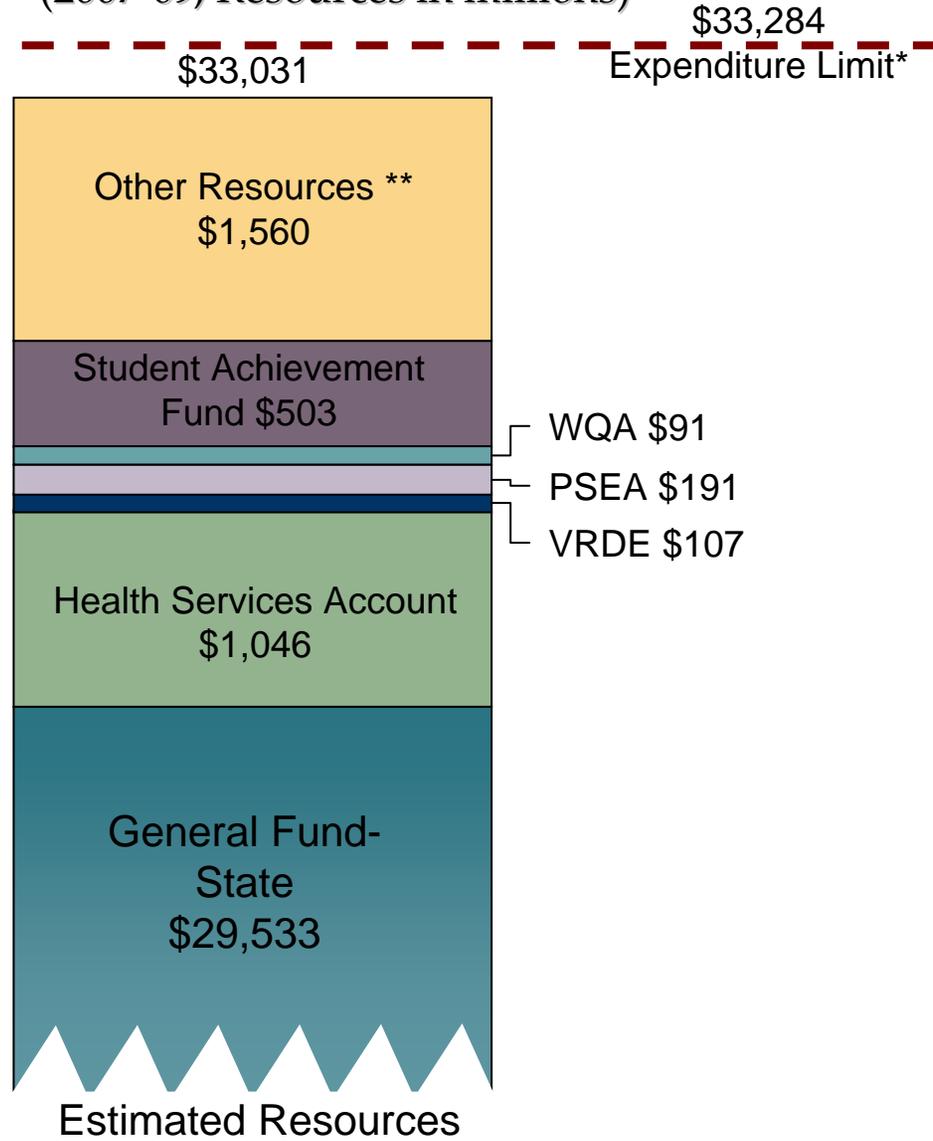
Potential 2007-09 Policy Level Items

- Employee Collective Bargaining Agreements
 - COLAs and other compensation
 - Health benefits
- Child Care and Home Care Workers Collective Bargaining Agreements
- K-12 Health benefits
- Non-represented health benefits, COLAs and other compensation
- Vendor rate increases
- Washington Learns recommendations
- Higher Education enrollments and financial aid
- Blue Ribbon Commission on Health Care recommendations
- Public Health Joint Task Force recommendations
- Other task force recommendations
- K-12 transportation study
- Policy legislation
- Member requests
- Other items



Accounts Subject to the Expenditure Limit

(2007-09, Resources in millions)



Estimated Resources

* As adopted by the Expenditure Limit Committee on 11/14/06. The expenditure limit is a fiscal year limit; this combines the limits for FY08 and 09 and is before rebasing and adjustments resulting from legislative actions in the 2007 and 2008 legislative sessions.

** Other resources are the estimated GF-S Beginning Fund Balance (\$1,142 m) and the ESSB 6896 funds remaining in the HSA and SAF (\$418 m)