

Responding to the Revenue Forecast
Zoom Meeting, October 26, 2020

Washington State Budget: Revenue Forecast Update

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State Budget Update

Economic & Revenue Forecast Council June 17, 2020

- ▶ Revenue Forecast **decreased by \$4.5 billion** for the remainder of the biennium (through June 30, 2021)
- ▶ Revenue Forecast **decreased by \$4.3 billion** in 2021–23 biennium
- ▶ **\$8.8 billion shortfall** over three years

State Budget Update

Economic & Revenue Forecast Council September 23, 2020

- ▶ Revenue Forecast increased **\$2.1 billion** above June forecast for the remainder of the biennium (through June 30, 2021)
- ▶ Revenue Forecast increased **\$2.2 billion** above June forecast in 2021–23 biennium
- ▶ **\$4.3 billion problem** over three years—with *substantial* uncertainty

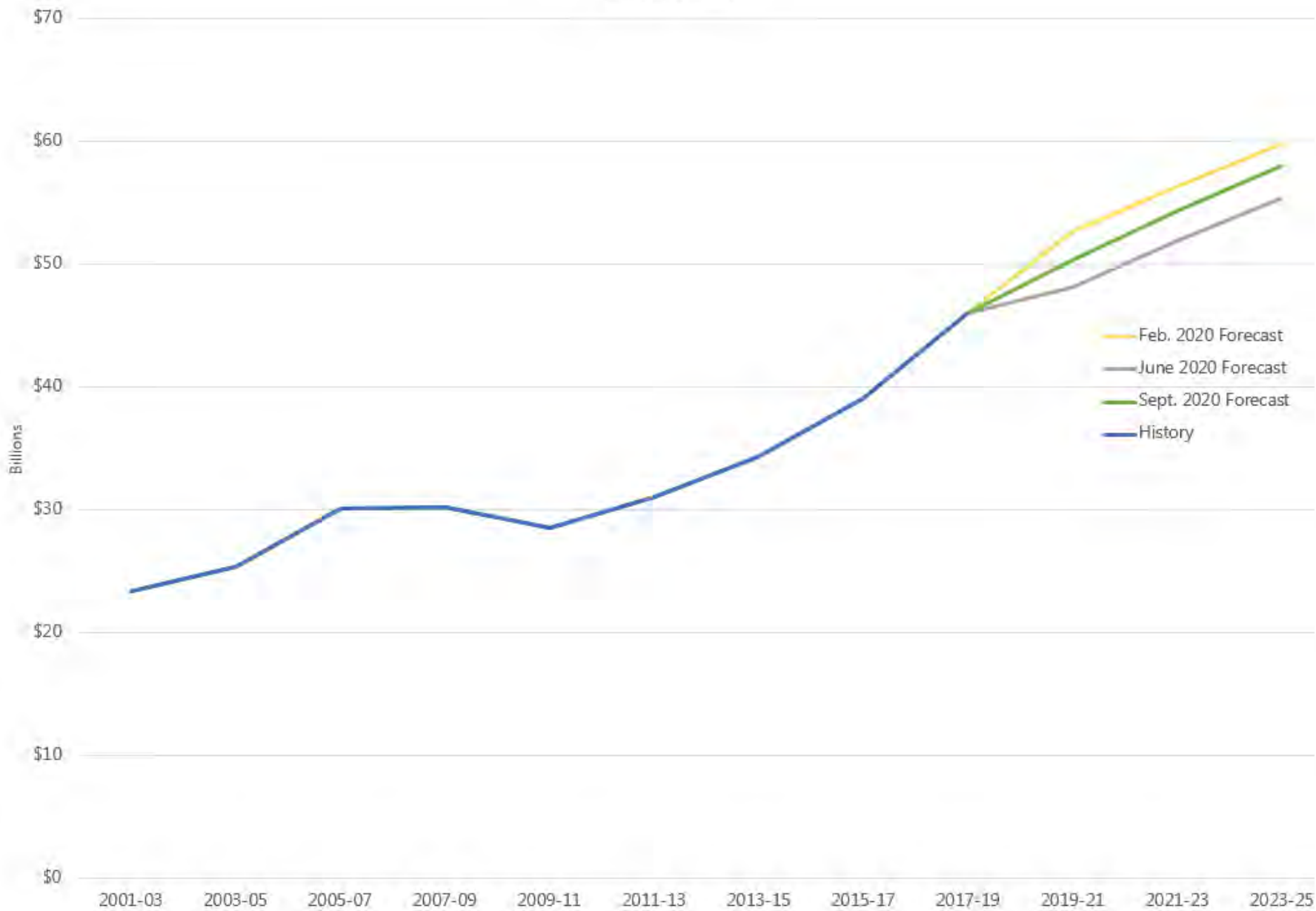


Near GF-S forecast comparison: February, June, September 2020

	\$ millions	
	2019 - 21	2021 - 23
February	\$52,339	\$55,690
June	\$47,800	\$51,342
September	\$50,022	\$53,737
June - February	(\$4,539)	(\$4,348)
September - February	(\$2,317)	(\$1,953)

Detail may not add to total due to rounding

NGFO Revenues (Including WEA)



Budget Uncertainty

- ▶ Boeing moves production of 787 to South Carolina
 - Unknown impacts: revenue/exports/unemployment
- ▶ Will there be a Fall COVID “surge”?

Washington State COVID-19 Rates

COVID-19 in Washington State

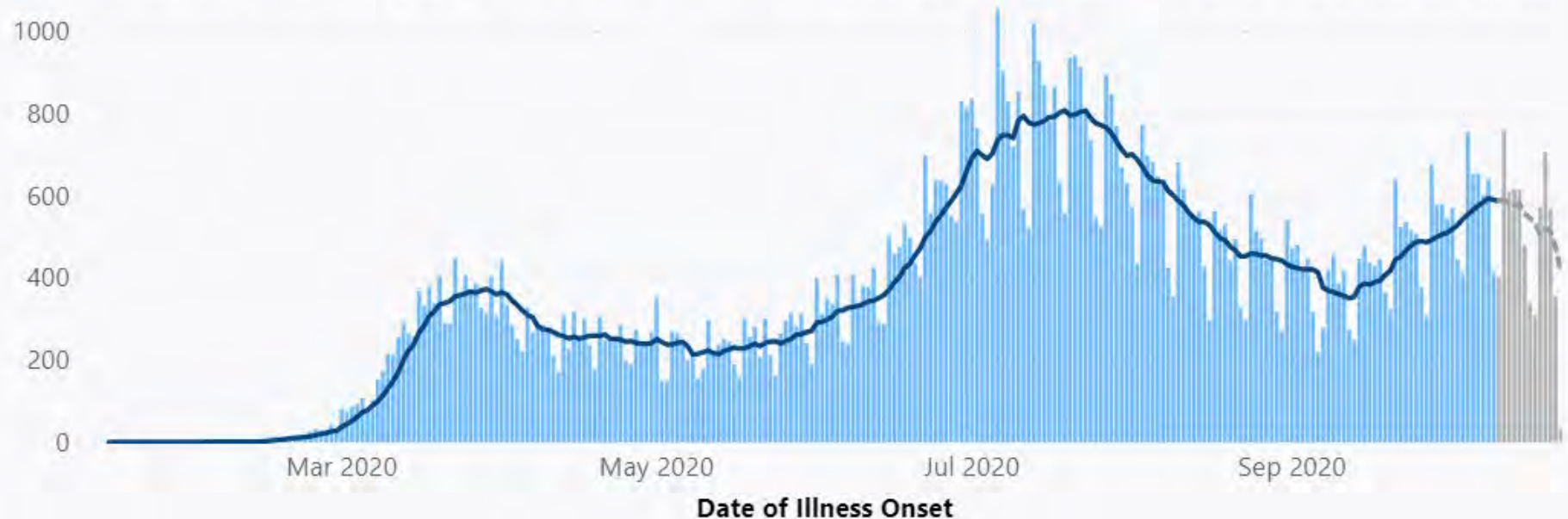
Confirmed Cases and Deaths by Illness Onset Date, and Hospitalizations by Admission Date

This chart shows the progression of the COVID-19 outbreak in Washington by cases, hospitalizations and deaths over time and is known as an epidemiologic curve. The epidemiologic curve is the curve referred to in the phrase, "flatten the curve."

Learn More

Confirmed Case Counts

● Confirmed Cases ● Data incomplete for recent dates — Confirmed Cases (7 day rolling avg.) — Incomplete data (7 day rolling avg.)



Will a Fall COVID-19 surge force a new round of closures, resulting in further economic impacts?

Budget Uncertainty

- ▶ Boeing moves production of 787 to South Carolina
 - Unknown impacts: revenue/exports/unemployment
- ▶ Will there be a Fall COVID “surge”?
- ▶ Three month increase (June–Sept) in revenue—is the economy rebounding or is this a result of short-term, pent up demand?
- ▶ Will there be action on another Federal stimulus package?

K-12 Non-Basic Education Budget

Potential Reduction Options

ESDs	BEST Program
Local Effort Assistance	Supt/Principal Internships
Persistently Lowest Achieving Schools	Regional Transportation Coordinators
National Board Bonus	Dual Credit Subsidy
TPEP & TPEP Training	CTE Grants
Computer Science Grants	Aerospace Assembly
WSLA	Next Gen Science Training
Foster Youth Ed Outcomes	Homeless Students
Dual Language Grants	WA Achievers Scholars
IT Academy	College Bound Scholarships

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“Would You Rather...”

- ▶ be able to fly OR be able to read minds?

Legislators will have difficult choices; they’ll ask themselves questions, such as: “Would you rather...”

- ▶ provide “hold harmless” funding for pupil transportation OR preserve funding for Medicaid adult dental care?
- ▶ ensure stable funding for school district enrollment OR preserve funding for early learning programs?
- ▶ support school construction enhancements (SCAP) OR support additional funding for salmon culvert replacements?



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