

**Proposed 2025-27 Biennial &
2025 Supplemental**

OPERATING BUDGET

Budget Summary

Conference Report
ESSB 5167
(H-2387)

April 26, 2025



OFFICE of
PROGRAM RESEARCH
WASHINGTON STATE
HOUSE OF REPRESENTATIVES

Summary

Context

In March 2024, the Legislature adopted the 2024 supplemental budget, which made modifications to the 2023-25 biennial budget and is in effect through June 30, 2025. After Governor Inslee's vetoes and lapses are taken into account, the enacted 2023-25 biennial budget with 2024 supplemental budget modifications totals \$71.9 billion in Near General Fund-Outlook (NGF-O) and \$140.9 billion total budgeted funds.

For the 2025 session, the proposed conference report includes a 2025 supplemental budget that modifies the enacted budget for the 2023-25 biennium, and a 2025-27 biennial budget for the biennium that commences on July 1, 2025.

Revenue

The March 2025 revenue forecast projects NGF-O revenues of \$66.4 billion for the 2023-25 biennium and \$71.0 billion for the 2025-27 budget biennium. Overall, the March 2025 forecast is lower relative to the February 2024 forecast. Annual average growth in NGF-O revenues was 5.2 percent over FY 2022 through FY 2024 and annual average growth is expected to be 3.5 percent from FY 2025 through FY 2027 based on the March 2025 revenue forecast.

Proposed Conference Report for ESSB 5167 (H-2387.2)

Description of Summary & Detail Documents for the Proposed Conference Report for ESSB 5167

Summary and detail documents related to the proposed conference report describe spending from NGF-O accounts and total budgeted funds. NGF-O accounts subject to the four-year balanced budget requirement are the General Fund-State, the Education Legacy Trust Account, the Opportunity Pathways Account, and the Workforce Investment Education Account. Total budgeted funds include expenditures from NGF-O accounts in addition to all other budgeted funds.

Below this initial narrative, this document includes a five-page summary of policy-level spending items summarized in broad categories (a document listing the individual policy-level budget items comprising each category is available at fiscal.wa.gov). This document also includes a listing of assumed resources as well as a budget Outlook covering FY 2024 through FY 2029.

Additionally, agency detail documents list each policy-level budget item including a brief description.

Expenditure Summary

For the 2025-27 biennium, the proposed conference reports appropriates \$77.9 billion NGF-O and \$150.4 billion in total budgeted funds. This includes a net increase of \$4.4 billion NGF-O

and \$6.8 billion in total budgeted funds at maintenance level to continue current programs and meet statutory obligations, with the largest NGF-O cost drivers being K-12 staff salary inflation, and forecasted caseload and per-capita costs in child care, low-income medical assistance, and long-term care services. Policy level changes, the focus of this summary document, have a net impact of \$1.0 billion NGF-O and \$5.0 billion in total budgeted funds.

The proposed conference report for the 2025 supplemental budget modifying the current 2023-25 biennium appropriates \$72.7 billion NGF-O and \$142.4 billion total budgeted funds. This includes a net increase of \$855.3 million NGF-O and \$2.5 billion total budgeted funds at maintenance level (with the largest cost drivers being the same as those described on the previous paragraph for 2025-27 biennial maintenance level), and a net decrease of -\$103.5 million NGF-O and -\$1.0 billion total budgeted funds at policy-level, including appropriations in other legislation.

Selected NGF-O Balance Sheet Related Items

The NGF-O balance sheet associated with the proposal include the following transfer and reversion assumptions for the 2023-25 biennium (in addition to those in the enacted budget) and the 2025-27 biennium.

- A total of \$171.3 million in NGF-O resources are transferred to dedicated accounts, with the largest being:
 - \$77.0 million to the Disaster Response Account; and
 - \$70.1 million to the Home Security Fund.
- A total of \$844.0 million in resources from various dedicated accounts are transferred to the NGF-O, with the largest being:
 - \$288.0 million from the Public Works Assistance Account;
 - \$110.0 million from the State Treasurer's Service Account; and
 - \$89.0 million from the Washington Student Loan Account.
- Transfers within revenue legislation assumed in the proposed conference report are in addition to the amounts listed above and are described later in this document.
- Anticipated percentage-based reversions include:
 - 1.0 percent of General Fund-State revenues and other resources in FY 2025 and FY 2026; and
 - 0.75 percent of General Fund-State revenues and other resources in FY 2027 and the subsequent biennium.
 - In addition to the percentage-based reversions, reversions are assumed in 2025-27 related to K-3 class size.
 - Additional detail on reversions is shown on the Outlook in this summary document.

2025-27 NGF-O Ending Balance and the Four-Year Outlook

The proposed conference report leaves a projected ending balance for the 2025-27 biennium of \$225 million NGF-O and \$2.3 billion in total reserves, including \$2.1 billion in the Budget Stabilization Account (BSA).

Under the four-year balanced budget requirement pursuant to Chapter 8, Laws of 2012 (SSB 6636), the proposed conference report is projected to end the 2027-29 biennium with a \$673 million NGF-O balance and \$3.6 billion in total reserves, including \$3.0 billion in the BSA.

Revenue Legislation Impacting the Balance Sheet and Outlook

The proposed conference report assumes a net increase of \$4.4 billion NGF-O from revenue legislation in the 2025-27 biennium, primarily from a revenue package that includes ESHB 2081 (Business and occupations tax), ESSB 5813 (Tax rates/cap. gains, estate), and ESSB 5814 (Excise taxes).

A listing of all revenue legislation and their assumed fiscal impacts, as well as budget-driven revenue and other revenue and resource changes, and the Outlook is included later in this document.

2025-27 Omnibus Operating Budget
Conference Proposal
Funds Subject to Outlook
(Dollars in Thousands)

	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
State Employee Compensation (Excl. Higher Ed)					
Collective-Bargaining Agreements	0	0	511,024	688,821	1,119,851
Employee Salaries & Wages (Non-Rep.)	0	0	105,828	175,824	233,615
PEBB Rate	0	0	178,105	273,723	365,039
Pension Rate Adjustment	0	0	-163,429	-255,231	-260,457
Health Carrier Reimbursements	0	0	0	0	-175,000
Other Increases	351	945	1,161	30,082	2,744
State Employee Compensation (Excl. Higher Ed) Total	351	945	632,689	913,219	1,285,792
Higher Education Employee Compensation					
Collective-Bargaining Agreements	0	0	22,609	112,957	49,850
Employee Salaries & Wages (Non-Rep.)	0	0	78,398	304,514	174,480
PEBB Rate	0	0	81,428	250,362	166,628
Pension Rate Adjustment	0	0	-21,899	-103,481	-35,206
I-732 COLA	28,527	42,287	-7,342	-10,218	8,815
Higher Education Employee Compensation Total	28,527	42,287	153,194	554,134	364,567
K-12 Education					
K-12: Grant Programs	0	0	-131,019	-131,019	-269,117
K-12: Special Education	0	0	351,327	351,327	775,644
K-12: School Food Support	8,950	8,950	17,900	17,900	44,750
K-12: Local Effort Assistance	0	0	137,016	137,016	202,071
Transition to Kindergarten	0	0	-74,626	-74,626	-193,904
MSOC Adjustment	0	0	78,891	78,891	213,832
Per Pupil Enhancement	52,000	52,000	0	0	52,000
Persistently Low-achieving Schools	0	0	-28,704	-28,704	-57,408
Federal Forest Deductible Revenue	0	0	-12,425	-12,425	-26,425
LEA Online Enrollment Cap	0	0	-17,046	-17,046	-39,040
K-3 Class Size Reversions	-50,300	-50,300	0	0	-50,300
SEBB Rate	0	0	384,049	384,049	871,636
Pension Rate Adjustment	0	0	-303,815	-303,929	-721,198
Other Increases	0	0	15,980	16,184	19,032
K-12: All Other Savings	-5,568	-5,568	-45,658	-45,658	-98,673
K-12 Education Total	5,082	5,082	371,870	371,960	722,900
Long Term Care & DD					
Consumer-Directed Employer & Agency Parity	0	0	216,804	489,949	548,129
Adult Family Home Agreement	0	0	133,277	299,133	284,449
Assisted Living Rates	0	0	17,902	38,292	17,902
Nursing Home Rates	0	0	35,436	74,464	35,436

NGF-O = GF-S + ELT + OpPath + Wkfrc Educ Invest + Fair Start for Kids

2025-27 Omnibus Operating Budget
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(Dollars in Thousands)

	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Nursing Home Transitions to Community Settings	0	0	-653	-6,967	-7,010
Transitional Care Center of Seattle	-2,529	-5,058	28,957	57,916	26,428
Community Residential Rates	0	0	21,444	42,634	43,892
WA Cares	0	-9,585	-6,024	196,102	-25,957
RHC Closures & Transitions to Community Settings	0	0	-734	-2,979	-31,502
DDA No Paid Services Case Management	0	0	-9,944	-17,598	-20,450
DDA Waiver Rates & Utilization	0	0	8,480	14,872	17,846
Fee Increases	0	0	-57,116	20,443	-125,918
Mandatory Workload Adjustments	0	0	-25,176	-47,622	-25,176
Staffing Ratios	-61	-122	-6,838	-13,326	-14,035
Meaningful Day Services	0	0	-37,888	-85,098	-93,398
Specialized Behavior Supports	0	0	-10,072	-20,144	-23,752
Other Increases	9,367	25,272	10,790	47,871	36,076
DSHS-AL TSA & DDA: Underspends	-24,726	-46,940	-28,464	-56,928	-79,846
DSHS-AL TSA & DDA: Fund Balances & Cost Shifts	0	0	-17,293	0	-17,293
DSHS-AL TSA & DDA: Admin & Efficiency Savings	-666	-1,210	-25,045	-46,096	-53,879
DSHS-AL TSA & DDA: All Other Savings	-6,640	-10,504	-27,362	-45,127	-59,495
Long Term Care & DD Total	-25,255	-48,147	220,481	939,791	432,447
Behavioral Health					
Behavioral Health Facility & Bed Delays	-86,451	-99,603	-133,138	-136,656	-354,825
Disproportionate Share Hospital	-34,363	0	-68,726	0	-103,089
Olympic Heritage BH Red.	0	0	-12,700	-12,700	-25,994
MCO Behavioral Health Rates	0	0	-9,158	-27,709	-21,908
TrueBlood Settlement	0	0	29,382	29,382	64,747
Blake Related & Other SUD Investments	0	-500	7,259	33,460	6,170
State Hospital Staffing	11,569	11,569	1,031	1,031	13,587
988 System & Call Centers	0	-8,257	0	31,829	0
Outreach/Intensive Case Management	0	0	-9,800	-9,800	-20,020
1915i: Community Behavioral Health Services	19,865	35,025	72,455	143,323	168,075
Other Increases	392	3,116	26,968	56,600	32,773
Behavioral Health: Cost Shifts	-1,500	0	-23,500	0	-49,507
Behavioral Health: Admin & Efficiency Savings	-2,009	-2,009	-26,009	-28,539	-55,736
Behavioral Health: Other Savings	-11,819	-32,070	-43,144	-44,174	-98,991
Behavioral Health Total	-104,316	-92,729	-189,080	36,047	-444,718
Corrections & Criminal Justice					
Law Enforcement Grants	0	0	100,635	200,635	100,943
Custody Staff Support	2,895	2,895	15,109	15,109	33,445

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	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Corrections: Facility Closures	-2,003	-2,003	-34,901	-34,901	-79,092
Reentry Center Conversions	484	484	11,901	11,901	25,989
Crime Victims Support	-2,950	-1,875	30,121	38,361	27,306
Law Enforcement Academy Cost Share	0	0	-8,967	0	-18,049
Other Increases	2,152	2,152	37,054	50,666	62,084
Corrections & Criminal Justice Underspends	-5,400	-5,400	-11,525	-11,525	-22,539
Corrections & Criminal Justice: All Other Savings	-2,118	-2,118	-44,010	-27,010	-81,672
Corrections & Criminal Justice Total	-6,940	-5,865	95,417	243,236	48,415
Children, Youth, & Families					
Family Child Care Agreement	0	0	184,440	184,440	376,333
DCYF: WCCC Income Expansion	0	0	-161,740	-161,740	-394,233
DCYF: WCCC Rates	0	0	-131,640	-131,640	-139,842
DCYF: ECEAP Increases	0	0	17,874	17,874	40,253
DCYF: ECEAP Savings	0	0	-139,833	-139,833	-352,970
DCYF: ESIT	0	0	17,408	17,408	36,220
WCCC: Student Parents	-7,141	-7,141	-12,292	-12,292	-31,914
WCCC: Copayment Changes	0	0	-9,757	-9,757	-76,619
WCCC Eligibility	0	0	-63,113	-63,113	-146,336
Juvenile Rehabilitation Capacity & Security	16,879	16,879	34,197	34,197	51,332
Family First Preservation Services Act (FFPSA)	11,425	0	17,850	-5,000	47,399
Other Increases	131	131	39,343	52,905	52,012
DCYF: Underspends	-40,110	-46,078	-45,967	-50,555	-132,544
DCYF: Administrative & Efficiency Savings	0	0	-19,854	-25,756	-40,013
DCYF: All Other Savings	-12,324	-2,150	-37,870	-44,752	-89,678
Children, Youth, & Families Total	-31,140	-38,359	-310,954	-337,614	-800,600
Higher Education					
Institutional Reduction	0	0	-47,900	-47,900	-96,709
TESC Operating Costs	0	0	-2,690	-2,690	-14,482
Financial Aid Eligibility	0	0	-4,000	-4,000	-8,070
Reduce Enrollment Expansions	0	0	-4,668	-4,668	-9,418
Washington College Grant	0	0	-12,532	-12,532	-99,622
WCG Bridge Grants	0	0	-55,254	-55,254	-111,481
Innovation Challenge Grants	0	0	-16,000	-16,000	-32,245
Other Increases	0	282	8,938	9,630	12,715

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(Dollars in Thousands)

	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Higher Ed: All Other Savings	0	0	-35,581	-51,769	-58,883
Higher Education Total	0	282	-169,687	-185,183	-418,195
Natural Resources					
Wildfire Response, Suppression, & Recovery	45,539	166,917	-11,200	-8,634	21,952
Electric Vehicles	0	0	-2,421	-51,107	-4,879
Invasive Species	1,031	1,751	9,704	17,409	10,735
Environmental Toxins, Air Quality, & Water Quality	120	120	0	24,904	120
Fishing and Hunting Licenses	0	0	-10,076	0	-17,261
Discover Pass	0	0	-8,500	0	-8,500
Federal Funding Adjustment	0	0	0	96,512	0
Other Increases	2,473	6,263	17,420	73,111	25,484
Naturals: Fund Balances & Cost Shifts	-750	0	-29,581	-6,678	-50,319
Naturals: Administrative & Efficiency Savings	-2,202	-2,202	-14,116	-17,152	-29,503
Naturals: All Other Savings	-2,691	-18,963	-45,267	-107,851	-84,242
Natural Resources Total	43,520	153,886	-94,037	20,514	-136,413
Other Human Services					
Food Security & Assistance	91	526	126,638	131,832	127,533
Delay ABD Recoveries Elimination	0	0	-66,776	-66,776	-119,976
Delay Child Support Pass-Through	0	0	-19,775	-21,878	-48,707
Immigrant, Refugee, and New Arrival Supports	0	203	39,585	41,455	39,591
Federal Grant Authority	0	231,309	0	354,114	0
Career Connected Learning	-8,479	0	-22,390	-17,706	-53,663
DSHS Special Commitment Center Unit Closures	-2,413	-2,413	-6,682	-6,682	-16,086
Housing & Homelessness: Increases	450	28,918	139,424	157,664	144,614
Housing & Homelessness: Savings	0	0	-7,159	-69,705	-14,430
Other Increases	2,265	5,023	4,945	84,915	11,436
DSHS Underspends	-5,460	-5,460	-9,300	-9,300	-24,495
Other Human Services: Fund Balances & Cost Shifts	-22,477	0	-16,416	-78	-74,450
Other Human Services: Admin & Efficiency Savings	-16,878	-16,878	-47,502	-70,354	-114,006
Other Human Services: All Other Savings	-7,894	-7,139	-24,459	-22,946	-56,471
Other Human Services Total	-60,795	234,089	90,133	484,555	-199,110
Health Care & Public Health					
Cascade Care	40,000	40,000	55,000	85,000	84,846
Medicaid Transformation Project	0	-61,514	-1,854	476,095	-8,361
HCA: Health Care Coverage Changes	-984	-3,875	-11,813	-46,506	-29,222
HCA: Fee-for-Service Changes	6,145	12,290	11,980	23,960	18,125
MCO Physical Health Rates	0	0	-32,113	-106,222	-76,678

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2025-27 Omnibus Operating Budget
Conference Proposal
Funds Subject to Outlook
(Dollars in Thousands)

	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
Dental Rate Reductions	0	0	-24,322	-65,930	-49,686
HCA-MED: Other Rate Reductions	0	0	-19,946	-64,454	-43,241
Part D Belated Claim	35,674	35,674	0	0	35,674
Health Homes	0	0	15,035	41,503	15,035
Other Increases	968	968	23,269	163,605	27,996
HCA-MED: Administrative & Efficiency Savings	0	0	-16,574	-36,250	-33,858
HCA-MED: All Other Savings	-13,960	-15,853	-15,255	-27,928	-49,009
Public Health: Foundational Public Health	-5,000	-5,000	-44,000	-24,000	-93,675
Public Health: All Other Savings	-11,020	-8,041	-33,135	-38,867	-69,884
Public Health: Administrative & Efficiency Savings	-199	-699	-5,260	-5,260	-10,800
Health Care & Public Health Total	51,624	-6,050	-98,988	374,746	-282,738
Information Technology					
One Washington	0	0	0	108,075	0
Automated Client Eligibility System (ACES)	809	1,498	29,984	56,683	46,240
Child Welfare Information System	0	0	31,893	63,786	31,893
Electronic Health Records	-26,354	-157,869	28,973	142,644	2,619
Integrated Eligibility & Enrollment Program (IE&E)	1,965	5,599	9,390	26,938	11,355
Information Technology Pool	0	0	18,291	28,151	18,291
Judicial Branch Information Technology	-485	-485	5,626	8,626	-9,293
Workers' Compensation System	0	0	0	17,904	0
Information Technology: All Other Increases	7,962	9,208	30,716	151,143	48,954
Information Technology: All Other Savings	-8,354	-25,506	-5,137	-14,157	-20,400
Information Technology Total	-24,457	-167,555	149,736	589,793	129,659
All Other Policy Changes					
Debt Service	0	1	73,258	73,258	560,510
Revenue Legislation Implementation	0	0	11,486	11,360	16,005
Disaster Response and Recovery	-420	-1,075,228	0	742,699	-420
Community Reinvestment Account	0	0	50,000	110,000	100,768
Cannabis Revenue Distributions & Enforcement	29,309	-450	73,447	6,416	146,259
Public Defense Grants	0	0	13,530	13,530	13,530
Central Services: All Other	0	0	52,407	82,073	70,882
Transfers	0	0	0	0	0
Judicial: Other Increases	4,782	4,782	32,302	34,754	57,835
Other Increases	9,252	13,567	29,463	79,697	40,528
Agency Underspends: All Other	-3,289	-4,489	-7,600	-12,076	-17,996
Judicial Agencies: All Other Savings	-2,000	-2,000	-25,725	-25,725	-51,958
Legislative: Administrative & Efficiency Savings	-7,100	-7,100	-15,446	-15,446	-36,988

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**2025-27 Omnibus Operating Budget
Conference Proposal
Funds Subject to Outlook**
(Dollars in Thousands)

	2025 Supp		2025-27		5-Year Total
	NGF-O	Total	NGF-O	Total	NGF-O
General Government: Admin & Efficiency Savings	-1,883	-2,037	-29,885	-56,139	-58,458
General Government: All Other Savings	-8,345	-11,639	-69,220	-68,558	-141,181
<i>All Other Policy Changes Total</i>	20,306	-1,084,593	188,017	975,843	699,316
Grand Total	<u>-103,493</u>	<u>-1,006,727</u>	<u>1,038,791</u>	<u>4,981,041</u>	<u>1,401,322</u>

2025-27 Omnibus Operating Budget

Conference Proposal (H-2387)

Funds Subject to Outlook

(Dollars in Millions)

	2023-25			2025-27			2027-29		
	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27	FY 2028	FY 2029	2027-29
NGF-O Beginning Balance	5,287	4,884	5,287	1,962	647	1,962	225	136	225
Forecasted Revenues	32,672	33,773	66,445	34,724	36,228	70,952	37,567	38,858	76,425
Mar 2025 Revenue Forecast (NGF-O)	32,672	33,773	66,445	34,724	36,228	70,952	37,567	38,858	76,425
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	291	703	995
Remove the 4.5% Additional Revenues Assumption	0	0	0	0	0	0	-291	-703	-995
Other Resource Changes	1,176	989	2,165	2,017	2,403	4,420	1,811	1,894	3,705
Budget Driven Revenue	0	14	14	44	-6	38	-3	-2	-5
GF-S Transfer to BSA (1%)	-314	-325	-639	-344	-366	-710	-377	-390	-767
Prior Period Adjustments	157	182	338	58	20	79	20	20	41
ACFR Adjustments	51	0	51	0	0	0	0	0	0
Revenue Legislation	0	0	0	23	69	92	6	-4	2
Enacted Fund Transfers	1,282	811	2,093	0	0	0	0	0	0
Proposed WRPTA Transfer	0	0	0	0	0	0	0	0	0
Other Proposed Transfers	0	44	44	614	15	629	4	4	7
Other Revenue Adjustments	0	264	264	0	0	0	0	0	0
Revenue Package	0	0	0	1,622	2,671	4,292	2,161	2,266	4,427
Total Revenues and Resources	39,135	39,646	73,897	38,702	39,278	77,333	39,603	40,889	80,355
Enacted Appropriations	34,670	37,275	71,945	34,670	37,275	71,945	37,680	38,096	75,776
Carryforward Level Adjustments	0	0	0	1,560	-1,081	479	-1,099	-1,117	-2,216
Maintenance Level Total	0	855	855	1,782	2,628	4,409	3,037	3,315	6,352
K-12 Education	0	145	145	385	667	1,052	924	1,159	2,084
Low Income Health Care & Comm Behavioral Health	0	301	301	384	359	744	369	380	750
Social & Health Services	0	530	530	341	588	929	625	640	1,265
Higher Education	0	37	37	86	113	199	138	165	303
Corrections	0	-308	-308	28	13	41	10	10	20
All Other	0	23	23	58	71	129	63	72	135
Debt Service	0	-5	-5	45	165	210	207	227	433
Children, Youth, and Families	0	131	131	454	650	1,104	701	662	1,362
Policy Level Total	0	-103	-103	467	572	1,039	192	274	466
K-12 Education	0	6	6	242	440	682	410	360	770
Low Income Health Care & Comm Behavioral Health	0	31	31	17	-35	-18	-61	-80	-142
Social & Health Services	0	-121	-121	10	-7	3	-34	-2	-36
Higher Education	0	0	0	-40	-93	-133	-121	-125	-245
Corrections	0	5	5	0	-5	-5	-11	-12	-23
All Other	0	-23	-23	196	40	236	-150	-152	-301
Compensation & Benefits	0	29	29	405	562	967	475	466	941
Pensions	0	0	0	-251	-241	-491	-266	-263	-530
Debt Service	0	0	0	8	65	73	177	310	487
Children, Youth, and Families	0	-30	-30	-119	-156	-276	-227	-229	-455
Reversions	-420	-342	-761	-424	-340	-764	-344	-352	-696
Revised Appropriations	34,251	37,685	71,935	38,055	39,053	77,108	39,467	40,216	79,683
NGF-O Projected Ending Balance	4,884	1,962	1,962	647	225	225	136	673	673
Budget Stabilization Account									
Beginning Balance	652	970	652	1,252	1,640	1,252	2,062	2,501	2,062
GF-S Transfer to BSA (1%)	314	325	639	344	366	710	377	390	767
Appropriations from BSA	-21	-78	-99	0	0	0	0	0	0
Actual Reversions	1	0	1	0	0	0	0	0	0
Prior Period Adjustments	0	0	0	0	0	0	0	0	0
Interest Earnings	24	35	59	43	56	99	63	76	139
BSA Ending Balance	970	1,252	1,252	1,640	2,062	2,062	2,501	2,967	2,967

**2025-27 Omnibus Operating Budget
Conference Proposal (H-2387)**

Funds Subject to Outlook
(Dollars in Millions)

	2023-25			2025-27			2027-29		
	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27	FY 2028	FY 2029	2027-29
Washington Rescue Plan Transition Account									
Beginning Balance	2,100	798	2,100	0	0	0	0	0	0
Transfer Balance from WRPTA to GF-S	-1,302	-798	-2,100	0	0	0	0	0	0
WRPTA Ending Balance	798	0	0	0	0	0	0		
Total Reserves	6,653	3,214	3,214	2,287	2,287	2,287	2,637	3,640	3,640
% of Reserves to Revenues and Other Resources	19.7%	9.2%		6.2%	5.9%		6.7%	8.9%	
NGF-O	14.4%	5.6%		1.8%	0.6%		0.3%	1.7%	
Budget Stabilization Account	2.9%	3.6%		4.5%	5.3%		6.4%	7.3%	
Washington Rescue Plan Transition Account	2.4%	0.0%		0.0%	0.0%		0.0%	0.0%	

Notes:

1. This analysis was prepared by OPR and SCS staff for legislative deliberations of legislative members. It is not an official Outlook or an official state publication.
2. NGF-O includes General Fund-State, Washington Opportunity Pathways, Education Legacy Trust; and Workforce Education Investment Accounts.
3. Information related to reversion assumptions is described in the summary documents.

Resource Changes and Reversions

Conference Proposal

Funds Subject to Outlook

(Dollars in Millions)

	2023-25	2025-27	2027-29	6 Yr
Remove the 4.5% Additional Revenues Assumption				
Remove 4.5% Additional Revenues Assumption	0.0	0.0	-994.5	-994.5
Revenue Package				
2081 - Business and Occupation Tax	0.0	2,066.2	3,556.8	5,623.0
5794 - Tax Preferences	0.0	148.5	236.7	385.2
5802 - Accelerated Sales Tax Deferral Repayments	0.0	155.5	0.0	155.5
5802 - Sales Tax to Multimodal Acct	0.0	0.0	-605.0	-605.0
5802 - Transfers From GF-S to Transportation Accounts	0.0	0.0	-609.4	-609.4
5802 - Transfers from Transportation Accounts to GF-S	0.0	453.9	0.0	453.9
5813 - Tax Rates/Cap. Gains, Estate	0.0	321.6	313.9	635.5
5814 - Excise Taxes	0.0	1,146.8	1,533.7	2,680.5
SubTotal	0.0	4,292.4	4,426.8	8,719.2
Other Revenue Legislation				
1163 - Firearm Purchase	0.0	0.0	8.7	8.7
1355 - Tax Compacts/Capital Invest.	0.0	0.0	-37.0	-37.0
1468 - Accounts	0.0	10.4	0.0	10.4
1515 - Alcohol Service In Public	0.0	1.5	0.3	1.8
1791 - Local Real Estate Excise Tax	0.0	0.0	0.0	-0.1
2015 - Public Safety Funding	0.0	1.5	6.0	7.5
2020 - Payment Card Processing/Tax	0.0	0.5	0.6	1.1
2047 - Employee Ownership Program	0.0	0.4	0.8	1.2
2077 - Zero-Emission Vehicle Prg.	0.0	54.5	0.0	54.5
5284 - Solid Waste Management	0.0	2.3	3.3	5.6
5316 - Unclaimed Property	0.0	4.6	6.2	10.7
5393 - Intermediate Care Facility Tax	0.0	-1.1	-4.6	-5.7
5682 - Employment Training Program	0.0	-0.1	-0.1	-0.2
5786 - Liquor License Fees	0.0	17.9	17.9	35.9
SubTotal	0.0	92.3	2.1	94.5
Fund Transfers In Budget Bill				
Administrative Hearings Revolving Account (GF-S)	0.0	6.0	0.0	6.0
Apple Health and Homes (GF-S)	0.0	15.0	0.0	15.0
Business & Professions Account (GF-S)	0.0	5.0	0.0	5.0
Business License Account (GF-S)	0.2	0.0	0.0	0.2
Certified Public Accountants' Account (GF-S)	0.0	1.1	0.0	1.1
Construction Registration Inspection Account (GF-S)	0.0	2.0	0.0	2.0
Death Investigations Account (GF-S)	-0.1	-4.1	0.0	-4.2
Dept of Retirement Systems Expense Account (GF-S)	0.0	6.1	0.0	6.1
Disaster Response Account (GF-S)	-47.0	-30.0	0.0	-77.0
Economic Development Strategic Reserve Account (GF-S)	0.0	17.1	0.0	17.1
Education Legacy Trust Account (Sh Game-S)	0.0	8.0	0.0	8.0
Electric Vehicle Incentive Account (GF-S)	67.7	0.0	0.0	67.7
Electrical License Account (GF-S)	0.0	6.0	0.0	6.0
Emergency Drought Response Account (GF-S)	0.2	0.0	0.0	0.2
Enterprise Services Account (GF-S)	0.0	35.0	0.0	35.0

Resource Changes and Reversions

Conference Proposal

Funds Subject to Outlook

(Dollars in Millions)

	2023-25	2025-27	2027-29	6 Yr
Fair Account (GF-S)	0.0	3.5	0.0	3.5
Financial Services Regulation Account (GF-S)	0.0	10.4	7.0	17.4
Flood Control Assistance Account (GF-S)	0.0	0.3	0.3	0.6
Gambling Revolving Account (GF-S)	0.0	2.2	0.0	2.2
Higher Education Personnel Services Account (GF-S)	0.0	0.1	0.0	0.1
Home Security Fund Account (GF-S)	0.0	-70.1	0.0	-70.1
Industrial Insurance Premium Refund Account (GF-S)	4.1	0.0	0.0	4.1
Medical Student Loan Account (GF-S)	0.0	1.8	0.0	1.8
Military Department Active State Service Account (GF-S)	0.1	0.0	0.0	0.1
Military Department Capital Account (GF-S)	0.4	0.0	0.0	0.4
Military Department Rent and Lease Account (GF-S)	1.0	0.0	0.0	1.0
Model Toxics Control Capital Account (GF-S)	0.0	60.0	0.0	60.0
Model Toxics Control Operating Account (GF-S)	0.0	10.0	0.0	10.0
Municipal Revolving Account (GF-S)	0.0	5.0	0.0	5.0
OFM Central Services (GF-S)	0.0	2.0	0.0	2.0
Performance Audits of Government Account (GF-S)	0.0	2.5	0.0	2.5
Personnel Service Account (GF-S)	0.0	3.8	0.0	3.8
Pipeline Safety Account (GF-S)	0.0	1.0	0.0	1.0
Port District Equity Fund (GF-S)	1.0	0.0	0.0	1.0
Pressure Systems Safety Account (GF-S)	0.0	0.3	0.0	0.3
Professional Engineers' Account (GF-S)	0.0	0.4	0.0	0.4
Public Employees' and Retirees' Insurance Account (GF-S)	0.0	18.2	0.0	18.2
Public Service Revolving Account (GF-S)	0.3	9.3	0.0	9.6
Public Works Administration Account (GF-S)	0.0	1.8	0.0	1.8
Public Works Assistance Account (GF-S)	0.0	288.0	0.0	288.0
Real Estate Commission Account (GF-S)	0.0	3.5	0.0	3.5
School Employees' Insurance Account (GF-S)	0.0	2.6	0.0	2.6
Secretary of State's Revolving Acct (GF-S)	15.0	0.0	0.0	15.0
State Drought Preparedness Account (GF-S)	0.0	4.0	0.0	4.0
State Financial Aid Account (GF-S)	0.0	0.9	0.0	0.9
State Seizure Account (GF-S)	0.0	0.5	0.0	0.5
State Treasurer's Service Account (GF-S)	0.0	110.0	0.0	110.0
Traumatic Brain Injury Account (GF-S)	0.0	1.1	0.0	1.1
WA St Library-Archives Bldg Account (GF-S)	0.0	18.0	0.0	18.0
Washington Auto Theft Prevention Authority (GF-S)	0.8	1.8	0.0	2.6
Washington Student Loan Account (GF-S)	0.0	89.0	0.0	89.0
Wildfire Resp, Forest Restoratn, & Comm Resilience (GF-S)	0.0	-20.0	0.0	-20.0
SubTotal	43.7	629.0	7.3	680.1
Budget Driven Revenue				
Firearms Certificate Program	0.0	0.3	0.3	0.7
Liquor Control Board (Liquor)	14.0	-13.5	-6.6	-6.1
Liquor Control Board (Marijuana)	0.0	-0.1	-0.3	-0.4
Lottery	0.1	1.3	1.2	2.6
Marijuana Distribution Changes	0.0	0.0	0.0	0.1
Voluntary Disclosure Program	0.0	50.0	0.0	50.0
SubTotal	14.1	38.0	-5.3	46.8

Resource Changes and Reversions

Conference Proposal

Funds Subject to Outlook

(Dollars in Millions)

	2023-25	2025-27	2027-29	6 Yr
Prior Period Adjustments				
BH-ASO Reserves	60.0	0.0	0.0	60.0
CY 2023 Gain Share	0.0	37.7	0.0	37.7
Gain Share	45.6	0.0	0.0	45.6
Health Home Bonus Payments	39.0	0.0	0.0	39.0
SubTotal	144.5	37.7	0.0	182.2
Other Revenue Adjustments				
Diligent Enforcement Settlement	263.9	0.0	0.0	263.9
SubTotal	263.9	0.0	0.0	263.9
Resource Changes Grand Total	466.2	5,089.5	3,436.4	8,992.0
Reversions				
Assumed Reversions	-581.8	-363.5	-376.0	-1,321.3
Additional Reversions	-179.7	-271.7	-188.0	-639.3
K-3 Class Size Reversions	0.0	-129.1	-131.9	-261.0
Total Reversions	-761.5	-764.2	-695.9	-2,221.6

Notes

1. Resource changes reflected above do not include the required 1% transfer of general state revenues to the budget stabilization account.
2. Resource changes above do not include prior actuals and base assumptions, only changes in assumptions for this Outlook.
3. Reversions are reflected in the Outlook as a reduction of assumed expenditures and increase the ending fund balance.
4. K-3 Class Size Reductions for FY 2025 are reflected as a spending reduction rather than as a reversion.
5. Reversion assumption percentages for the conference Outlook are as follows:
 - FY 2025: 1.0%
 - FY 2026: 1.0%
 - FY 2027: 0.75%
 - FY 2028: 0.75%
 - FY 2029: 0.75%