

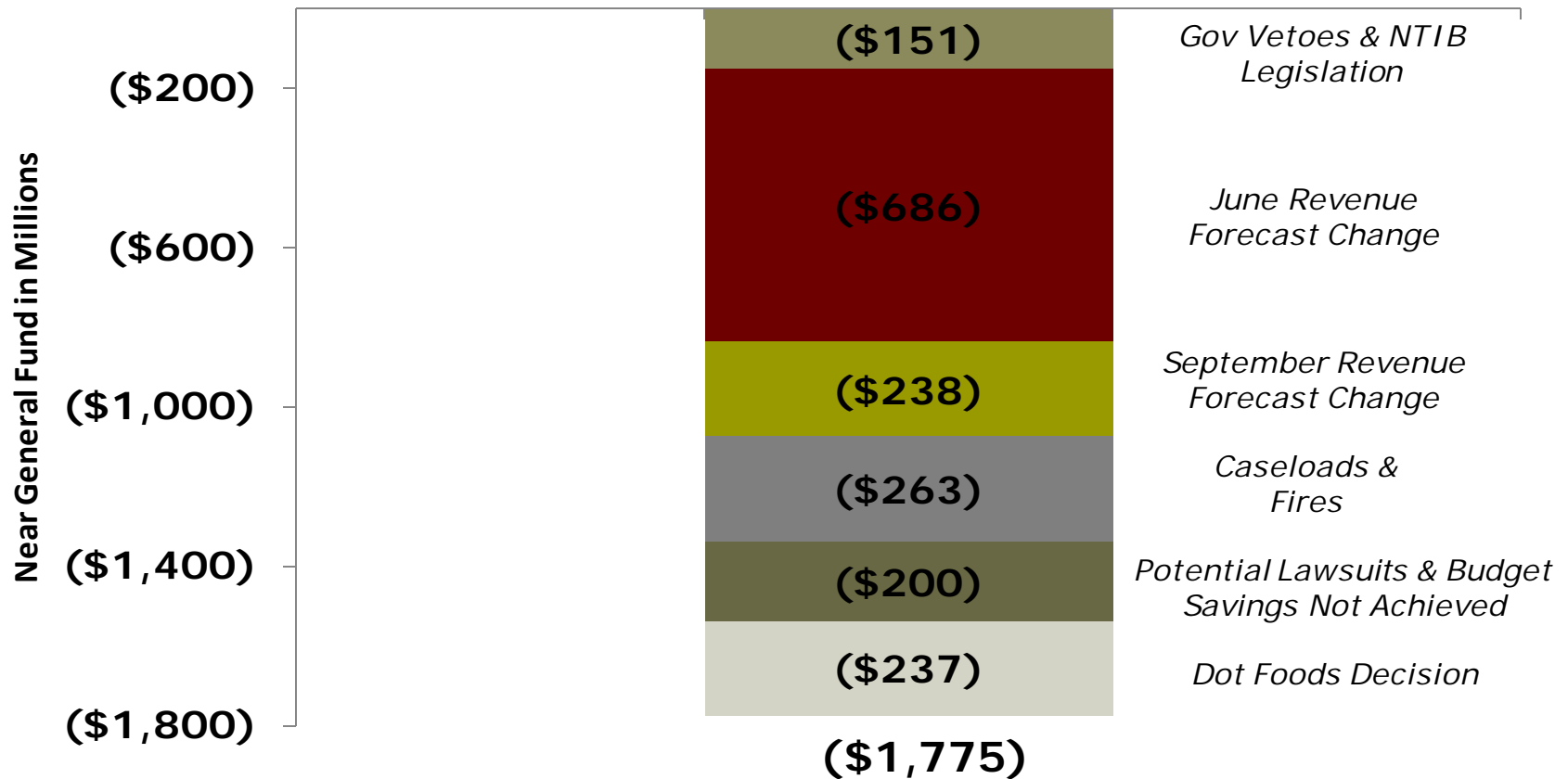
Budget Outlook

Prepared by Senate Ways and Means Committee Staff

November 3, 2009

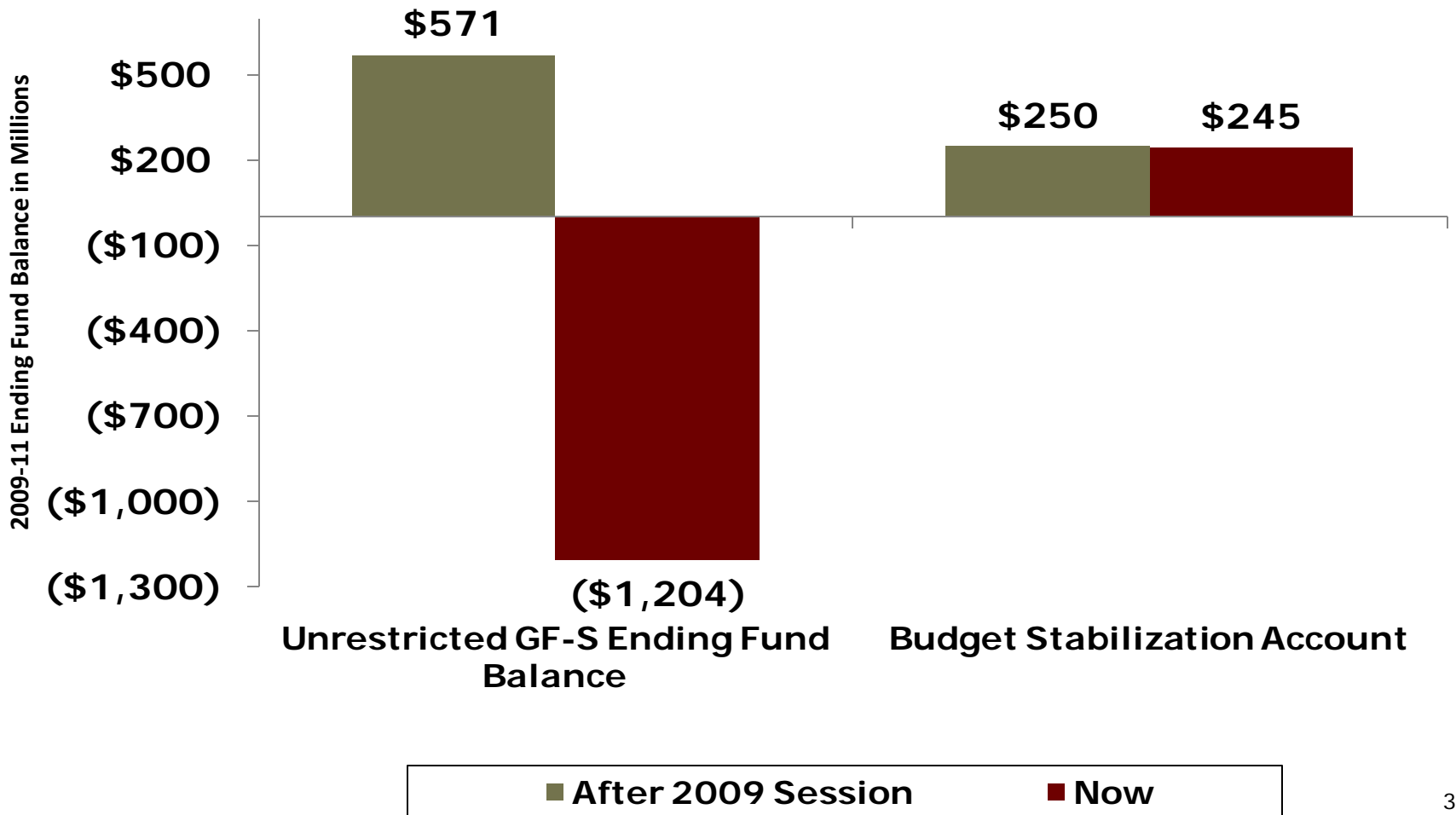


Based on current forecasts and information, there has been a \$1.8 billion negative change in the anticipated fiscal situation

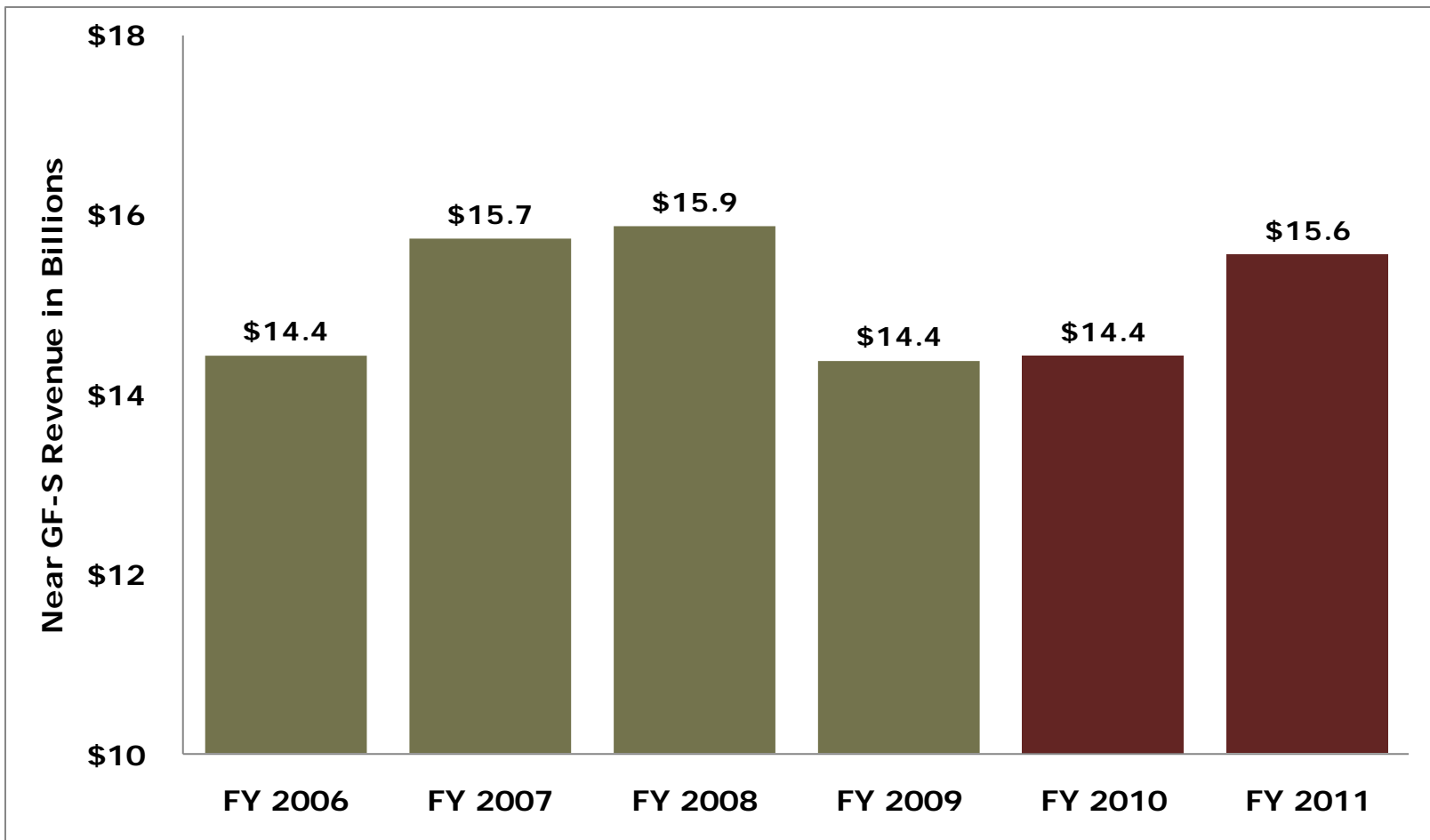


* This reflects an estimate of budget items and potential lawsuits that could result in less savings than anticipated in the enacted budget. This should be seen as an imprecise estimate that is highly dependent on a variety of factors that could result in a much higher or lower amount.

As a result, anticipated reserves have gone negative

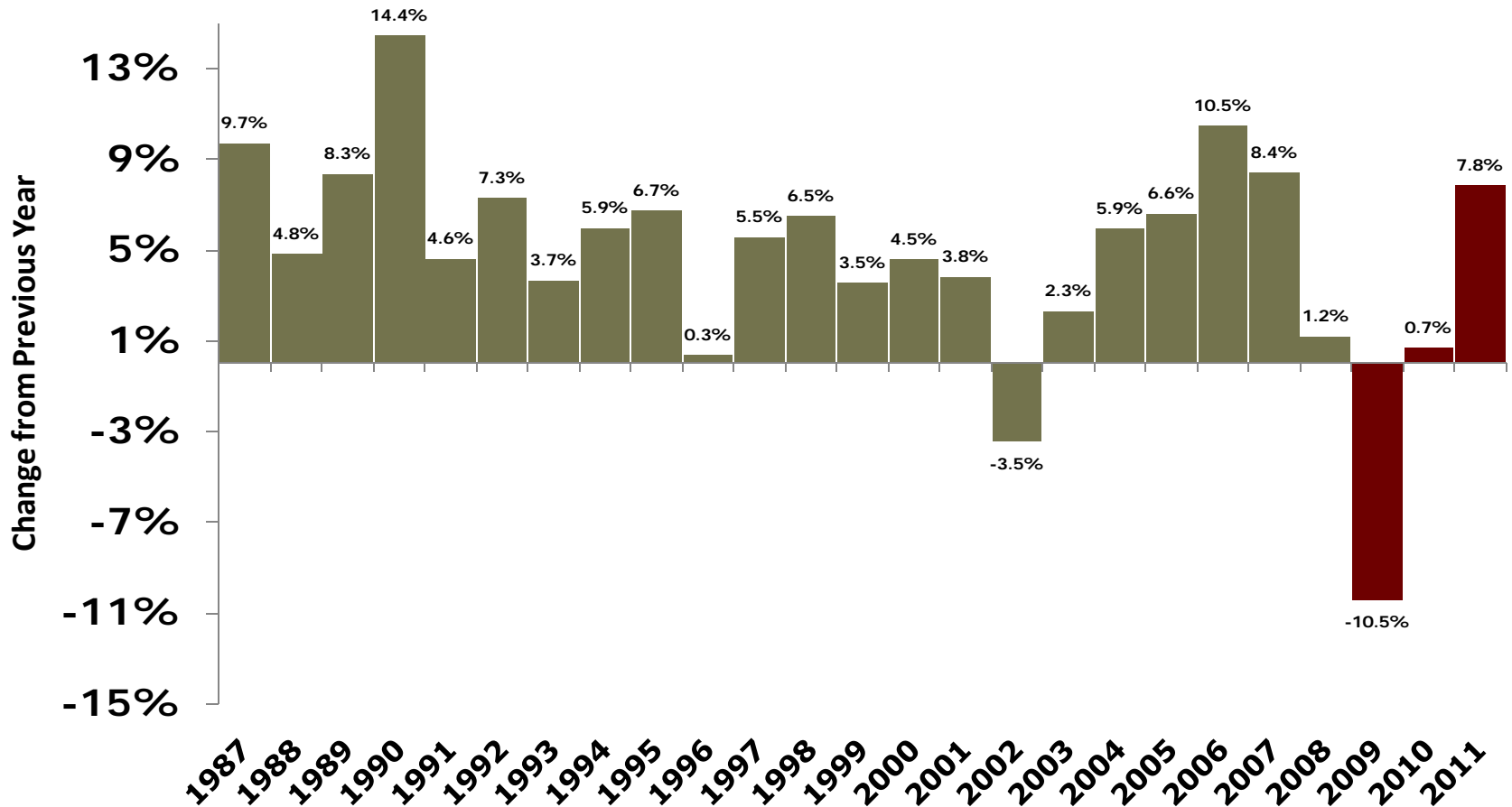


Based on the current revenue forecast, annual revenue is expected to be at 2006 levels for both FY 2009 and FY 2010



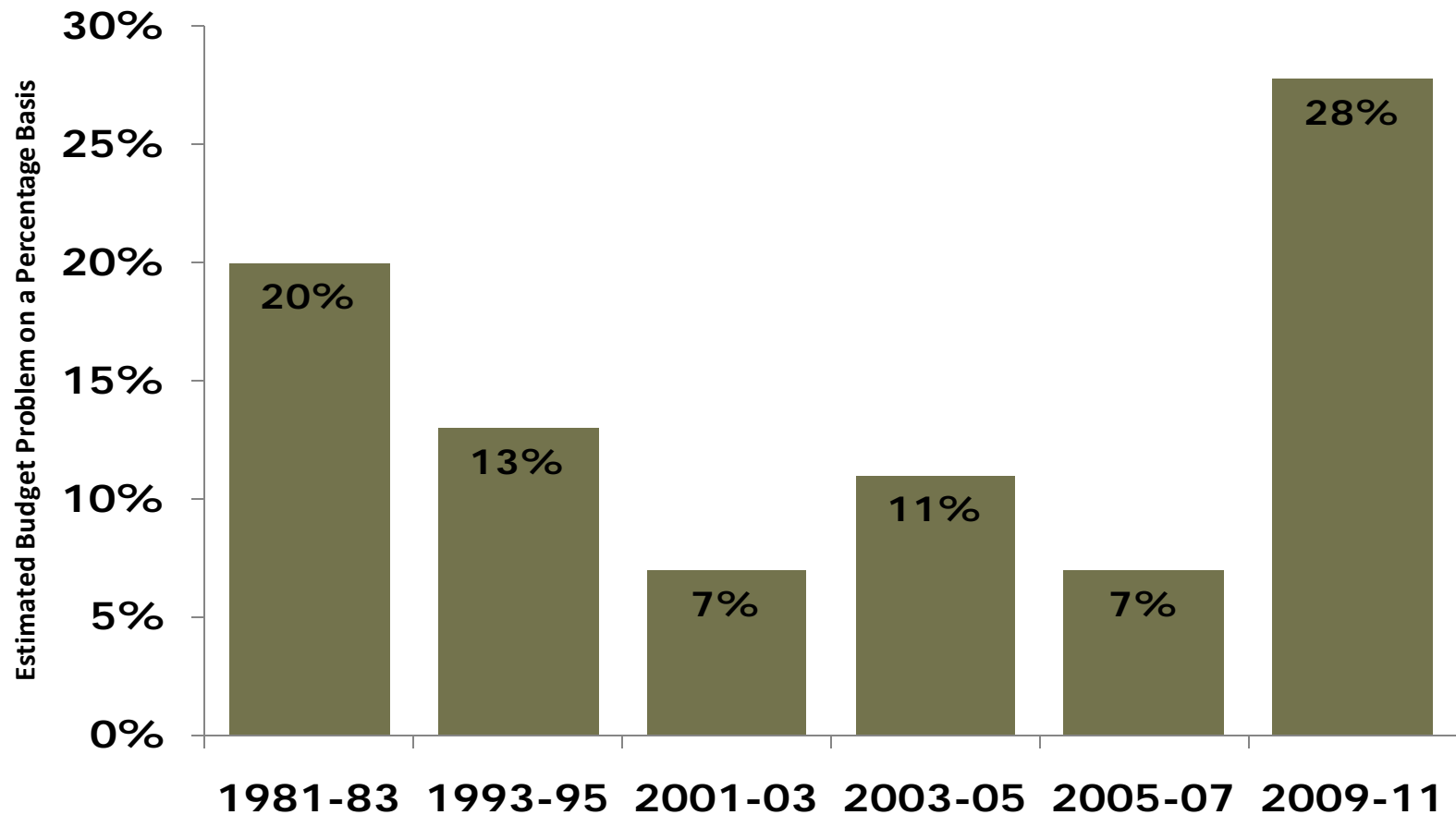
Historical Context

Under the latest forecast, general fund revenue is expected to have its steepest decline in over twenty years with a very slow recovery



* The growth rate for 2010 & 2011 reflect the new definition of general fund included in ESSB 5073 which includes funds previously included in "related funds".

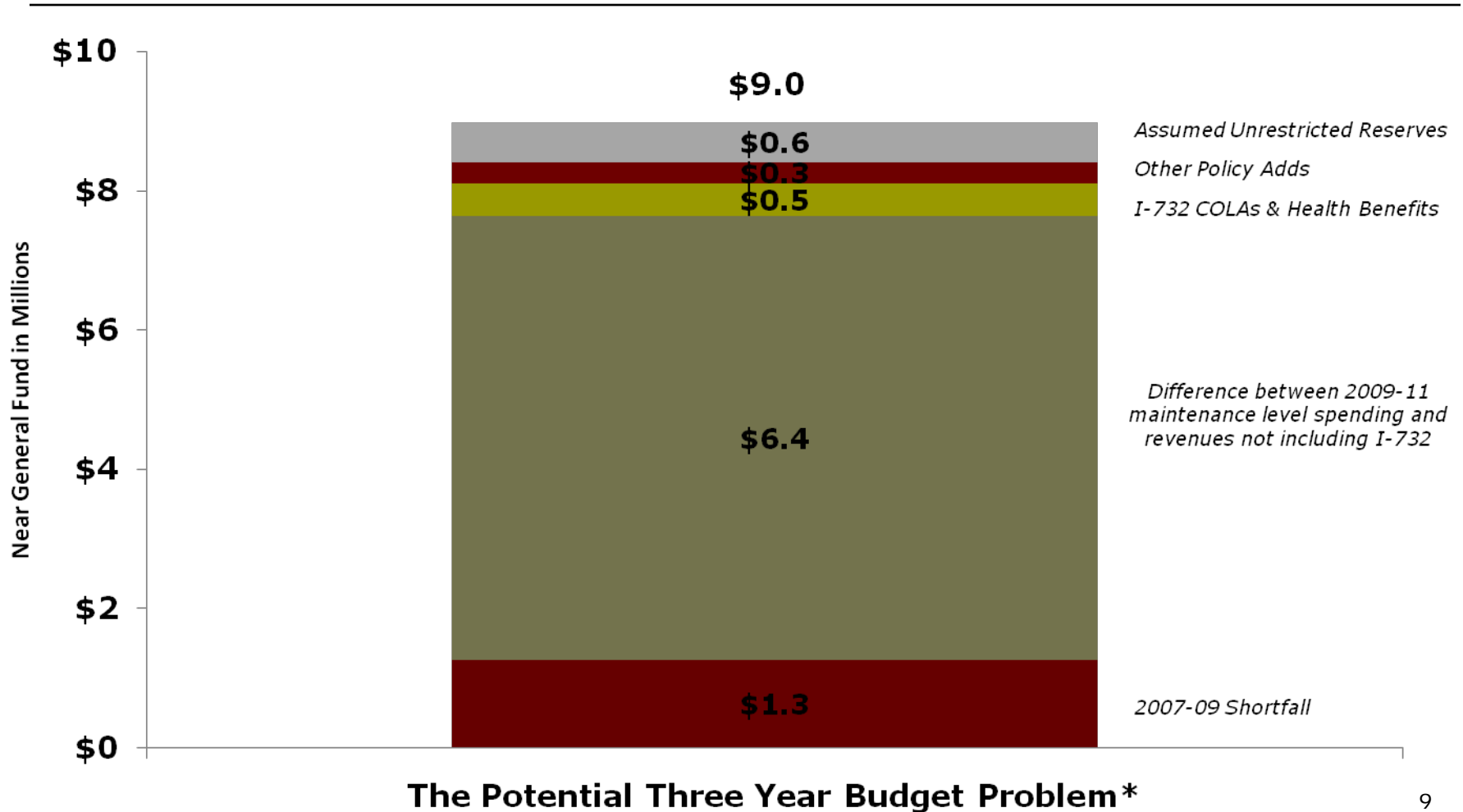
The magnitude of the current budget problem is worse than the 1981-83 downturn



** It should be noted that these are estimated budget problems based on available information. In some cases, information for prior fiscal periods might not be comparable.*

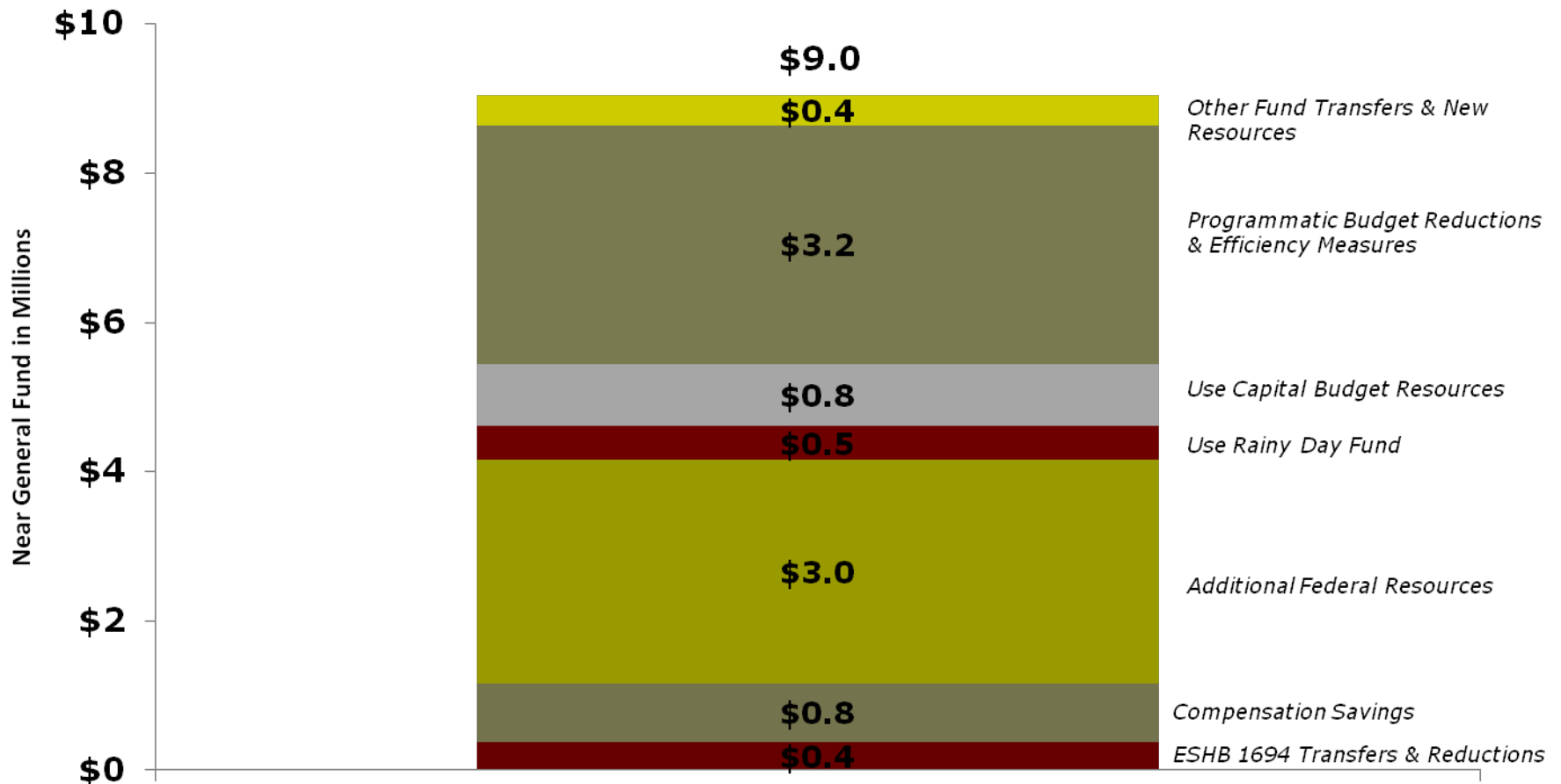
Appendix

Illustration of Budget Problem Addressed in the 2009 Session



* Amounts may not total because of slight rounding differences.

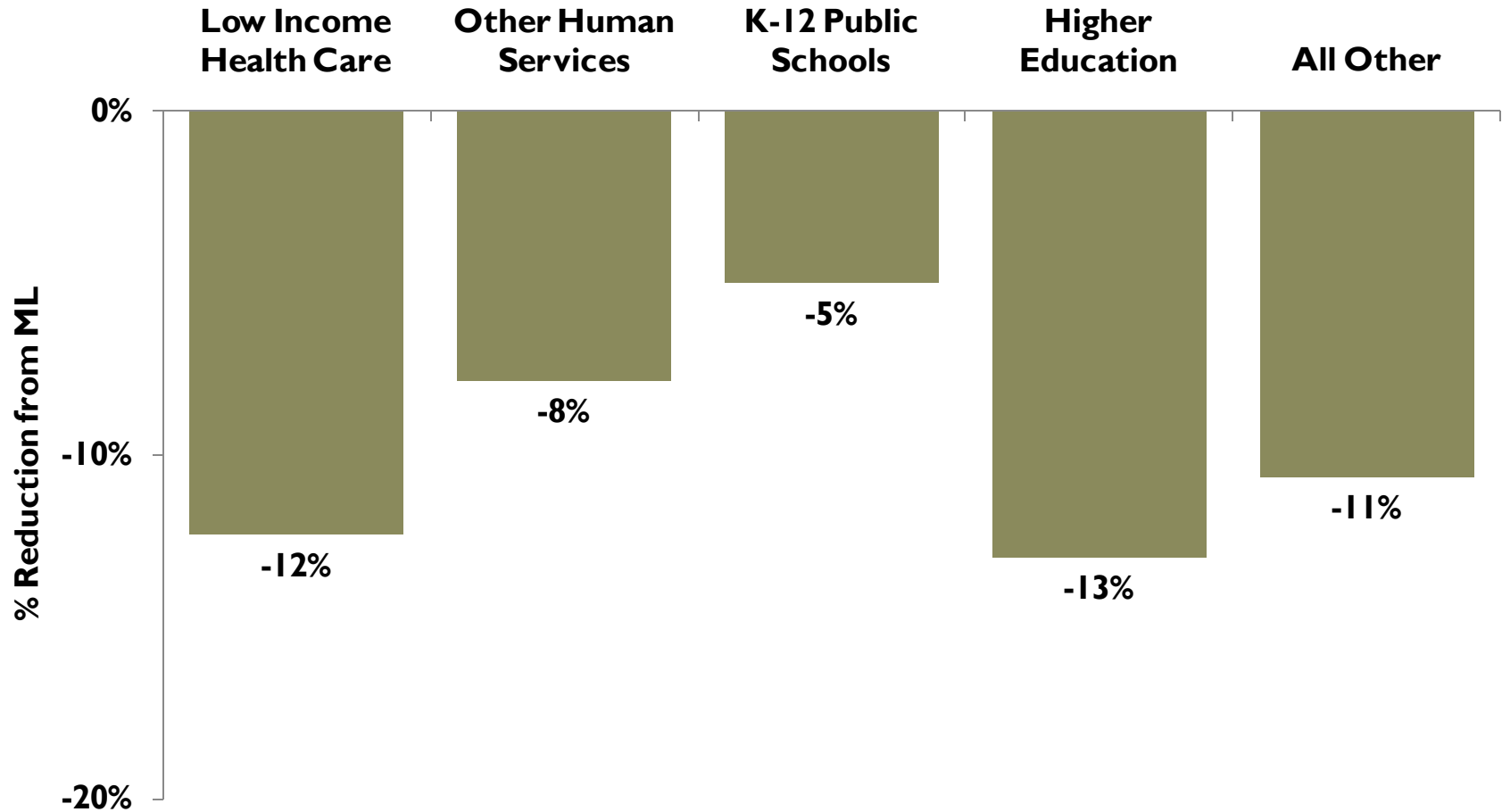
The Three Year Budget Solution Based On As Passed Budget



The Three Year Budget Solution*

* Amounts may not total because of slight rounding differences.

The percent reduction made in the enacted budget varies by functional area



** Reflects net near general fund policy change after accounting for reductions and increases, but excludes impacts of compensation-related adjustments and assumed federal funding increases.*