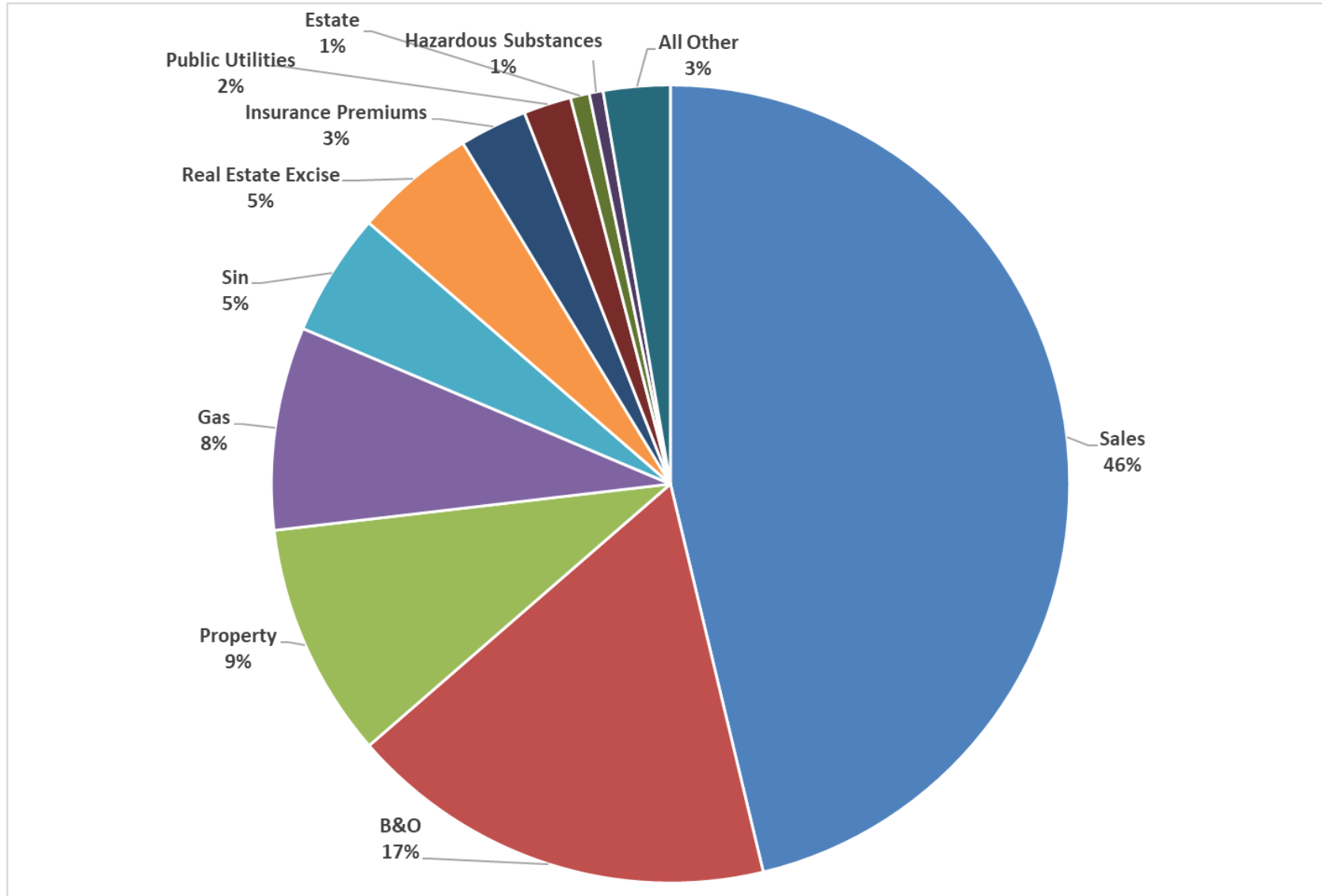
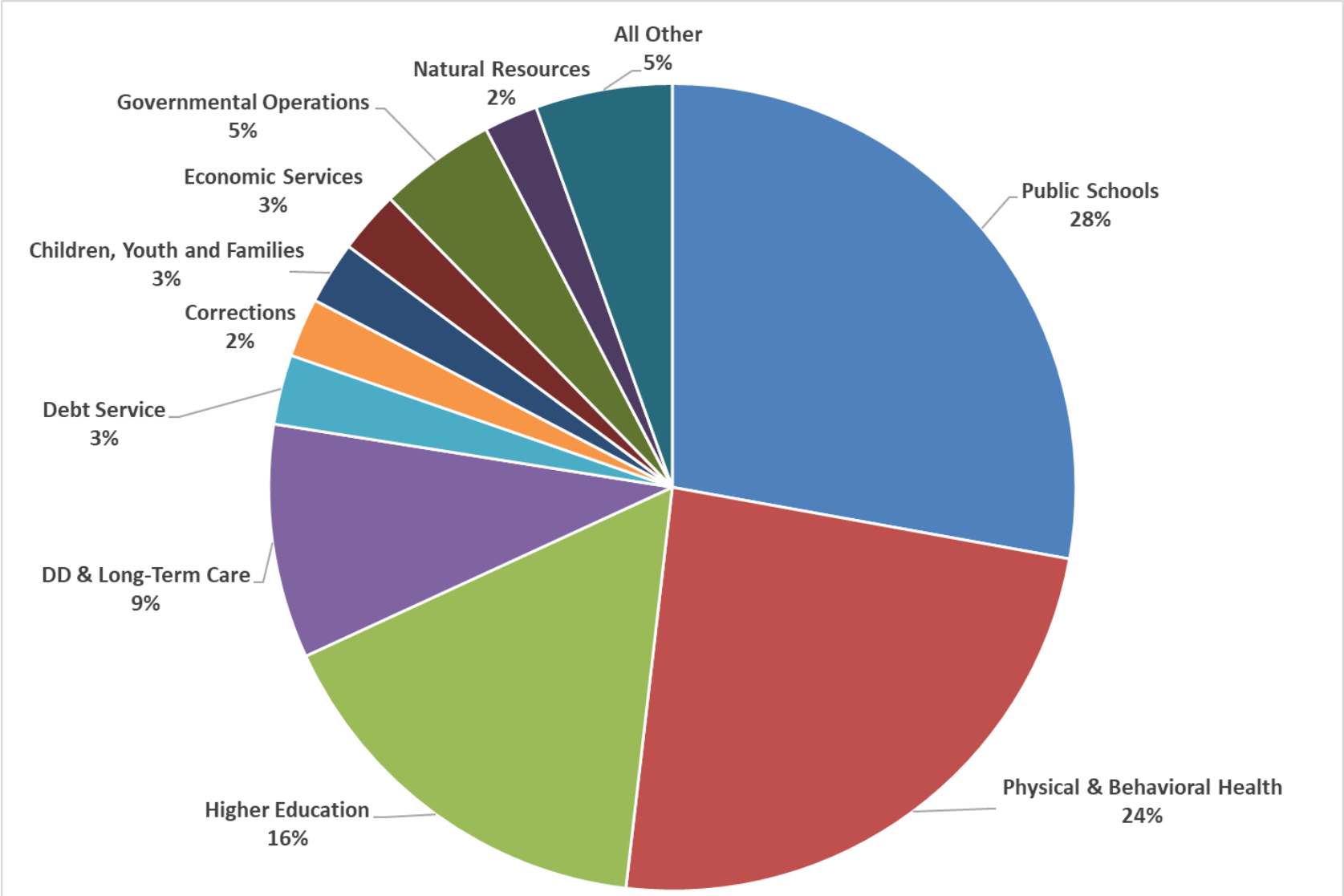


FY 2017 Taxes - All sources (\$22 Billion)

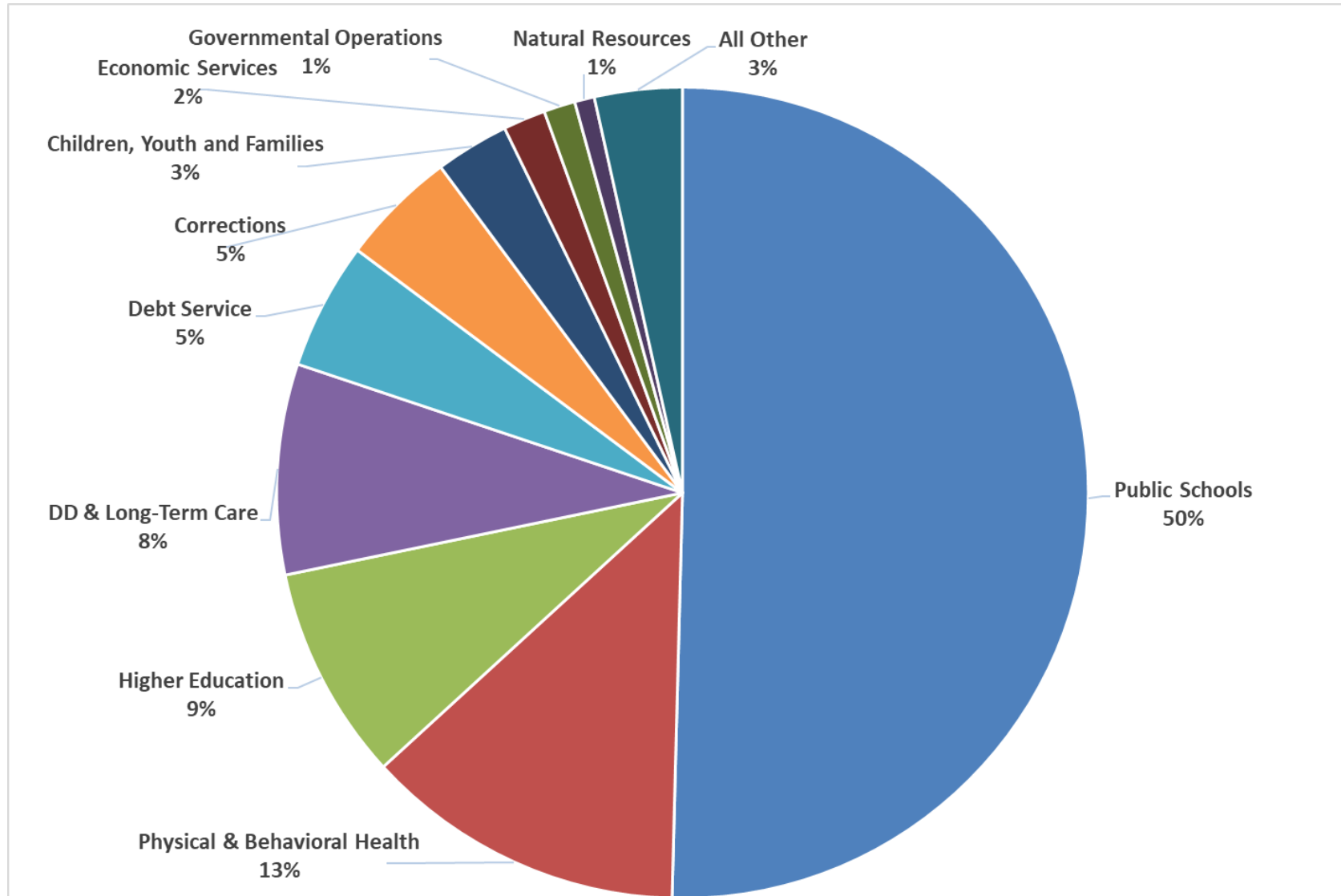


2017-19 Operating Budget

All appropriated funds (\$75 Billion)



2017-19 Operating Budget Near General Fund-State (\$45 Billion)



4-Year Budget Outlook

- **State Operating Budget must balance over a 4-year time horizon**
- **New budget begins with November outlook in even-numbered years**
- **November 2018 is the first November outlook to project a balanced budget in all 4 upcoming years**
- **Projected Ending Fund Balances:**
 - **FY 2020: \$1.1 B**
 - **FY 2021: \$700 M**
 - **FY 2022: \$200 M**
 - **FY 2023: \$200 M**

Budget Stabilization Account 'Rainy Day Fund'



4 Ways to Appropriate Money from the Rainy Day Fund:

FY 2017: \$1.6 B
FY 2018: \$1.4 B

FY 2019: \$1.6 B
FY 2020: \$1.8 B
FY 2021: \$2.1 B
FY 2022: \$2.5 B
FY 2023: \$2.8 B

- **60% Vote of both chambers (money can be used for any purpose)**
- **50% Vote when employment growth is less than 1%**
- **50% Vote to pay for Governor-declared emergencies**
- **50% Vote when fund balance exceeds 10% of annual revenues**
(Funds must be deposited in School Construction Account)

Pension funding in Washington state

- **WA State Operates 3 closed and 10 open pension plans**
- **Overall system is 86% funded**
- **Most plans are 88-95% funded**
Exceptions: PERS 1 (57%) TRS 1 (60%) LEOFF 1 (131%) LEOFF 2 (109%)
- **Significantly underfunded plans (PERS & TRS 1) are on a 10-year payment plan**
- **WA has generally recognized reduced investment return rates and increased life expectancies faster than most peer states**

Reports offer positive news



- **WA is one of 14 states considered “low risk” in a state budget “stress test” (Moody’s Analytics)**
- **WA has the 7th highest reserves of all states in a moderate recession scenario. In a severe recession scenario, we are in the 9th best shape. (S&P Global Ratings)**