



October 2021

2021-23 Budget Update

OFM

OFFICE OF FINANCIAL MANAGEMENT

State budget timeline

State agencies

SEPT 2021
Agencies
submit budget
requests

Governor & Office of Financial Management (OFM)

JUNE 2021
OFM issues
budget
instructions

SUMMER–FALL
2021
Collective
bargaining occurs

NOV 2021
Quarterly revenue
& caseload
forecasts

OCT 2021
Determination of
employee contract
financial feasibility

FALL 2021
OFM reviews &
governor
decides

DEC 2021
Governor proposes
budget to
Legislature

JUNE–JULY 2022
Agencies submit
detailed spending
plans

JULY 1, 2022
Biennial budget
takes effect

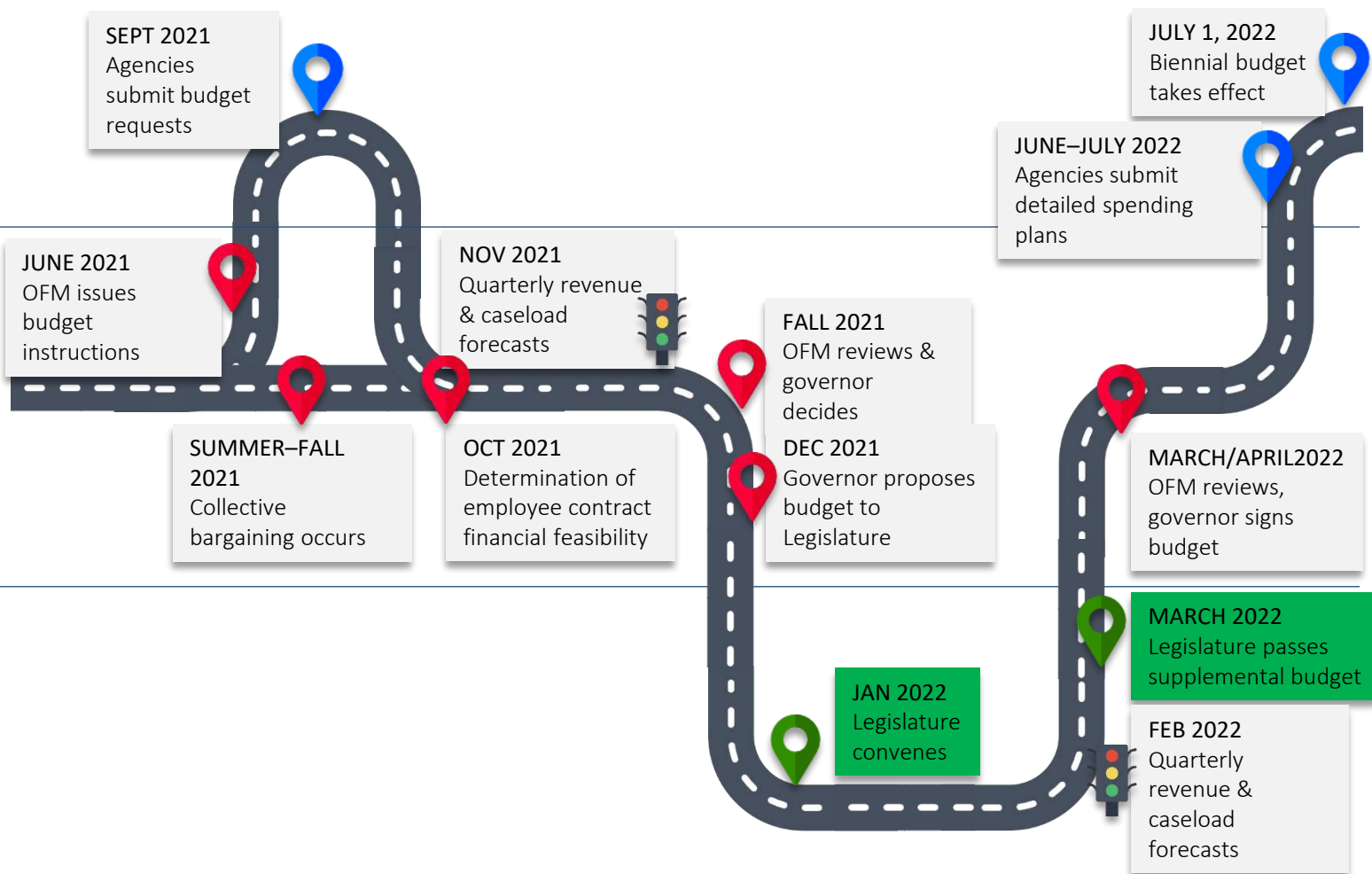
MARCH/APRIL 2022
OFM reviews,
governor signs
budget

State Legislature

JAN 2022
Legislature
convenes

MARCH 2022
Legislature passes
supplemental budget

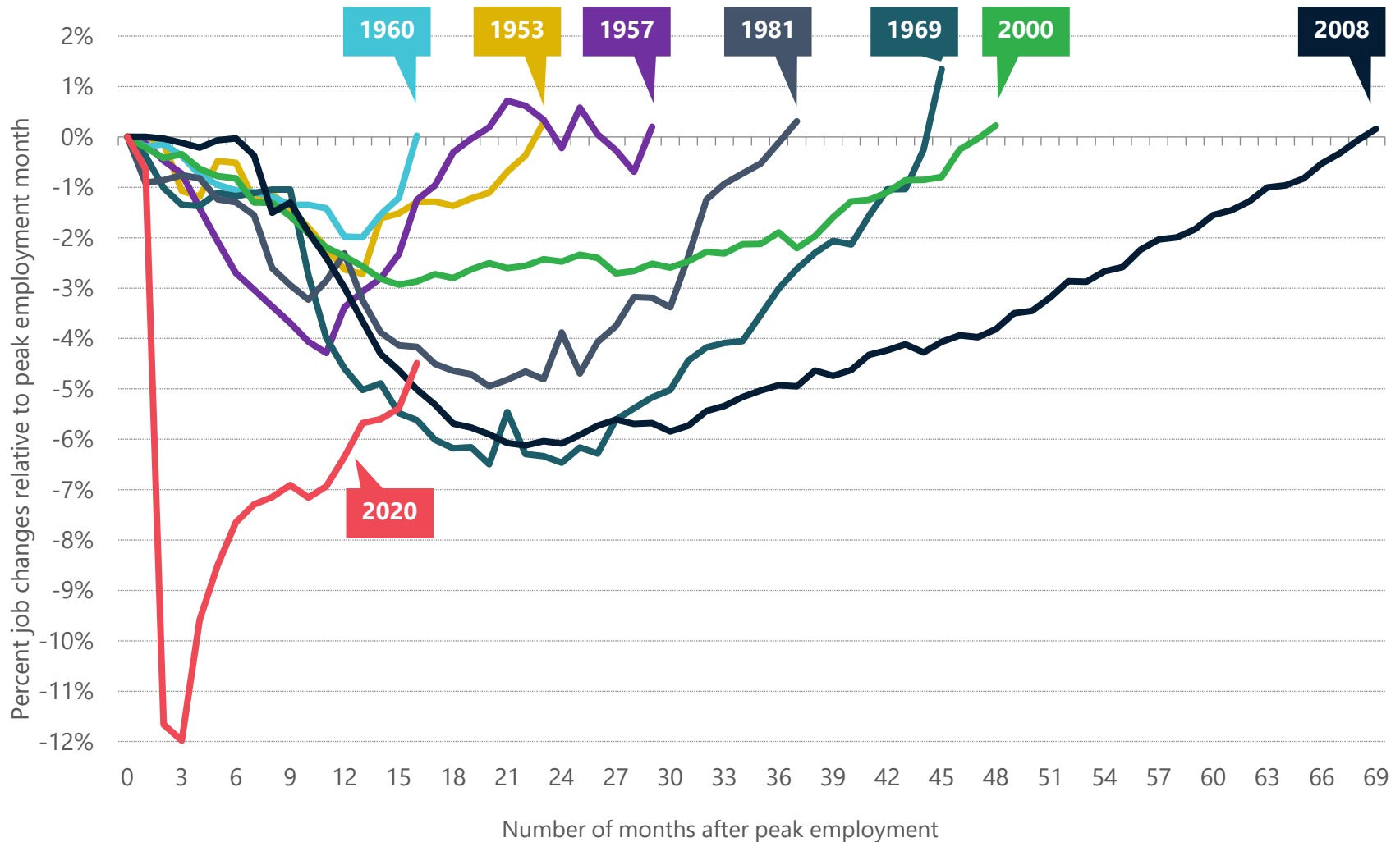
FEB 2022
Quarterly
revenue &
caseload
forecasts



How things looked in spring 2020

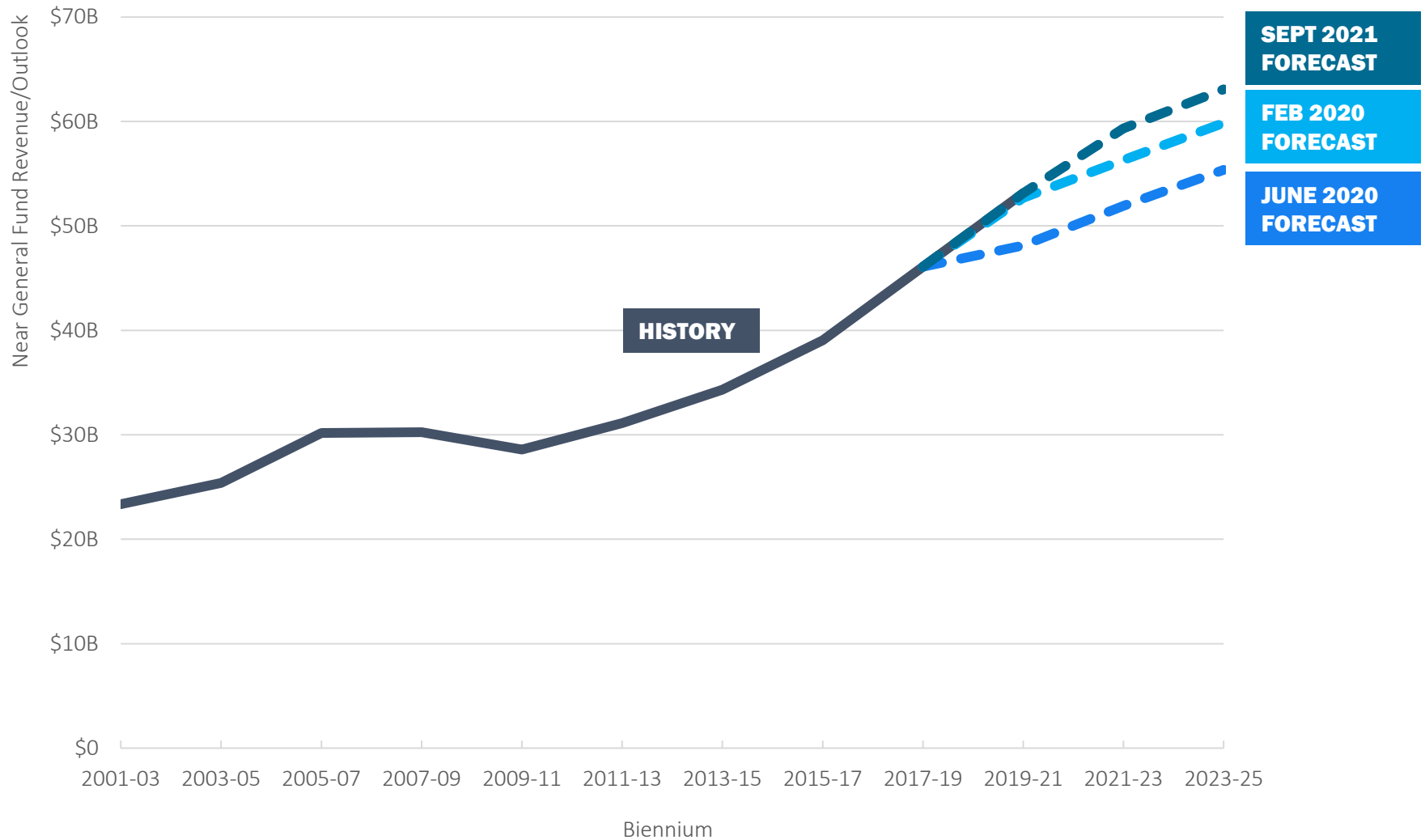
- Unprecedented job losses during first months of the pandemic
- May 2020 employment was 444,700 (12.6%) lower than expected in February
- June revenue forecast for 2019-21 and 2021-23 reduced by nearly \$9 billion

Job losses and duration of post-WWII recessions in Washington



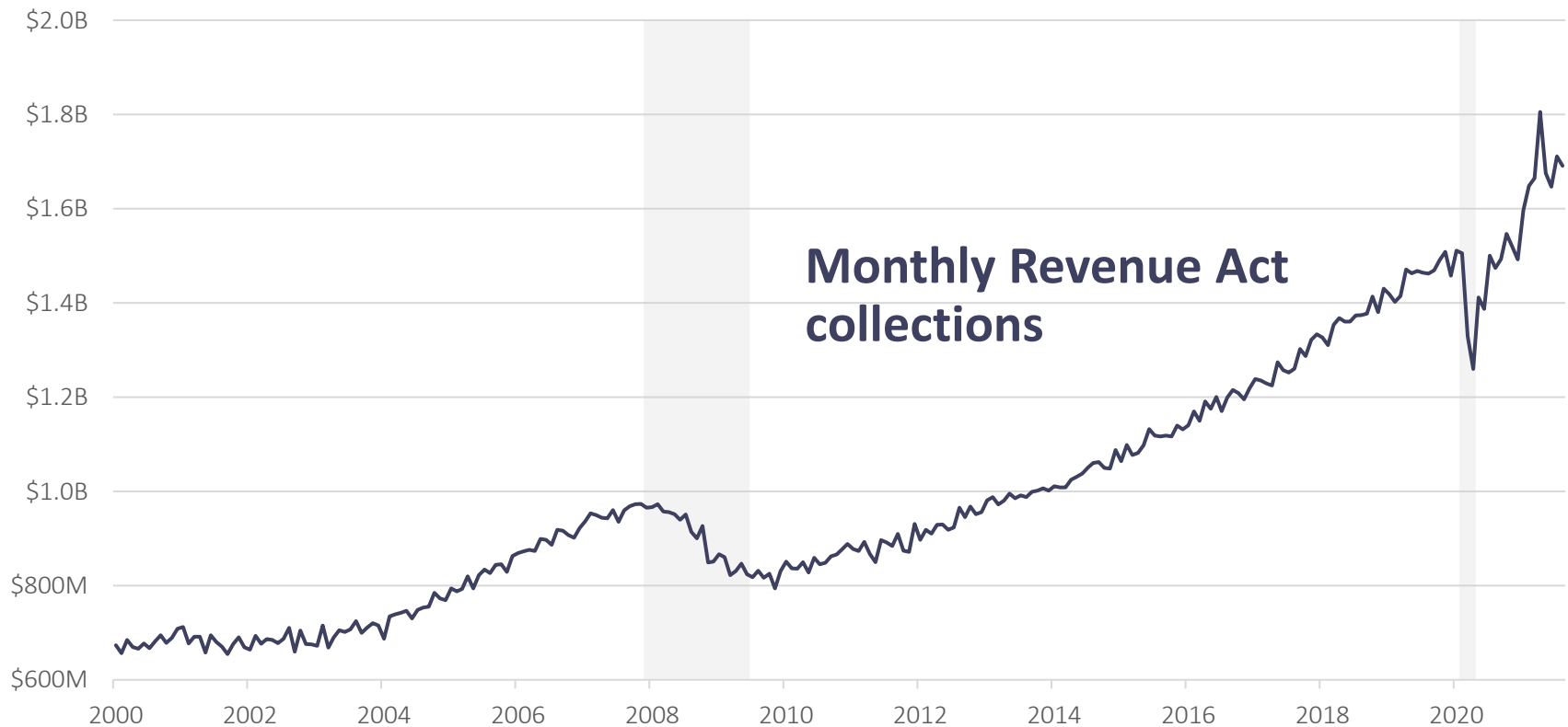
Revenues now forecast to be above pre-pandemic expectations

Near General Fund Outlook



Revenue collections rebound

Since June 2020, the state's economy stabilized and revenue projections for the 2019–21 and 2021-23 biennia have been increased by more than \$12 billion.



Source: Economic and Revenue Forecast Council

American Rescue Plan Act, 2021 (Public Law 117-2)

State funding: \$4.44 billion (estimated)

- \$4.25 billion in flexible dollars
- \$189 million in “capital project” dollars
- Received in March 2021 and expires in Dec. 2024

Emergency Rental Assistance Program: \$404 million (estimated)

Unemployment insurance: \$300/week through Sept. 4
(\$10,200 tax-deductible for some)

FMAP: 10% for state expenditures on Home and Community-Based Services (HCBS) for four fiscal quarters (capped at 95%)

Child Care Stabilization Grants: \$390.6 million (estimated)

- 90% must be sub-granted to eligible care providers

Individuals with Disabilities in Education Act – state grants:
\$48.7 million (estimated)

Build Back Better/Infrastructure package

Build Back Better Act

Provides funding, establishes programs, and otherwise modifies provisions relating to a broad array of areas, including education, labor, child care, health care, taxes, immigration, and the environment.

Infrastructure Investment and Jobs Act

\$1.2 trillion in funding for infrastructure programs across the transportation, energy and water sectors, through a combination of grants, loans and tax incentives

What to expect in supplemental budgets

- **Operating**
- **Capital**
- **Transportation**



FOR MORE INFORMATION:

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