2020 LEGISLATIVE SESSION & BUDGET

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WHERE WE ARE NOW: CURRENT ECONOMY

> The November revenue forecast projected continued growth, but at a slower pace.
> Personal income continues to be high, and unemployment rates continue to be low.
> Total available General Fund revenue is expected to exceed previous projections, but growth is expected to slow in the coming year.
WHERE WE ARE NOW:
2019-21 BIENNIAL OPERATING BUDGET

> Appropriated ~$811 million in general funding to the University over the biennium
> Continued resident undergraduate tuition policy, which allows increases of just over 2% in each year
> Partially funded compensation and benefits increases for faculty and staff
  – Authorized faculty and professional staff salary increases of 2.0% in each FY20 and FY21
  – Approved collective bargaining agreements
> Made targeted investments:
  – $2.5 million each per year for Harborview & UW Medical Center
  – $1 million per year for the School of Dentistry to support the continued treatment of uninsured and underinsured patients
  – Other research and program expansions
WHERE WE ARE NOW: WORKFORCE EDUCATION & INVESTMENT ACT

As part of the 2019-21 budget package, the legislature approved HB 2158, the Workforce Education Investment Act.

> The bill created a dedicated source of funding for higher education through an increase B&O taxes on professional services:
  
  – $25 million over the biennium in “foundational support” to increase the share of state funding for compensation and central service increases in 2019-21
  
  – $10.3 million over the biennium to fund the University’s request for STEM enrollments at all three campuses. Overall, these investments will result in nearly 300 additional degrees per year by FY25
WHERE WE ARE NOW:  
2019-21 BIENNIAL CAPITAL BUDGET

> Funded University requests for the biennium:
  – Health sciences education building
  – STEM-related buildings across all three campuses
  – Seismic upgrades

> New behavioral health teaching facility at UW Medical Center Northwest.
SUPPLEMENTAL SESSION

> Supplemental sessions last 60 days, with the possibility of one or more 30-day special sessions

> Supplemental budgets are intended to accommodate:
  – Technical corrections
  – Changes in expected Near General Fund- State (NGF-S) revenue from revenue forecasts
  – Changes in legally-mandated caseloads or workloads

> All bills from the previous session are automatically reintroduced (unless passed)

> Members also can (and do) submit new bills
2020 SESSION TIMELINE

> September or October – UW submitted state budget requests
> December – The Governor submitted recommended budgets to the legislature
> January 13 – Legislative session begins
> March 12 – Legislative session is scheduled to end
> July 1 – State budget becomes effective
GOVERNOR INSLEE’S PROPOSED 2020 SUPPLEMENTAL BUDGETS

> No significant changes to the enacted biennial operating budget and does not propose any new revenue streams.

> Transfer of nearly $28 million of Near General Fund State (NGF-S) to the Workforce Education Investment Account (WEIA) to ensure that the fund would not go into deficit.

> The most significant adjustments for the UW are:
  – A shift of allocations to provide one-time payments to eligible represented employees at the UW, and;
  – A significant increase to the amount that the Governor’s Office of Financial Management (OFM) will bill the University for central services charges beginning in FY21.
  – Funds the UW’s request for $1 million in new state funding for the Magnuson Health Sciences Phase II – Renovation/Replacement.
AS A REMINDER...

> Leadership in the House and Senate will release their own budget proposals over the course of session.
> OPB will review budgets as they are released and will produce budget briefs for all major budget proposals
> Stay tuned to session related emails and the OPBlog (https://www.washington.edu/opb/opb-blog/) for updates regarding:
  – Budget proposals
  – Revenue forecasts
QUESTIONS?