ECONOMIC & REVENUE UPDATE

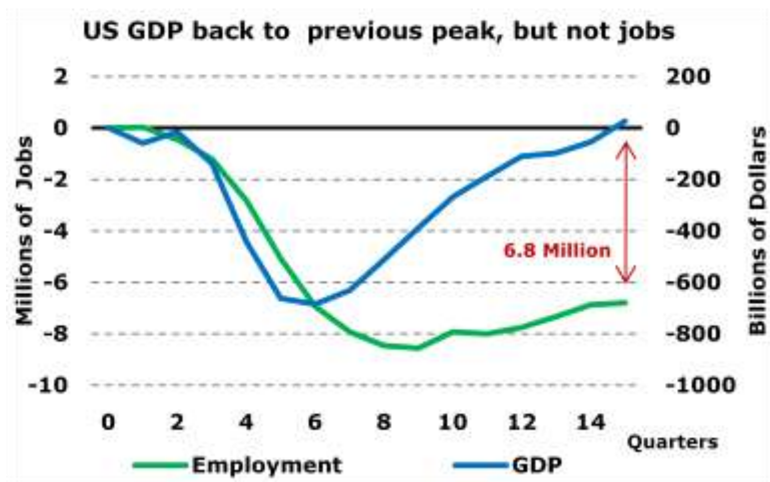
11 November 2011

summary

- **The U.S. economy has performed as expected in the last forecast, but the outlook remains extremely uncertain.**
- **Like the nation, the Washington economy has performed close to expectation. The state continues to benefit from strength in aerospace, software, agriculture and exports. However, there are significant risks to the state economy from outside the state, i.e. Europe and the other Washington.**
- **Major General Fund-State revenue collections for the October 11 – November 10, 2011 collection period were $22.5 million (1.9%) lower than the September forecast. Cumulatively, however, collections in the two months since the forecast are only $11.8 million (0.5%) lower than forecasted. While revenue is coming in close to the forecast, there are still considerable downside risks.**

united states

United States



The economy is performing as expected in our September forecast. Yet another month has passed and there were no unpleasant surprises, despite the level of uncertainty in our baseline expectations remaining extremely high. The biggest threat to the U.S. economy remains the sovereign debt crisis in southern Europe. If the contagion spreads from Greece to Italy or any of the other countries at risk, and from there to European banks, then U.S. banks are not immune to the peril from the unwinding of losses; nor is the U.S. economy. This is reflected in the increased recent volatility in equity markets. A secondary risk to the recovery is the political gridlock in Washington D.C. that has fiscal policy sitting it out on the sidelines. This has led to a steady erosion of both consumer and business confidence. Our preliminary economic forecast released on November 4, 2011 was very similar to our September forecast, with the same muddle-through conditions expected for the rest of the biennium, along with a high level of uncertainty. Our final forecast will be presented on November 17, 2011.

Data releases since the September forecast have been mildly encouraging, but only because expectations were so low. Real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 2.5% (SAAR) in the third quarter, almost twice as fast as the second quarter's 1.3% (SAAR), but still modest. Real consumer spending grew 2.4% (SAAR) in the third quarter, but its sustainability is questionable since real disposable personal income fell by 1.7% (SAAR) over the same period. The September savings rate has dropped to 3.6%, well below its post-recession peak of 5.8% in June of 2010.

united states

Real GDP is now back up to its pre-recession peak, but it is being produced with 6.8 million fewer jobs (see figure). Growth in jobs has been excruciatingly slow in this recovery. The economy added just 80,000 net new jobs in October, although the previous two months were revised up a combined 102,000. Cutbacks in the public sector continue to weigh down the employment recovery with cuts of 24,000 across all levels of government. Almost 14 million people remained unemployed. Earnings rose by 5 cents to $23.19 per hour, although growth in worker pay has failed to keep up with inflation over the past 12 months. The unemployment rate dipped slightly to 9.0% from 9.1%, but is still elevated.

Housing remains weak. Although housing starts improved to 658,000 (SAAR) units in September, it was mainly due to the volatile multi-family segment. More importantly for the future, housing permits fell 5% to 594,000 (SAAR). New home sales, which are a small fraction of the market, grew 5.7% to 313,000 (SAAR) units. Existing home sales fell 3% to 4.9 million (SAAR) units. The Case-Shiller 20-city index was flat in August, and was 3.9% below a year ago. Prices are expected to stay weak as more foreclosed properties hit the market.

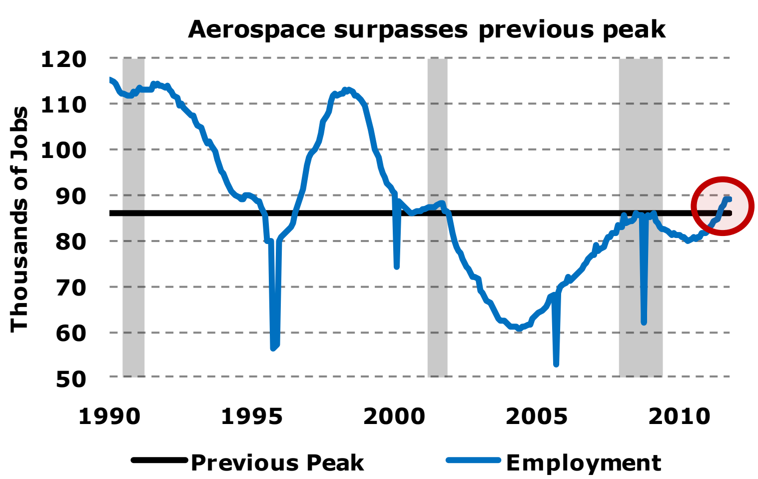
Industrial production grew 0.2% (SA) in September, following a flat August. The Institute for Supply Management's manufacturing Purchasing Managers Index for October fell by eight-tenths of a percentage point to 50.8, barely above the break-even 50 mark, which indicates growth. The non-manufacturing index which fell one-tenth of a percentage point to 52.9 also indicates continuing growth in services, albeit at a marginally slower rate. Core capital goods orders (i.e. durables excluding aircraft and military) which are a proxy for business investment, rose 2.4% (SA) in September. Light motor vehicle (LMV) sales ticked up 1.2% (SA) in October to 13.3 million (SAAR) units, driven mostly by replacement demand.

Consumer confidence is in the doldrums looking for direction. The Conference Board's index dropped to 39.8 in October, its lowest reading since March 2009. The preliminary November University of Michigan consumer sentiment measure moved up to 64.2, but remains at historically low levels.

washington

WASHINGTON

We expect Washington's economy to outperform the U.S. in the recovery. Boeing and Microsoft are both hiring again. The aerospace sector has added 8,800 jobs since May 2010, which is 2,800 more than the number lost during the recession (see figure), while the software sector has added 2,000 jobs since December 2009, making up for most of the 2,500 jobs lost during the recession. The state's farming and export sectors are also doing well. Washington exports were up 29% in the third quarter of this year compared to the previous year. Construction, however, remains weak and has a disproportionately negative impact on revenue. Although the state economy appears to be turning around, we face significant risks from the global and national economies. The most



washington

significant risk to continued expansion is the European sovereign debt crisis, followed by political gridlock in Washington D.C.

We have one more month of Washington employment data since the September forecast was released. We estimate that the Washington economy lost a total of 5,400 jobs in September. We had expected a modest gain of 1,600 jobs in the September forecast. The loss of 5,900 government jobs accounted for more than the overall decline in the month. State and local government employment fell by 7,100 jobs, due to cuts in education. We do not think the steep education cuts will continue. The large decline in September coincided with the beginning of the school year and probably reflected past budget decisions. Private sector employment was up by 500 jobs which, though positive, was still short of the 2,400 private sector jobs we had expected. Manufacturing employment grew by 2,000, boosted by 1,100 net new aerospace jobs, but construction employment declined by 100. Private service-providing industries lost 1,400 jobs in September. We had expected an increase of 1,800 jobs.

As noted above, one of our state's advantages in the current recovery is our exports and in particular those to the growing economies in the Pacific Rim. Washington State exports rose 29% in the third quarter of 2011 compared to the third quarter of 2010. Exports of transportation equipment (mostly Boeing planes) were up 22% compared to the previous year. Transportation equipment exports normally account for about 50% of our exports. Excluding transportation equipment, exports were up 35% over the year. Exports of manufactured products other than transportation equipment were up 40% and exports of agricultural products, second only to transportation equipment in value, were up 27%.

Total housing permits came in at 21,200 units (SAAR) in the third quarter of 2011 which was slightly better than the 20,100 we had expected but down from 25,900 units in the second quarter. As expected, multi-family permits dropped sharply in the third quarter to 7,800 units from an unusually strong 13,400 units in the second quarter. Single-family permits edged up from 12,600 units in the second quarter to a still weak 13,400 units in the third quarter. We continue to believe the trend is positive in multi-family housing due to rising rents and declining apartment vacancies. The outlook for single-family construction is flat to negative.

We expect the Washington economy to outperform the U.S. economy in this recovery. However, the national outlook has weakened since the September forecast was released, and this is reflected in a weaker state forecast as well. In our preliminary November economic forecast the job growth forecast for 2011 was unchanged at 1.1% but we lowered growth in 2012 and 2013 to 1.1% and 2.0% from the 1.4% and 2.1% expected in the September forecast. Our preliminary November personal income growth forecast for 2011 is also unchanged at 4.9% but we lowered our forecast for 2012 and 2013 to 2.7% and 4.4% from 3.0% and 4.5%. Our final November economic and revenue forecast will be released on Thursday, November 17, 2011.

revenue

REVENUE COLLECTIONS

Overview

Revenue collections continue to come in close to the September forecast, but the most recent month saw cumulative collections fall slightly below the forecast. The largest shortfalls were in Revenue Act and real estate excise tax collections.

Major General Fund-State (GF-S) revenue collections for the October 11 – November 10, 2011 collection period were $22.5 million (1.9%) lower than the September forecast.

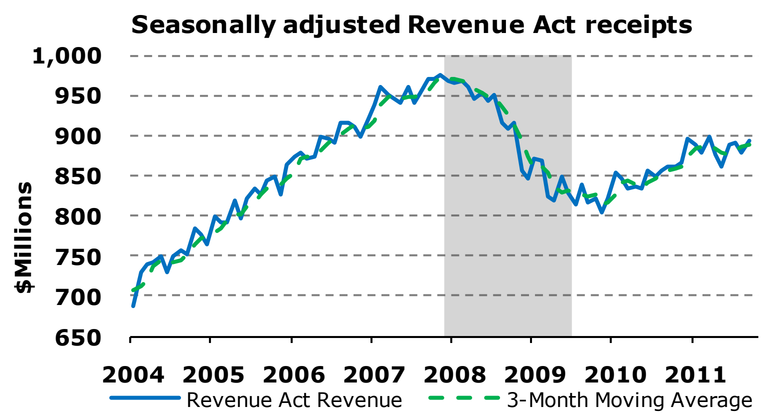
Cumulatively, collections in the two months since the forecast are only $11.8 million (0.5%) lower than forecasted.

Revenue Act

The revenue collections reported here are for the October 11 – November 10, 2011 collection period. Collections correspond primarily to September 2011 economic activity for monthly filers and third quarter 2011 activity for quarterly filers.

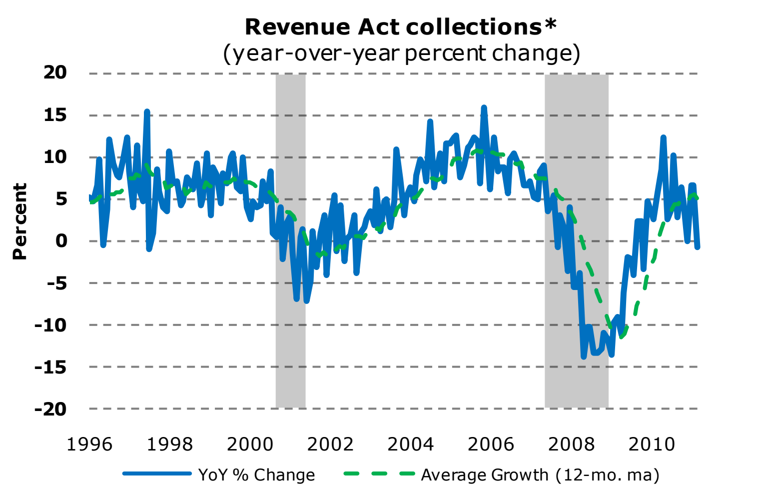
Revenue Act collections for the current period came in $25.0 million (2.5%) below the September forecast. Cumulatively, collections in the two collection periods since the forecast are $9.2 million (0.5%) lower than forecasted. During the previous collection period, however, there was an unforeseen transfer of $6.5 million from non-Revenue Act funds into the Revenue Act account. Without the transfer, cumulative Revenue Act collections would have come in $15.7 million (0.8%) below the forecast.

Seasonally adjusted receipts came in above last month's level (see figure). The three-month moving average of collections also increased. The moving average has now increased for three consecutive months



January 2004 through September 2011 preliminary activity,
ESSB 5073 definition, adjusted for large payments/refunds and timing of payments

Revenue Act collections decreased 0.7% year-over year in the current period (see figure). In the previous period revenues adjusted for last month's $6.5 million transfer had increased 6.5%. As reported in earlier Economic and Revenue Updates, however, year-over-year growth rates since the December 2010 report have been distorted by the shift of a large number of taxpayers from quarterly to monthly filing status. Adjusting for both one-time payments/refunds and the estimated effect of the change in the timing of payments from new monthly taxpayers, revenues would have increased approximately 3.8% year-over year in the current period and 3.9% year-over year in the previous period.



*Growth adjusted for definition change and unusually large assessment payments, refunds etc.

As shown in the "Key Revenue Variables" table, preliminary unadjusted ERFC monthly estimates indicate retail sales tax collections decreased 3.1% year-over-year. This decrease was mainly due to the abovementioned shift of taxpayers from quarterly to monthly filing but is also due to last year's short-lived tax on candy and bottled water.

Without these changes, collections would have increased approximately 1.5% year-over-year. Preliminary B&O taxes increased 4.8% year-over-year. Without the shift in taxpayer filing patterns, collections would have been up approximately 11%.

Tax payments as of October 28th from electronic filers who also paid in the October 11 – November 10 collection period of last year were up 0.9% year-over-year. While this number is lower than last month's increase of 5.2%, this growth rate and those presented below are understated due to the shift of taxpayers from monthly to quarterly status mentioned above. The understatement is due to the electronic filers who reported monthly receipts in the current period but reported receipts for an entire quarter when they filed in the same period last year.

Some details of payments from electronic filers:

- Payments in the retail trade sector were up 1.4% year-over-year. In the previous period, year-over-year payments increased 4.3%. Year-over-year growth for both reporting periods were negatively impacted by last year's short-lived application of the retail sales tax to candy and bottled water, which added an estimated $5-$6 million to last year's payments.

- Payments from the motor vehicle and parts sector increased 4.9% year-over-year. In the previous period, year-over-year payments increased 2.7%. Excluding the auto sector, payments from the retail trade sector were up 0.5% year-over-year in the current period and 4.7% in the previous period. Excluding the effects of last year's taxes on candy and bottled water, year-over-year growth in payments from the retail trade sector excluding motor vehicles and parts would have been approximately 2% in the current period.

- Retail trade sectors showing strong year-over-year increases in tax payments were gas stations and convenience stores (+8.2%), electronics and appliances (+7.4%), non-store retailers (+5.4%) and furniture and home furnishings (+5.3%). Food and beverage stores showed a large 11.5% decline, but this growth rate was negatively impacted by both the presence of quarterly filers in last month's collections and last year's taxes on candy and bottled water. Miscellaneous retailers and general merchandise stores also showed year-over-year declines (-4.9% and -0.9% respectively).

- Payments in non-retail trade sectors were up 0.6% year-over-year in the current period and 5.7% in the previous period.

- Payments in the construction sector were down 4.7% year-over-year. Payments in the manufacturing sector were up 3.9%, with strong growth in gross receipts from petroleum refiners outweighed by a large year-over-year decrease in payments from the transportation equipment sector.

- Excluding the construction sector, total payments were up 1.7% year-over-year and payments from non-retail trade sectors were up 1.9%. Excluding both construction and manufacturing, total payments were up 1.5% and payments from non-retail trade sectors were up 1.6%.

DOR Non-Revenue Act

October collections were $2.5 million (1.5%) above the September forecast. October DOR non-Revenue Act collections were down 2.3% year-over-year due to weak real estate excise tax receipts this year and last year's presence of a tax on bottlers of carbonated revenue collections

beverage that has since been repealed. Cumulatively, collections for September and October are $3.4 million (1.3%) below the forecast.

Most of this month's positive variance came from property tax collections, which came in $5.6 million (17.0%) higher than forecasted. As taxes were due on October 31st and are mainly tallied in November, the variance represents of a larger-than-expected portion of early payments rather than an expected increase in the amount of taxes that will be paid. Cumulatively, collections are $6.8 million (15.9%) greater than forecasted.

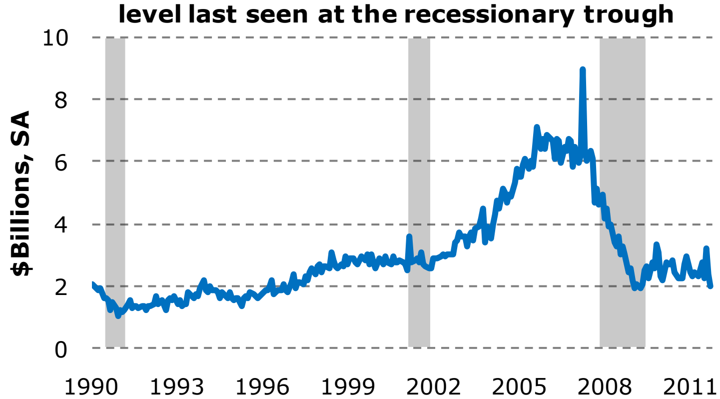
"Other" revenue came in $2.9 million higher than forecasted due to larger-than-expected transfers of unclaimed property into the General Fund. Cumulatively, however, collections are $3.2 million (6.0%) lower than forecasted.

Liquor tax receipts came in $1.1 million (6.9%) higher than forecasted. Collections were up 7.2% year-over-year. Cumulatively, collections are $1.4 million (4.3%) greater than forecasted.

Real estate excise taxes came in $5.4 million (18.8%) lower than forecasted. Part of the negative variance was due to a late payment by one county in the amount of $1.1 million. The payment was received on November 1st and will be counted in next month's collections. Collections were down 24.2% year-over-year (20.6% adjusting for the late payment) after increasing 13.5% year-over-year last month. Seasonally adjusted taxable activity, corrected for the late payment, dropped to a level very close to its recessionary low (see figure). Due to the erratic nature of recent taxable activity, it is too early to tell whether this month's collections represent a renewed downturn or just another large fluctuation. Cumulatively, collections for September and October are $6.4 million (10.4%) below the forecast.

October cigarette tax receipts came in $1.9 million (5.2%) lower than forecasted. Collections were up 2.7% year-over-year. Cumulatively, collections are $2.3 million (3.0%) below the forecast.

October taxable REET activity dropped to a level last seen at the recessionary trough



Source: ERFC, data through October 2011 preliminary activity

Other Revenue

Department of Licensing receipts for October were $24,000 (8.8%) higher than the September forecast. Cumulatively, collections for September and October are $59,000 (7.9%) above the forecast.

October revenue from the Administrative Office of the Courts was $14,000 (0.2%) lower than forecasted. Cumulatively, collections are $672,000 (4.2%) higher than forecasted.

Key U.S. Economic Variables

	2011 May	Jun.	Jul.	Aug.	Sep.	Oct.	2009	2010
Real GDP (SAAR)	-	1.3	-	-	2.5	-	-3.5	3.0
Industrial Production (SA, 2002 = 100)	93.0	93.0	94.0	94.0	94.2	-	85.5	90.1
Y/Y % Change	*3.4*	*3.3*	*3.5*	*3.3*	*3.2*	-	*-11.2*	*5.3*
ISM Manufacturing Index (50+ = growth)	53.5	55.3	50.9	50.6	51.6	50.8	46.3	57.3
ISM Non-Manuf. Index (50+ = growth)	54.6	53.3	52.7	53.3	53.0	52.9	46.2	54.1
Housing Starts (SAAR, 000)	553	615	615	572	658	-	554	585
Y/Y % Change	*-4.7*	*14.1*	*11.8*	*-5.6*	*10.2*	-	*-38.4*	*5.6*
Light Motor Vehicle Sales (SAAR, mil.)	11.7	11.6	12.2	12.1	13.1	13.3	10.4	11.6
Y/Y % Change	*0.7*	*3.5*	*5.9*	*5.0*	*10.8*	*8.9*	*-21.5*	*11.6*
CPI (SA, 1982-84 = 100)	224.8	224.3	225.4	226.3	227.0	-	31.5	32.5
Y/Y % Change	*3.4*	*3.4*	*3.6*	*3.8*	*3.9*	-	*1.6*	*3.0*
Core CPI (SA, 1982-84 = 100)	224.4	225.0	225.5	226.0	226.1	-	32.7	33.6
Y/Y % Change	*1.5*	*1.6*	*1.8*	*2.0*	*2.0*	-	*1.3*	*2.5*
IPD for Consumption (2000=100)	113.8	113.6	114.1	114.4	114.6	-	109.2	111.1
Y/Y % Change	*2.6*	*2.6*	*2.8*	*2.9*	*2.9*	-	*0.2*	*1.8*
Nonfarm Payroll Empl., e-o-p (SA, mil.)	131.0	131.0	131.2	131.3	131.4	131.5	129.3	130.3
Monthly Change	*0.05*	*0.02*	*0.13*	*0.10*	*0.16*	*0.08*	*-5.06*	*0.94*
Unemployment Rate (SA, percent)	9.1	9.2	9.1	9.1	9.1	9.0	9.3	9.6
Yield on 10-Year Treasury Note (percent)	3.17	3.00	3.00	2.30	1.98	2.15	3.26	3.21
Yield on 3-Month Treasury Bill (percent)	0.04	0.04	0.04	0.02	0.01	0.02	0.15	0.14
Broad Real USD Index** (Mar. 1973=100)	81.3	80.9	80.5	81.1	83.5	84.4	91.4	87.1
Federal Budget Deficit ($ bil.)*	57.6	43.1	129.4	134.1	61.5	98.5	1,415.7	1,294.2
FYTD sum	*927.4*	*970.5*	*1,099.9*	*1,234.0*	*1,295.6*	*98.5*		
US Trade Balance ($ bil.)	-50.2	-51.6	-45.6	-44.9	-43.1	-	-381.3	-500.0
YTD Sum	*-233.4*	*-285.0*	*-330.6*	*-375.5*	*-418.6*	-		

**Federal Fiscal Year 2009 runs from Oct. 1, 2008 to Sept. 30, 2009.*

***Weighted average of U.S. dollar foreign exchange values against currencies of major U.S. trading partners, Federal Reserve.*

Key Washington Economic Variables

	2011 May	Jun.	Jul.	Aug.	Sep.	Oct.	2009	2010
Employment							*End-of-period*	
Total Nonfarm (SA, 000)	2,812.6	2,816.1	2,822.8	2,825.2	2,819.8	-	2,773.8	2,796.4
Change from Previous Month (000)	*-3.3*	*3.5*	*6.8*	*2.4*	*-5.4*	-	*-141.5*	*22.7*
Construction	137.6	137.6	138.6	138.5	138.4	-	146.0	138.3
Change from Previous Month	*-0.3*	*0.0*	*1.0*	*-0.2*	*-0.1*	-	*-38.6*	*-7.6*
Manufacturing	266.1	267.1	268.1	270.0	272.0	-	256.9	260.1
Change from Previous Month	*0.4*	*1.0*	*1.1*	*1.9*	*2.0*	-	*-27.8*	*3.2*
Aerospace	84.7	86.0	87.2	87.9	89.0	-	81.1	81.9
Change from Previous Month	*0.4*	*1.3*	*1.2*	*0.7*	*1.1*	-	*-4.4*	*0.8*
Software	51.4	52.0	52.2	52.8	52.5	-	50.5	51.1
Change from Previous Month	*-0.1*	*0.6*	*0.2*	*0.6*	*-0.3*	-	*-2.5*	*0.6*
All Other	2,357.5	2,359.3	2,363.9	2,363.9	2,356.9	-	2,320.4	2,346.9
Change from Previous Month	*-3.3*	*1.8*	*4.5*	*0.0*	*-7.0*	-	*-72.6*	*26.5*
Other Indicators							*Annual Average*	
Seattle CPI (1982-84=100)	-	233.3	-	233.8	-	-	226.0	226.7
	-	*3.2%*	-	*2.7%*	-	-	*0.6%*	*0.3%*
Housing Permits (SAAR, 000)	26.7	16.6	21.4	22.1	20.3	-	16.0	19.6
	83.9%	*-17.9%*	*15.5%*	*3.1%*	*16.5%*	-	*-42.0%*	*22.9%*
WA Index of Leading Ind. (2004=100)	122.3	121.9	124.0	124.0	123.8	-	108.9	114.9
	7.5%	*7.0%*	*8.2%*	*7.8%*	*7.3%*	-	*-5.9%*	*5.5%*
WA Business Cycle Ind. (Trend=50)	9.8	8.3	8.7	11.4	9.2	-	7.8	4.6
	182.7%	*38.7%*	*69.5%*	*109.8%*	*144.0%*	-	*-80.7%*	*-40.6%*
Avg. Weekly Hours in Manuf. (SA)	43.1	42.6	43.2	42.2	42.6	-	42.0	41.8
	1.4%	*2.9%*	*2.3%*	*-0.5%*	*0.3%*	-	*-1.0%*	*-0.3%*
Avg. Hourly Earnings in Manuf.	23.9	23.9	23.9	23.4	23.8	-	23.4	23.5
	3.7%	*3.4%*	*2.7%*	*2.0%*	*1.7%*	-	*11.4%*	*0.4%*
New Vehicle Registrations (SA, 000)	16.8	16.3	16.6	15.9	16.1	15.9	14.0	15.5
	3.6%	*3.6%*	*11.7%*	*1.4%*	*4.4%*	*5.1%*	*-26.4%*	*10.8%*
Initial Unemployment Claims (SA, 000)	52.7	51.0	52.9	50.0	50.1	49.7	69.2	56.7
	-7.8%	*-14.7%*	*-12.5%*	*-17.0%*	*-15.4%*	*-9.9%*	*51.4%*	*-18.0%*
Personal Income (SAAR, $bil.)	-	299.8	-	-	-	-	278.7	287.1
	-	*5.1%*	-	-	-	-	*-3.7%*	*3.0%*
Median Home Price ($000)	-	226.9	-	-	225.3	-	255.7	245.2
	-	*-8.1%*	-	-	*-9.5%*	-	*-9.8%*	*-4.1%*

**Employment data has been Kalman filtered and does not match figures released by the BLS*

**Percentage Change is Year-over-Year*

Key Revenue Variables

Thousands of Dollars

	2010		2011									
	Nov 11-Dec 10	Dec 11-Jan 10	Jan 11-Feb 10	Feb 11-Mar 10	Mar 11-Apr 10	Apr 11-May 10	May 11-Jun 10	Jun 11-Jul 10	Jul 11-Aug 10	Aug 11-Sep 10	Sep 11-Oct 10	Oct 11-Nov 10*
Department of Revenue-Total	1,584,564	1,106,158	1,153,220	834,514	870,549	1,335,204	1,641,571	1,270,126	1,092,482	1,020,032	994,146	1,139,412
	5.7	*10.4*	*1.0*	*6.6*	*10.4*	*27.7*	*2.5*	*16.1*	*2.9*	*7.2*	*7.1*	*-1.0*
Revenue Act	857,053	835,444	1,047,776	754,431	767,732	1,179,888	861,245	816,518	983,045	899,856	896,724	976,349
	11.3	*13.2*	*0.0*	*5.0*	*11.7*	*32.2*	*7.0*	*2.0*	*2.0*	*6.7*	*7.3*	*-0.7*
Retail Sales Tax	540,948	528,065	662,598	453,708	458,338	664,871	524,437	505,397	599,837	570,586	564,760	586,565
	8.6	*10.0*	*-1.9*	*2.4*	*3.5*	*19.1*	*3.8*	*-3.3*	*1.2*	*3.4*	*5.9*	*-3.1*
Business and Occupation Tax	236,261	227,441	284,676	214,154	219,836	342,902	239,931	230,620	289,075	251,491	254,366	307,499
	17.3	*30.0*	*-0.4*	*12.3*	*30.1*	*35.7*	*13.3*	*17.8*	*1.7*	*17.6*	*15.0*	*4.8*
Use Tax	34,719	35,461	45,743	32,900	36,181	109,077	41,435	38,934	49,191	38,770	37,110	40,442
	8.5	*18.2*	*7.3*	*4.5*	*12.3*	*191.1*	*16.1*	*10.2*	*17.6*	*1.1*	*0.6*	*-4.2*
Public Utility Tax	29,190	27,393	39,451	39,836	36,583	40,003	33,817	30,194	29,135	26,206	27,936	28,869
	12.9	*-22.2*	*19.9*	*10.5*	*23.6*	*23.0*	*9.1*	*3.7*	*5.8*	*1.4*	*4.0*	*1.1*
Tobacco Products Tax	4,210	3,413	4,342	3,983	3,338	4,053	3,865	4,243	4,334	4,003	4,462	5,003
	56.2	*37.0*	*43.8*	*81.3*	*36.5*	*24.1*	*12.1*	*78.1*	*20.4*	*13.6*	*26.4*	*15.5*
Penalties and Interest	11,726	13,671	10,967	9,851	13,456	18,982	17,759	7,130	11,473	8,799	8,089	7,970
	22.5	*-11.2*	*32.0*	*-35.3*	*17.5*	*139.1*	*-1.6*	*-54.4*	*-13.7*	*-11.2*	*-40.6*	*-18.3*
Non-Revenue Act**	727,511	270,714	105,444	80,083	102,817	155,316	780,325	453,608	109,437	120,176	97,423	163,063
	-0.2	*2.4*	*12.1*	*24.9*	*1.5*	*1.4*	*-2.1*	*54.7*	*11.3*	*11.1*	*4.9*	*-2.3*
Liquor Sales/Liter	16,725	16,848	23,633	13,913	14,524	16,020	16,164	16,594	17,247	18,625	17,897	16,998
	-1.9	*5.7*	*2.4*	*-0.1*	*2.8*	*4.3*	*3.9*	*3.3*	*6.3*	*2.2*	*8.3*	*7.2*
Cigarette	26,149	36,538	29,800	25,441	27,921	28,463	23,966	107,936	38,924	41,012	37,554	34,412
	16.9	*40.6*	*15.7*	*98.3*	*17.2*	*20.8*	*-33.4*	*210.6*	*61.3*	*2.9*	*29.2*	*2.7*
Property (State School Levy)	613,332	173,492	12,406	6,857	25,700	67,364	694,837	184,883	9,491	7,295	10,583	38,957
	0.4	*-3.4*	*13.0*	*8.8*	*4.8*	*1.2*	*0.3*	*13.7*	*-12.5*	*2.8*	*7.2*	*16.8*
Real Estate Excise	26,960	33,257	22,902	19,704	27,816	28,763	27,102	39,094	31,156	45,591	31,027	23,540
	-14.5	*-6.9*	*10.7*	*4.9*	*-12.9*	*-11.9*	*-19.9*	*-0.8*	*-8.7*	*43.5*	*13.5*	*-24.2*
Timber (state share)	1,058	0	0	788	0	0	825	0	0	1,166	0	0
	31.1	*NA*	*NA*	*-14.2*	*NA*	*NA*	*27.6*	*NA*	*NA*	*-29.0*	*NA*	*NA*
Other	43,286	10,579	16,703	13,379	6,855	14,707	17,432	105,100	12,619	6,488	362	49,156
	-6.1	*52.2*	*23.6*	*18.6*	*-20.1*	*-2.5*	*-2.9*	*160.8*	*-2.9*	*-31.7*	*-96.3*	*-7.6*
Department of Licensing**	121	131	129	341	521	1,733	2,861	6,300	3,004	1,371	510	301
	-39.4	*-34.0*	*-23.4*	*20.5*	*16.6*	*65.8*	*23.0*	*-14.4*	*-20.6*	*11.5*	*3.4*	*-5.6*
Lottery**	1,912	0	0	0	0	0	0	6,651	0	0	0	0
	NA	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Administrative Office of the Courts**	8,747	7,372	7,958	6,350	8,165	9,371	8,399	7,997	8,416	7,961	8,640	7,972
	-2.8	*-4.0*	*0.4*	*-5.1*	*-0.3*	*-6.4*	*-4.9*	*11.9*	*-6.1*	*-2.1*	*9.1*	*2.3*
Total General Fund-State***	1,595,344	1,113,661	1,161,307	841,205	879,235	1,346,308	1,652,830	1,291,073	1,103,901	1,029,364	1,003,296	1,147,686
	5.8	*10.2*	*1.0*	*6.5*	*10.2*	*27.4*	*2.5*	*16.5*	*2.7*	*7.1*	*7.1*	*-1.0*

*Revenue Act components: ERFC preliminary estimates
**Monthly Revenues (month of beginning of collection period)
*** Detail may not add due to rounding. The GFS total in this report includes only collections from larger state agencies: the DOR, Lottery Commission, AOC and DOL.
Note: Italic figures refer to Year-over-Year percent change.

Revenue Forecast Variance
Thousands of Dollars

Period/Source	Estimate*	Actual	Difference Amount	Percent
October 11, 2011 - November 10, 2011				
November 10, 2011 Collections Compared to the September 2011 Forecast				
Department of Revenue-Total	$1,161,955	$1,139,412	($22,543)	-1.9%
Revenue Act** (1)	1,001,366	976,349	(25,017)	-2.5%
Non-Revenue Act(2)	160,590	163,063	2,474	1.5%
Liquor Sales/Liter	15,903	16,998	1,094	6.9%
Cigarette	36,299	34,412	(1,887)	-5.2%
Property (State School Levy)	33,309	38,957	5,648	17.0%
Real Estate Excise	28,986	23,540	(5,446)	-18.8%
Timber (state share)	0	0	0	0.0%
Other	46,092	49,156	3,064	6.6%
Department of Licensing (2)	277	301	24	8.8%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	7,986	7,972	(14)	-0.2%
Total General Fund-State***	$1,170,218	$1,147,686	($22,533)	-1.9%
Cumulative Variance Since the September Forecast (September 11, 2011 - November 10, 2011)				
Department of Revenue-Total	$2,146,134	$2,133,559	($12,575)	-0.6%
Revenue Act** (3)	1,882,234	1,873,073	(9,162)	-0.5%
Non-Revenue Act(4)	263,899	260,486	(3,413)	-1.3%
Liquor Sales/Liter	33,457	34,894	1,437	4.3%
Cigarette	74,229	71,966	(2,263)	-3.0%
Property (State School Levy)	42,738	49,540	6,802	15.9%
Real Estate Excise	60,923	54,568	(6,355)	-10.4%
Timber (state share)	0	0	0	0.0%
Other	52,552	49,518	(3,035)	-5.8%
Department of Licensing (4)	752	812	59	7.9%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	15,939	16,612	672	4.2%
Total General Fund-State***	$2,162,826	$2,150,982	($11,844)	-0.5%

1 Collections October 11, 2011 - November 10, 2011. Collections primarily reflect September 2011 activity of monthly filers. and third quarter 2011 activity of quarterly filers.
2 October 2011 collections.
3 Cumulative collections, estimates and variance since the September 2011 forecast; (September 11, 2011 -November 10, 2011) and revisions to history.
4 Cumulative collections, estimates and variance since the September forecast (September-October 2011) and revisions to history.
5 Lottery transfers to the General Fund
* Based on the September 2011 economic and revenue forecast.
**The Revenue Act consists of the retail sales, B&O, use, public utility, tobacco products taxes, and penalty and interest.
*** Detail may not add due to rounding. The General Fund-State total in this report includes only collections from larger state agencies: the Department of Revenue, Department of Licensing, Lottery Commission and Administrative Office of the Courts.