

EMBARGOED

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Revenue Review

June 25, 2019



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

REVENUE REVIEW MEETING

June 25, 2019
10:00 a.m.

- Call to order
- Approval meeting minutes:
 - June 6, 2019
 - June 11, 2019
- Economic & Revenue Forecast
 - Adoption of the Official Forecast
- Adjournment

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STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Economic Review & Budget Outlook
June 6, 2019
John L. O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, Council Chair
John Braun, Senate (via phone)
Timm Ormsby, House of Representatives (via phone)
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management

Staff

Steve Lerch, Executive Director
Budget Outlook Work Group representatives:
Pam Davidson, OFM
Sarian Scott, Senate
Dave Johnson, House

Call to Order

Representative Orcutt called the meeting to order at 10:01 a.m.

Motion

Treasurer Davidson moved to adopt the meeting minutes from March 20, 2019, seconded by Representative Orcutt. Council approved the motion at 10:02 a.m.

Budget Outlook

The Budget Outlook Work Group members requested guidance for the outlook on the following areas: debt model calculations, reversions, and state institutions bed closures and community investments.

Motion

Representative Ormsby moved that the estimates for ensuing biennium costs for the Outlook not assume a 2021-23 capital budget and bond bill. With dissenting votes from Treasurer Davidson, Senator Braun, and Representative Orcutt, motion fails at 10:14 a.m. As a result of the failed motion, the Outlook Work Group will assume the enactment of a 2021-23 capital budget and bond bill.

Motion

Representative Ormsby moved to assume K-3 compliance reversions as reflected in the 2019-21 budget, seconded by Representative Orcutt. Council approved the motion at 10:19 a.m.

Motion

Representative Ormsby moved, seconded by Representative Orcutt, absent declarative veto language, to exclude vetoed spending reductions as reversions,

maintaining the original spending authority. The Council approved the motion at 10:26 a.m.

Motion

After discussion, Senator Braun moved, seconded by Representative Orcutt, to assume costs and savings associated with state institution bed closures and community investments in the 2021-23 biennium. The Council approved the motion at 10:40 a.m.

Presentation on the Economic Forecast

Dr. Lerch presented information on the preliminary economic forecast. Dr. Lerch summarized the forecast changes and provided background information on both the U.S. and Washington economies. Discussion ensued regarding recession projections from business economists, revenue collections, and home prices in Seattle.

Adoption

With no objections presented, the economic forecast was adopted at 10:59 a.m.

Adjournment

Meeting adjourned at 11:00 a.m.



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Meeting Minutes
Budget Outlook Methodology & Adoption
June 11, 2019
John L O'Brien, Hearing Room B

Economic and Revenue Forecast Council

Members

Ed Orcutt, House of Representatives, Chair
Christine Rolfes, Senate
David Schumacher, Office of Financial
Management
Jason Richter, Deputy Treasurer

Staff

Steve Lerch, Executive Director
Budget Outlook Work Group
representatives:
Pam Davidson, OFM
Sarian Scott, Senate
Andy Toulon, House

Call to Order

Representative Orcutt called the meeting to order at 10:05 a.m.

Presentation on Budget Outlook

Pam Davidson, Andy Toulon, and Sarian Scott provided an overview of the methodology for the state budget outlook.

Adoption of the Budget Outlook

The budget outlook is adopted as put forward by the Budget Outlook Work Group and the supervisor of the forecast per RCW.82.33.010(4).

Point of Personal Privilege

The Council recognized Pam Davidson for her service on the Budget Outlook Work Group as she retires from state service.

Adjournment

Meeting adjourned at 10:20 a.m.

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**Economic & Revenue Forecast Council
State of Washington**



Economic & Revenue Review: June 25, 2019

Executive Summary

United States

- This forecast is based on a modified version of IHS Markit's June 2019 Control forecast for the U.S. economy. As usual, we have adjusted real gross domestic product (GDP) to match the Blue Chip "Consensus" GDP forecast. The June Blue Chip forecast for real GDP growth in 2019 was 2.5%, up from 2.4% in March. For 2020, the June Blue Chip forecast of real GDP growth is 1.8%, down from 1.9% in March. Real GDP growth rates for 2021 through 2023 remain unchanged at 1.7%, 1.9% and 2.0%.
- Our oil price forecast reflects the futures markets, primarily the Brent (North Sea) oil price but also the West Texas Intermediate (WTI) benchmark. This forecast was based on the Monday June 17, 2019 closing prices for Brent and WTI futures. The latest futures prices are slightly higher this year than the prices used in the March forecast; for 2020 – 2023 they are \$2 per barrel lower than in the March forecast. The refiner acquisition price of crude oil in 2019 is now expected to average \$59 per barrel, dropping to \$57 in 2020 and to \$54 by 2023.
- The U.S. economy added 75,000 net new jobs in May, down from an average of 186,000 jobs per month in the prior four months. Employment data for March and April were revised down by 75,000 jobs. Sectors with notable employment gains in May included accommodation and food services (+22,000), professional and technical services (+21,000), health care (+16,000) and administrative and support services (+15,000). Sectors with net employment declines in May included state government (-10,000), local government (-9,000), retail trade (-8,000) and information (-5,000).
- Two key measures of consumer confidence strengthened this month. The University of Michigan consumer sentiment survey increased by 5.2 points to 102.4 in May. Although consumer sentiment remained at very favorable levels, confidence significantly eroded between the mid-May survey results and responses in the last two weeks of May. The decline in sentiment was due to concerns regarding tariffs, spontaneously mentioned by 35% of all consumers. The Conference Board index of consumer confidence increased by 4.9 points in May to 134.1. Expectations regarding the short-term outlook for business conditions and employment improved, but consumers' sentiment regarding their income prospects was mixed.
- U.S. residential construction activity increased this month but continue to lag last year's levels. Housing units authorized by building permits in April were 0.6% (SA) above their March level but 5.0% below their year-ago level. April housing starts increased by 5.7% (SA) compared to March but were 2.5% below their April 2018 level. New home sales in April decreased by 6.9% (SA) relative to March but were 7.0% above their year-ago level. Existing home sales declined for a second straight month in April, falling by 0.4% to 5.19

million (SA). April existing home sales were down 4.4% from their year-ago level. The seasonally adjusted Case-Shiller national home price index for March was 0.3% above its February level and 3.7% above its year-ago level.

- Major threats to the U.S. and Washington economies remain, including international trade concerns, geopolitical risks and a maturing economic expansion.

Washington

- We have three months of new Washington employment data since the March forecast was released. Total nonfarm payroll employment rose 25,300 (seasonally adjusted) in March, April, and May which was 6,100 more than expected in the March forecast. Private services-providing sectors added 15,400 jobs in the three-month period and the construction sector added 5,900 jobs. Manufacturing gained only 200 jobs in spite of a 1,300 increase in aerospace employment. Government employment increased by 3,700 jobs.
- We have also incorporated another quarter of benchmark employment data from the Quarterly Census of Employment and Wages (QCEW). The new QCEW data and other revisions lowered the estimated level of total employment in February 2019 by 3,800 jobs (0.1%). As a result of the downward revision to history and stronger-than-expected growth, the combined effect is 2,200 (0.1%) more jobs in May 2019 than expected in the March forecast.
- Washington's unemployment rate remained at 4.7% in May after increasing in March and April. The rate was at its all-time low of 4.4% as recently as October 2018. The reason for the increase in recent months is that although employment has continued to grow, the labor force has grown faster.
- In March, the Bureau of Economic Analysis released estimates for state personal income through the fourth quarter of 2018. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the fourth quarter of 2018 is \$0.9 billion (0.2%) higher than assumed in the March forecast. Wages were \$1.1 billion (0.4%) higher than expected but nonwage income was \$0.2 billion (0.1%) below the forecast.
- Washington housing construction declined in the first quarter of 2019 but was still slightly higher than expected in the March forecast. Housing units authorized by building permits declined from 48,600 (SAAR) in the fourth quarter of 2018 to 43,800 in the first quarter of 2019. In the first quarter, 21,100 single-family and 22,700 multi-family units were permitted. The March forecast expected 42,900 units in the first quarter as a whole, consisting of 23,800 single-family units and 19,200 multi-family units. Washington housing construction got off to a very strong start in the second quarter of 2019, though mostly as a result of a surge in multi-family permits. In April, 56,700 units (SAAR) were permitted consisting of 21,700 single-family permits and 35,000 multi-family permits. The March forecast assumed an average rate of 42,700 (SAAR) units for the second quarter as a whole.
- Seattle home price appreciation has clearly cooled. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home

prices were unchanged in March following a 0.1% increase in February. On a monthly basis, Seattle home prices have, on average, been trending down since May 2018. In March, the over-the-year growth was 1.6% in Seattle compared to 2.6% for the 20-City Composite Home Price Index. Seattle home prices are still up 89% since the December 2011 trough and exceed the May 2007 peak by 31%.

- Seattle area consumer price inflation remains slightly above the national average due to shelter cost inflation. Over the last year, from April 2018 to April 2019, consumer prices in the Seattle area rose 2.4% (seasonally adjusted) compared to 2.0% for the U.S. city average. Core prices, which exclude food and energy, increased 2.6% in Seattle compared to 2.1% for the nation. Shelter costs rose 5.0% over the year in Seattle compared to the U.S. city average 3.4% rate. Seattle inflation excluding shelter costs was only 0.8% in Seattle during the year compared to the national rate of 1.3%.
- Washington exports declined over the year for a second consecutive quarter. Washington exports declined 3.8% in the first quarter of 2019 compared to the first quarter of 2018. Exports of transportation equipment (mostly Boeing planes) fell 8.0% over the year. Agricultural exports increased 3.1% while exports of all other commodities (mostly manufacturing) decreased 0.5%.
- Washington real Gross Domestic Product (GDP) rose 5.7% in 2018 which was the highest among the states and District of Columbia and was much greater than the 2.9% growth rate for the U.S. as a whole. The difference between Washington and U.S. real GDP growth in 2018 was mostly due to two sectors: retail trade (which includes electronic shopping) and information (which includes software publishing and other IT services such as internet publishing and web search portals).
- The Institute of Supply Management - Western Washington Index (ISM-WW) held steady in May and remained in positive territory. The index, which measures conditions in the manufacturing sector, was 54.0 in April and May (index values above 50 indicate growth while values below 50 indicate contraction). The index has exceeded 50 in each of the last 22 months. The production, employment, and inventory components indicated expansion in May while the vendor deliveries component indicated contraction. The orders component was neutral at 50.
- Car and truck sales declined in May after increasing the previous two months. Seasonally adjusted new vehicle registrations fell 2.7% to 292,800 (SAAR) in May. Car and truck sales are down 2.4% over the year and down 12.6% since the November 2017 post-recession peak. Monthly sales are erratic but have been trending down since mid-2016.
- We expect 2.2% Washington employment growth this year, which is the same rate we expected in the March forecast. As in March, we expect growth to decelerate. We expect employment growth to average 1.2% per year in 2020 through 2023, which is slightly higher than the 1.1% per year average in the March forecast. Our forecast for nominal personal income growth this year is 4.9%, up from 4.6% in the March forecast. Our new forecast for nominal personal income growth in 2020 through 2023 averages 4.9% per year, up slightly from the 4.8% rate in the March forecast.

Revenue

- Revenue has been coming in close to the March 2019 forecast. Cumulative major General Fund-State (GF-S) revenue collections from March 11 through June 10, 2019 were only 0.5% (\$30 million) higher than expected.
- Revenue Act taxes (retail sales and use, business and occupation, public utility and non-cigarette tobacco products taxes), which make up the bulk of General Fund-State (GF-S) revenue, were only \$5 million (0.1%) higher than forecasted in March.
- Cumulative real estate excise taxes (REET) came in \$11 million (4.5%) higher than forecasted. Large commercial sales slowed to forecasted levels while residential sales activity rose to levels slightly above forecast.
- Legislative changes including an \$85 million transfer of property tax into the Education Legacy Trust Account have decreased forecasted GF-S revenue for the current biennium by \$87 million. The forecast was reduced a further \$53 million due to a large tax refund that is expected by the end of June. Forecasted revenue would have increased slightly without the legislation and expected refund. The total forecast reduction for the current biennium is \$140 million.
- Most of the increase in forecasted revenue for the 2019-21 and 2021-23 biennia is due to legislation passed in the 2019 session. Legislative increases to Revenue Act receipts came mainly from changes in tax exemptions and preferences and the creation of some surcharges. REET receipts were increased due to the adoption of graduated tax rates. The total increase in GF-S revenue from legislative and budget-driven changes is \$109 million in the 2019-21 biennium and \$282 million in the 2021-23 biennium.
- Absent the legislative changes, forecasted revenue for the 2019-21 and 2021-23 biennia would have increased slightly due to positive changes in the economic forecast. Most of the increases stemmed from Revenue Act taxes and REET. These economic changes increased forecasted revenue by \$86 million in the 2019-21 biennium and \$64 million in the 2021-23 biennium.
- The total GF-S forecast increase for the 2019-21 biennium is \$195 million and the total increase for the 2021-23 biennium is \$347 million.
- Legislative changes were also responsible for most of the increases in forecasted revenue for the Education Legacy Trust Account (ELTA). In the current biennium, legislation transferred \$85 million in property tax receipts from the GF-S to ELTA. The legislated transfer of additional REET revenue from new graduated rates plus other small changes added \$220 million to forecasted ELTA revenue in the 2019-21 biennium and \$327 million in the 2021-23 biennium. Combined with small increases from the economic forecast, expected total revenue for the current biennium increased by \$91 million, revenue for the 2019-21 biennium increased by \$226 million and revenue for the 2021-23 biennium increased by \$327 million.
- Forecasted revenue for the Opportunity Pathways Account (OPA) increased by \$1 million in the current biennium, \$11 million in the 2019-21 biennium and

\$3.3 million in the 2021-23 biennium. Added to the changes to the GF-S and ELTA forecasts, Near GF-S revenue is forecasted to decrease by \$47 million in the current biennium, increase by \$432 million in the 2019-21 biennium and increase by \$678 million in the 2021-23 biennium.

- Forecasted Near GF-S revenue for the 2017-19 biennium is now \$46.059 billion, 17.9% more than that of the 2015-17 biennium. Forecasted Near GF-S revenue for the 2019-21 biennium is now \$50.988 billion, 10.7% higher than expected 2017-19 biennial revenue, and forecasted Near GF-S revenue for the 2021-23 biennium is \$55.036 billion, an increase of 7.9% over expected 2019-21 biennial revenue.

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Revenue Review

Presented to
Economic and Revenue Forecast Council

Steve Lerch
Executive Director

June 25, 2019
Olympia, Washington



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Summary

- U.S., WA forecasts similar to the March forecast; WA personal income slightly higher than in March
- Baseline forecast has slowing growth but no recession
- Forecast risks include the impact of trade disputes and a slowing global economy
- The Near General Fund-State forecast is decreased by \$47 million for the 2017-19 biennium and increased by \$432 million for 2019-21 biennium

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Data updates since preliminary forecast

U.S.

- May employment: +75,000 jobs
- May unemployment rate: remained at 3.6%
- June Blue Chip GDP forecast: 2019 & 2020 slightly lower than preliminary
- Futures prices for oil are lower in 2019 - 2023

Washington

- May employment: +6,000 jobs
- May unemployment rate unchanged at 4.7%

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Selected forecast risks

Labor markets

- Unemployment rate, initial UI claims low
- Job growth was weak in February, May

737 MAX

- Currently, impact on WA employment and personal income unclear

International trade policy

- China – no agreement yet
- Mexico – tentative agreement

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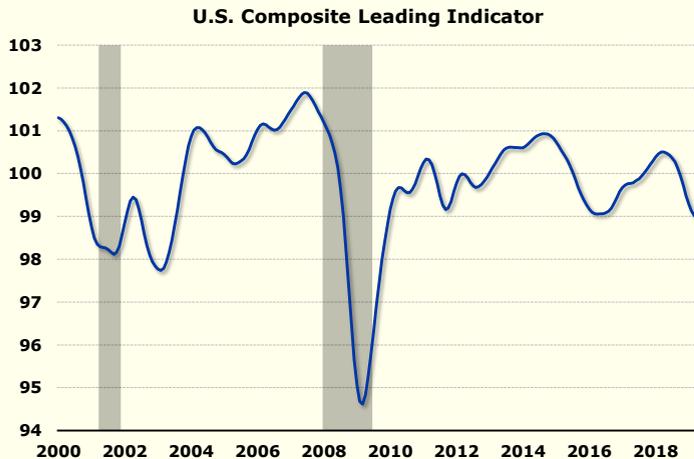
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OECD leading index suggests slowing growth in next 6 – 9 months

The index is designed so the long-term average is 100.



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Source: Organization for Economic Cooperation and Development, data through Apr. 2019

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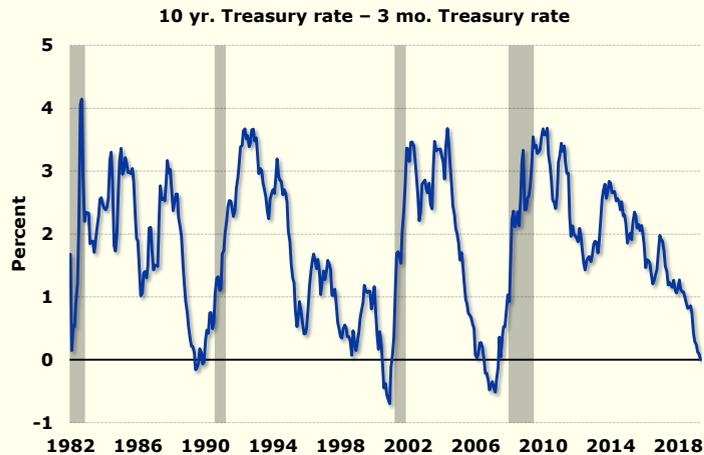


An inverted yield curve (short-term interest rates > long-term rates) is a consistent recession predictor

The yield curve inverted for five days in March and eight days in May. Through June 21st, the yield curve has been inverted for 21 consecutive days.

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Source: Federal Reserve Bank of St. Louis, monthly data through May 2019

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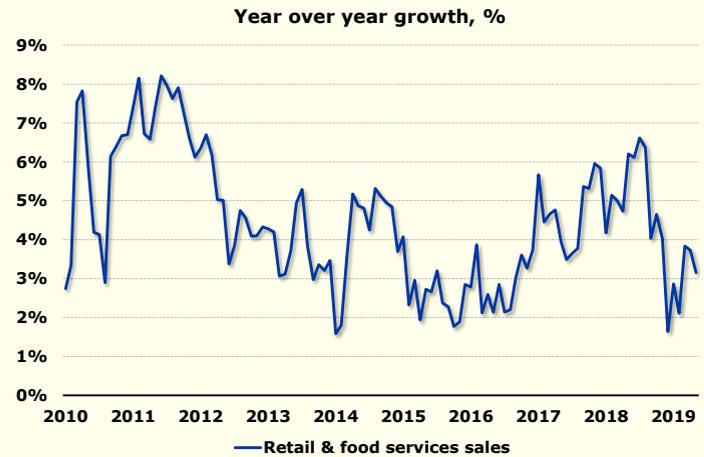


U.S. retail sales improved in May but over the year growth is weak

May retail sales grew by 0.5% over April

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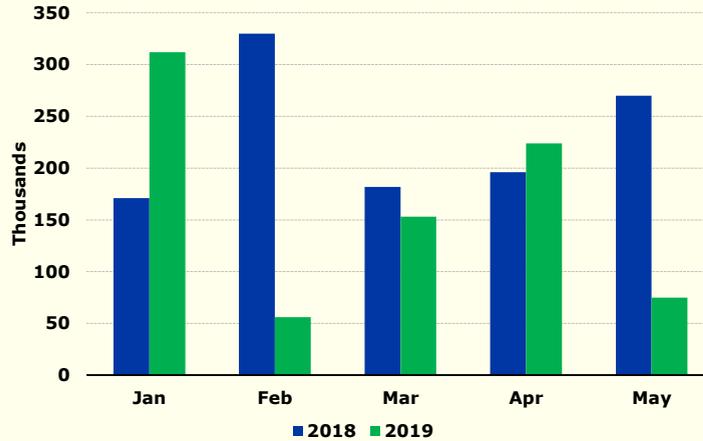
Source: U.S. Census Bureau data through May 2019 advanced release

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U.S. employment change, Jan – May 2018 and 2019

Despite weak Feb. and May data, 2019 employment does not show an obvious declining trend compared to 2018



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Source: U.S. Bureau of Labor Statistics, monthly data through May 2019

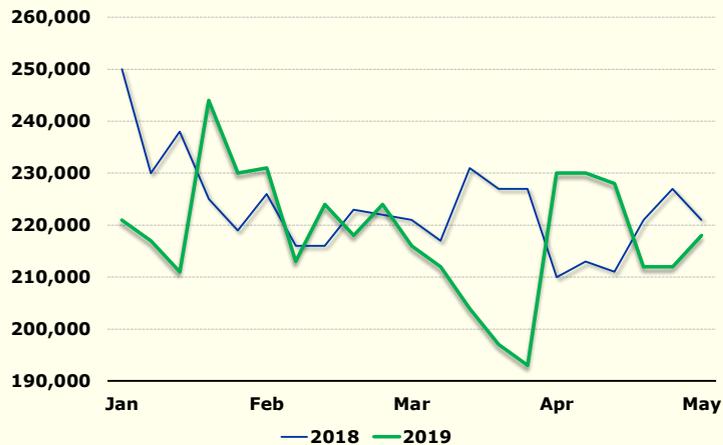
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U.S. Initial Unemployment Insurance claims, Jan – May 2018 and 2019

No obvious trend change between 2018 & 2019 for initial UI claims



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Source: U.S. Bureau of Labor Statistics, weekly data through May 25, 2019

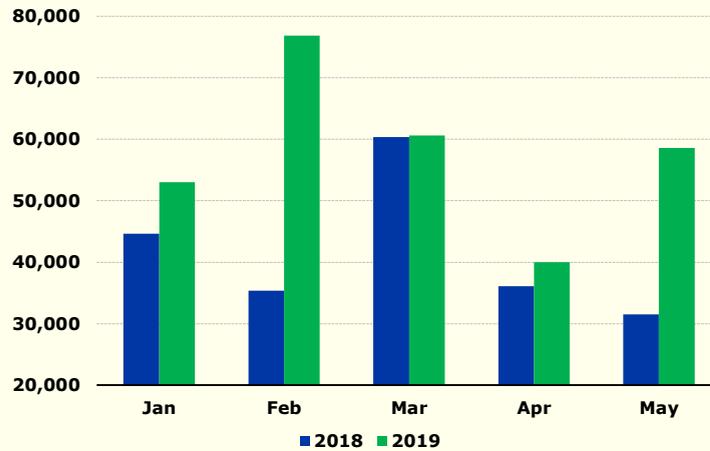
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U.S. layoff announcements, Jan – May 2018 and 2019

Layoff announcements are higher every month in 2019 compared to 2018



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Source: Challenger, Gray and Christmas; monthly data through May 2019

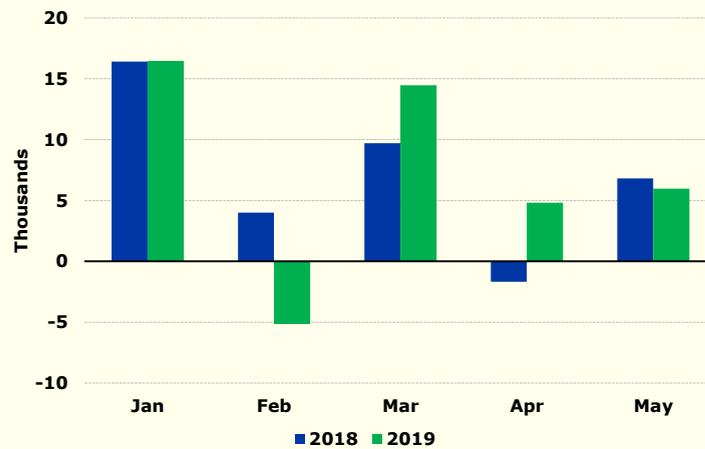
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WA employment change, Jan – May 2018 and 2019

WA employment does not show an obvious trend compared to 2018



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Source: Employment Security Dept., ERFC; monthly data through May 2019

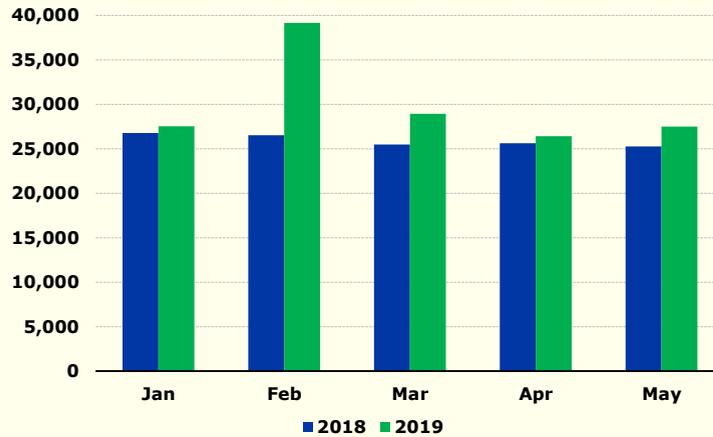
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WA Initial Unemployment Insurance claims, Jan – May 2018 and 2019

WA initial UI claims are higher every month in 2019 compared to 2018 but differences are small with exception of February



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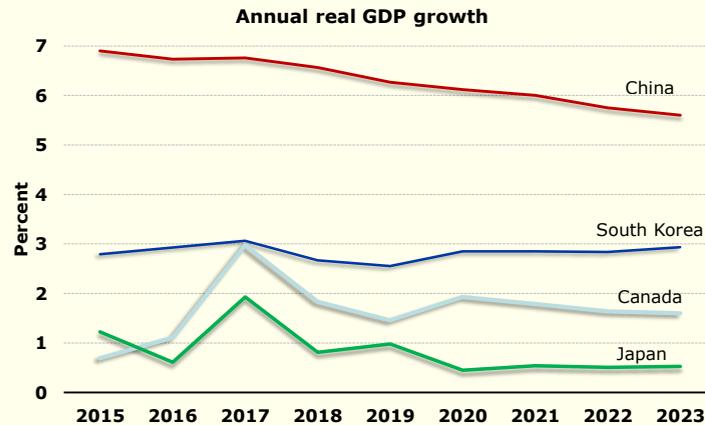
Source: Employment Security Dept.; monthly data through May 2019

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Economic growth is expected to slow in major WA export markets



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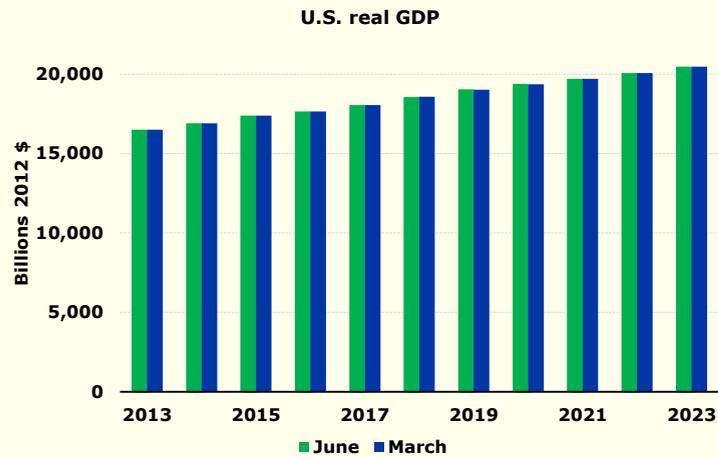
Source: International Monetary Fund World Economic Outlook, April 2019; annual data through 2023

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GDP is very similar to the March forecast



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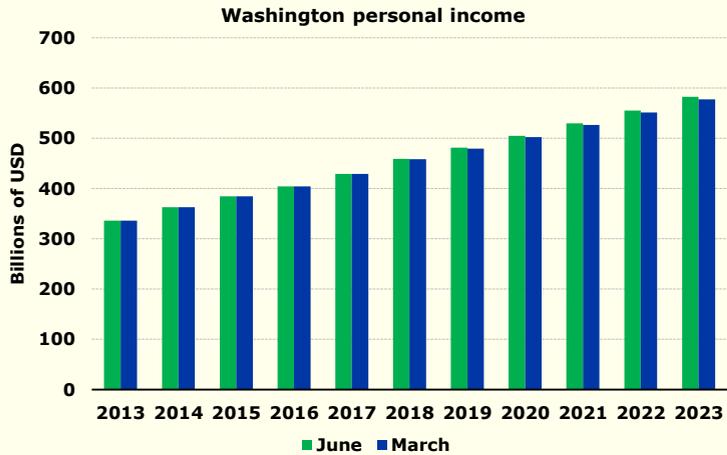
Source: ERFC June 2019 forecast; historical data through 2018

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Washington personal income is slightly higher than in March



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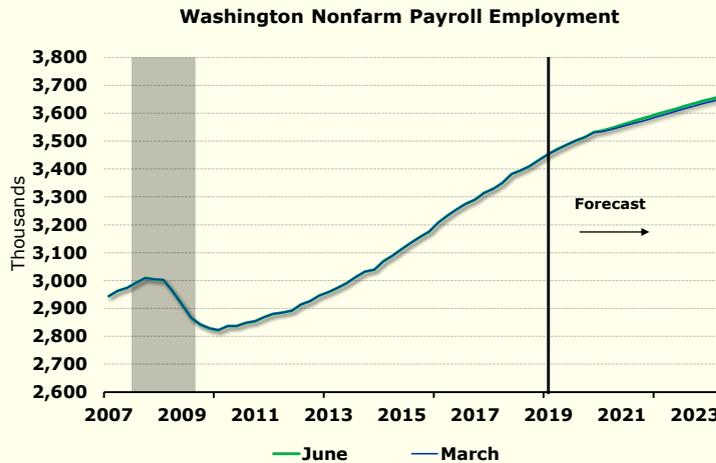
Source: ERFC June 2019 forecast; historical data through 2018

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Washington employment forecast is unchanged from March



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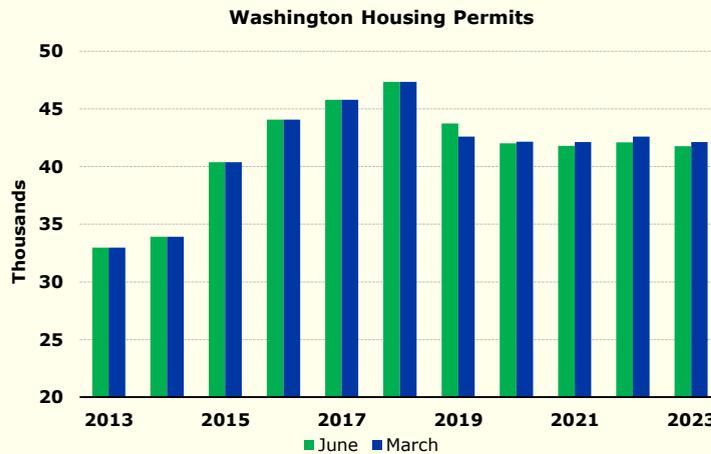
Source: ERFC June 2019 forecast; historical data through Q1 2019

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Permits forecast slightly higher in 2019, slightly lower 2020 – 23 compared to March



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Source: ERFC June 2019 forecast; historical data through 2018

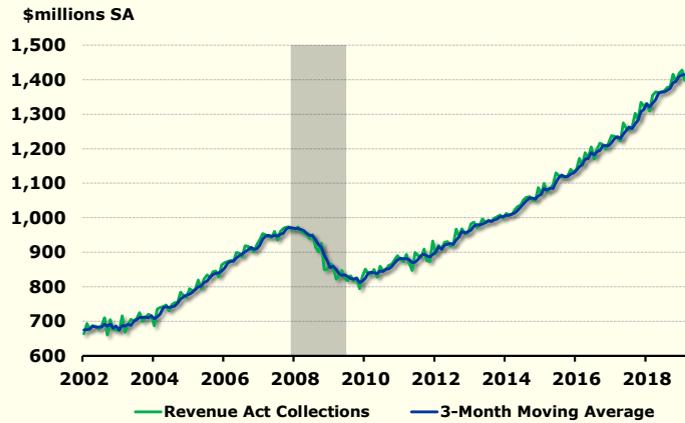
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Seasonally adjusted Revenue Act growth has slowed

Slowing growth had been expected due to the one year anniversary of the Marketplace Fairness Act in January 2019, plus expected slowdowns in auto sales and construction.



* Adjusted for large one-time transactions, amnesty payments and reporting frequency change, current definition of Revenue Act
Source: DOR and ERFC; monthly data through April 2019 activity

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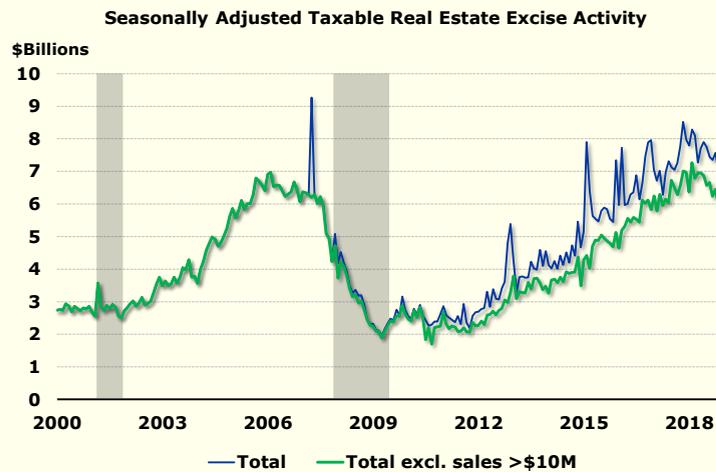
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Residential REET activity has picked up while commercial remains strong

Large commercial sales (>\$10 million) averaged \$1.2 billion per month from February through April but slowed to \$580 million in May.



Source: ERFC; Monthly data through May 2019 preliminary

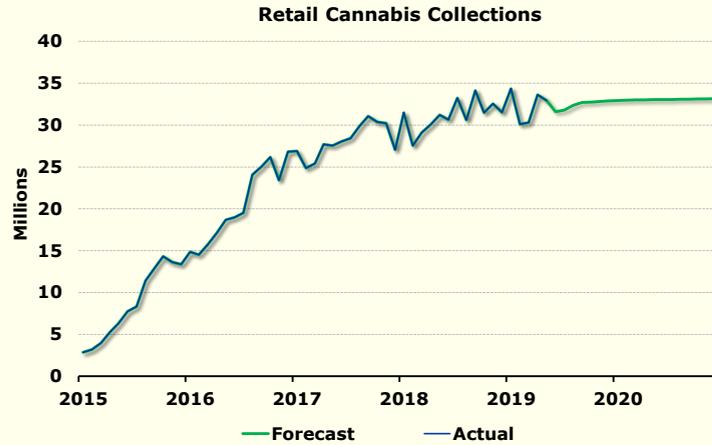
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Cannabis revenue growth is expected to moderate



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Source: ERFC June 2019 forecast; historical data through May 2019

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Cannabis excise tax and license fee estimates

Total change since March forecast:

- 2017-19 +\$3.1M
- 2019-21 +\$2.3M
- 2021-23 +\$1.2M

\$Millions

Cannabis Forecast

	<u>2017-19</u>	<u>2019-21</u>	<u>2021-23</u>
GF-S share of excise tax and license fees	\$249	\$267	\$284
Non-GF	\$503	\$534	\$553
Total	\$752	\$801	\$837

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* Detail may not add to total due to rounding

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes: Near General Fund-State, 2017-2019 biennium

Most of the forecasted reduction in GF-S revenue is due to a \$70 million refund expected in June.

\$Millions	<u>March 2019 Forecast*</u>	<u>Non-economic Change**</u>	<u>Forecast Change</u>	<u>June 2019 Forecast</u>	<u>Total Change#</u>
General Fund-State	\$44,182	(\$87)	(\$53)	\$44,042	(\$140)
Education Legacy Trust Account	\$1,642	\$85	\$7	\$1,734	\$91
WA Opportunity Pathways Account	\$282	\$0	\$1	\$283	\$1
Total Near GF-S	\$46,106	(\$2)	(\$45)	\$46,059	(\$47)

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*Forecast for the 2017-19 biennium adopted March 20, 2019
 **Legislative and budget-driven revenue changes from the 2019 session subsequent to the March forecast
 # Detail may not add to total due to rounding

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Forecast changes: Near General Fund-State, 2019-2021 biennium

\$Millions	<u>March 2019 Forecast*</u>	<u>Non-economic Change**</u>	<u>Forecast Change</u>	<u>June 2019 Forecast</u>	<u>Total Change#</u>
General Fund-State	\$49,609	\$109	\$86	\$49,804	\$195
Education Legacy Trust Account	\$673	\$220	\$6	\$899	\$226
WA Opportunity Pathways Account	\$274	\$0	\$11	\$285	\$11
Total Near GF-S	\$50,555	\$330	\$103	\$50,988	\$432

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*Forecast for the 2019-21 biennium adopted March 20, 2019
 **Legislative and budget-driven revenue changes from the 2019 session subsequent to the March forecast
 # Detail may not add to total due to rounding

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2019-21 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2019-21 Biennium	Difference From the baseline [#]
June 2019 Baseline (50%)	\$49,804	
<u>June 2019 Alternative Forecasts</u>		
Optimistic (15%)	\$51,714	\$1,910
Pessimistic (35%)	\$47,516	(\$2,288)
Probability Weighted Average	\$49,290	(\$514)
GCEA*	\$50,049	\$245

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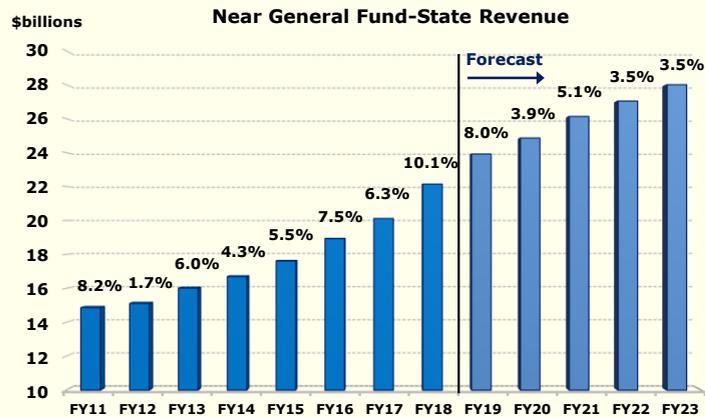
*Based on the Governor's Council of Economic Advisors' economic assumptions
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Near General Fund-State* forecast by fiscal year



Revenue Review
June 25, 2019

*Near General Fund-State equals General Fund-State plus Education Legacy Trust and Washington Opportunities Pathway Accounts
Source: ERFC forecast, June 2019

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Conclusion

- Economic forecasts are only slightly changed from March
- Washington's economy is continuing to outperform the nation but not as dramatically as in past
- Near GF-S revenues are expected to grow 17.9% between the 2015-17 and 2017-19 biennia and 10.7% between the 2017-19 and 2019-21 biennia
- The level of uncertainty in the baseline remains elevated, with downside risks outweighing upside risks

Revenue Review
June 25, 2019

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions



Revenue Review
June 25, 2019

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Economic & Revenue Forecast Council
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Total Changes to General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account Forecasts

Comparison of the June 2019 to the March 2019 Forecast

2017-19 Biennium

Cash Forecast; Millions of Dollars

	March 2019 <u>Forecast*</u>	Non-economic <u>Changes</u>	Forecast <u>Change</u>	June 2019 <u>Forecast</u>	Total <u>Change[#]</u>
General Fund-State	\$44,181.7	(\$86.9)	(\$52.9)	\$44,042.0	(\$139.8)
Education Legacy Trust Account	\$1,642.2	\$84.7	\$6.7	\$1,733.6	\$91.4
WA Opportunity Pathways Account	\$282.4	\$0.0	\$1.0	\$283.5	\$1.0
Total	\$46,106.4	(\$2.2)	(\$45.1)	\$46,059.1	(\$47.3)

*Forecast for the 2017-19 biennium adopted March 20, 2019

[#]Details may not add due to rounding

Total Changes to General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account Forecasts

Comparison of the June 2019 to the March 2019 Forecast

2019-21 Biennium

Cash Forecast; Millions of Dollars

	<u>March 2019 Forecast*</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>June 2019 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$49,608.6	\$109.3	\$86.1	\$49,804.1	\$195.5
Education Legacy Trust Account	\$672.8	\$220.5	\$5.6	\$898.9	\$226.1
WA Opportunity Pathways Account	\$273.9	\$0.0	\$10.8	\$284.7	\$10.8
Total	\$50,555.3	\$329.8	\$102.6	\$50,987.6	\$432.3

*Forecast for the 2019-21 biennium adopted March 20, 2019

[#]Details may not add due to rounding

Total Changes to General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account Forecasts

Comparison of the June 2019 to the March 2019 Forecast

2021-23 Biennium

Cash Forecast; Millions of Dollars

	<u>March 2019 Forecast*</u>	<u>Non-economic Changes**</u>	<u>Forecast Change</u>	<u>June 2019 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$53,336.7	\$282.3	\$64.4	\$53,683.4	\$346.7
Education Legacy Trust Account	\$714.6	\$322.3	\$5.2	\$1,042.1	\$327.4
WA Opportunity Pathways Account	\$307.2	\$0.0	\$3.3	\$310.5	\$3.3
Total	\$54,358.5	\$604.6	\$72.9	\$55,036.0	\$677.5

*Forecast for the 2021-23 biennium adopted March 20, 2019

[#]Details may not add due to rounding

Track Record for the 2017-19 General Fund-State Cash Forecast
February 2014 through June 2019
Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue *</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2014 #	\$36,887	\$1,823				\$38,710
Changes to Forecast						
June 2014	265	50	315	(1) #1	313	39,023
September 2014	227	(63)	164	0	164	39,188
November 2014	388	26	415	0	415	39,602
February 2015	126	28	154	0	154	39,757
June 2015	257	64	321	122 #2	443	40,200
September 2015	4	47	52	286 #3	338	40,538
November 2015	35	(5)	30	0	30	40,567
February 2016	(449)	7	(442)	0	(442)	40,125
June 2016	187	(53)	134	(8) #4	126	40,252
September 2016	135	(10)	125	0	125	40,377
November 2016	131	6	137	0	137	40,514
March 2017	281	22	303	0	303	40,817
June 2017	84	3	87	(1) #5	87	40,903
September 2017	269	11	279	2,079 #6	2,359	43,262
November 2017	297	7	304	0	304	43,566
February 2018	631	16	647	0	647	44,213
June 2018	447	46	493	(1,173) #7	(680)	43,532
September 2018	231	44	275	0	275	43,808
November 2018	118	1	118	0	118	43,926
March 2019	266	(10)	256	0	256	44,182
June 2019	15	2	17	(157) #10	(140)	44,042
Total change***:						
From February 2014	3,946	238	4,185	1,147	5,332	
Percent change	10.7	13.1	10.8	3.0	13.8	

Track Record for the 2019-21 General Fund-State Cash Forecast
February 2016 through June 2019
Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>Department of Revenue *</u>	<u>Other Agencies</u>	<u>Subtotal*</u>	<u>Non-Economic Changes**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2016 ##	\$36,887	\$1,823				\$43,441
Changes to Forecast						
June 2016	172	(31)	141	(7) #4	134	43,575
September 2016	86	(31)	55	0	55	43,630
November 2016	21	4	26	0	26	43,656
March 2017	241	(55)	186	0	186	43,842
June 2017	47	(13)	34	(1) #5	34	43,875
September 2017	245	(3)	243	3,278 #6	3,521	47,396
November 2017	188	(2)	186	0	186	47,582
February 2018	655	16	671	0	671	48,253
June 2018	426	22	448	(181) #7	267	48,520
September 2018	295	22	317	38 #8	355	48,875
November 2018	186	3	189	0	189	49,064
March 2019	465	(35)	430	115 #9	545	49,609
June 2019	57	29	86	109 #11	195	49,804
Total change***:						
From February 2016	3,086	(75)	3,011	3,352	6,363	
Percent change	8.4	(4.1)	6.9	7.7	14.6	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

First official forecast for the 2017-19 biennium.

First official forecast for the 2019-21 biennium.

#1 Sum of legislative and budget-driven revenue changes from the 2014 regular legislative session

#2 Legislative revenue changes from 2015 regular legislative session

#3 Legislative and budget driven revenue changes from 2015 special legislative sessions

#4 Legislative revenue changes from the 2016 regular and first special legislative sessions

#5 Sum of legislative revenue changes from 2017 legislative sessions through June 20, 2017

#6 Sum of legislative and budget driven revenue changes from 2017 special legislative sessions since the June 2017 forecast

#7 Sum of legislative and budget driven revenue changes from the 2018 legislative session

#8 Estimated increase in sales tax collections due US Supreme Court ruling of June 21, 2018

#9 Effects of SSB 5581, passed in March of 2019 legislative session

#10 Sum of legislative and budget driven revenue changes from the 2019 legislative session plus large expected refund

#11 Sum of legislative and budget driven revenue changes from the 2018 legislative session

Analysis for the Major Sources Based on Taxable Activity

Revenue Act Sources

June 2019 Forecast

Source/Fiscal Year	Percentage Change		Personal Income Elasticity**
	Tax Base Adjusted*	Personal Income ¹	
I. Retail Sales			
2002	(1.4)	1.3	(1.1)
2003	2.1	3.0	0.7
2004	4.6	4.6	1.0
2005	7.9	5.4	1.5
2006	10.1	8.3	1.2
2007	7.9	8.5	0.9
2008	2.7	8.1	0.3
2009	(10.4)	(1.1)	9.6
2010	(5.4)	(1.5)	3.6
2011	1.8	5.1	0.4
2012	4.1	6.9	0.6
2013	6.7	5.4	1.2
2014	5.8	4.6	1.3
2015	8.1	7.7	1.0
2016	8.4	5.1	1.7
2017	6.3	5.7	1.1
2018	7.7	6.7	1.2
2019	5.2	5.9	0.9
2020	3.8	4.8	0.8
2021	3.2	5.0	0.6
2022	3.7	4.8	0.8
2023	3.7	4.9	0.8
Average 2002-2018:	4.1	5.1	0.8
II. Business & Occupation			
2002	(3.5)	1.3	(2.6)
2003	(1.6)	3.0	(0.5)
2004	6.8	4.6	1.5
2005	9.7	5.4	1.8
2006	11.2	8.3	1.4
2007	8.3	8.5	1.0
2008	6.9	8.1	0.8
2009	(8.8)	(1.1)	8.2
2010	(2.9)	(1.5)	1.9
2011	4.4	5.1	0.9
2012	8.0	6.9	1.2
2013	6.8	5.4	1.3
2014	5.4	4.6	1.2
2015	5.4	7.7	0.7
2016	2.9	5.1	0.6
2017	3.6	5.7	0.6
2018	7.4	6.7	1.1
2019	4.9	5.9	0.8
2020	5.2	4.8	1.1
2021	5.3	5.0	1.1
2022	4.6	4.8	1.0
2023	4.3	4.9	0.9
Average 2002-2018:	4.5	5.1	0.9

* Based on constant base taxable data.

** Percent changes in taxable activity divided by percent change in personal income.

¹ Income adjusted to exclude special dividend payment in fy 05.

Analysis for the Major Sources Based on Taxable Activity

Revenue Act Sources
June 2019 Forecast

Source/Fiscal Year	Percentage Change		Personal Income Elasticity**
	Tax Base Adjusted*	Personal Income ¹	
III. Use			
2002	(5.8)	1.3	(4.3)
2003	(1.4)	3.0	(0.5)
2004	5.6	4.6	1.2
2005	14.0	5.4	2.6
2006	2.3	8.3	0.3
2007	9.0	8.5	1.1
2008	2.1	8.1	0.3
2009	(13.0)	(1.1)	12.1
2010	(5.9)	(1.5)	3.9
2011	11.4	5.1	2.2
2012	1.9	6.9	0.3
2013	7.4	5.4	1.4
2014	9.7	4.6	2.1
2015	8.9	7.7	1.2
2016	2.0	5.1	0.4
2017	4.6	5.7	0.8
2018	5.5	6.7	0.8
2019	3.7	5.9	0.6
2020	(1.2)	4.8	(0.2)
2021	3.4	5.0	0.7
2022	5.8	4.8	1.2
2023	4.0	4.9	0.8
Average 2002-2018:	3.8	5.1	0.7

Total Revenue Act Receipts

June 2019 Forecast

Source/Fiscal Year	Percentage Change		Personal Income Elasticity**
	Tax Receipts [#]	Personal Income ¹	
Revenue Act			
2002	(1.7)	1.3	(1.2)
2003	1.0	3.0	0.3
2004	4.8	4.6	1.0
2005	7.6	5.4	1.4
2006	10.6	8.3	1.3
2007	8.3	8.5	1.0
2008	4.2	8.1	0.5
2009	(9.5)	(1.1)	8.9
2010	(5.3)	(1.5)	3.5
2011	8.1	5.1	1.6
2012	1.3	6.9	0.2
2013	5.9	5.4	1.1
2014	4.6	4.6	1.0
2015	5.6	7.7	0.7
2016	8.5	5.1	1.7
2017	6.3	5.7	1.1
2018	7.2	6.7	1.1
2019	7.1	5.9	1.2
2020	4.5	4.8	0.9
2021	4.3	5.0	0.9
2022	3.8	4.8	0.8
2023	4.0	4.9	0.8
Average 2002-2018:	4.2	5.1	0.8

* Based on constant base taxable data.

** Percent changes in taxable activity divided by percent change in personal income.

Post-ESSB 5073 definition of Revenue Act

** Percent changes in tax receipts divided by percent change in personal income.

¹ Income adjusted to exclude special dividend payment in fy 05.

General Fund-State, Education Legacy Trust Account and Opportunity Pathways Account

History and Forecast by Fiscal Year (Cash basis)

June 2019 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Fund* (ELTA)		Total GF-S plus ELTA		WA Opportunity Pathways Account (OPA)		Total GF-S plus ELTA and OPA	
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.
History:										
FY 1999	\$10,414	3.6%			\$10,414	3.6%			\$10,414	3.6%
FY 2000	\$11,068	6.3%			\$11,068	6.3%			\$11,068	6.3%
FY 2001	\$11,560	4.4%			\$11,560	4.4%			\$11,560	4.4%
FY 2002	\$11,632	0.6%			\$11,632	0.6%			\$11,632	0.6%
FY 2003	\$11,721	0.8%			\$11,721	0.8%			\$11,721	0.8%
FY 2004	\$12,358	5.4%			\$12,358	5.4%			\$12,358	5.4%
FY 2005	\$13,036	5.5%			\$13,036	5.5%			\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115		\$14,432	10.7%			\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%	\$15,734	9.0%			\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%	\$15,872	0.9%			\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%	\$14,382	-9.4%			\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%	\$13,728	-4.6%			\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$14,759	7.5%	\$99		\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$14,988	1.6%	\$118	19.1%	\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$15,884	6.0%	\$126	5.9%	\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$16,580	4.4%	\$114	-9.4%	\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$17,491	5.5%	\$120	5.7%	\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$18,793	7.4%	\$139	15.7%	\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$19,991	6.4%	\$127	-9.0%	\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$22,014	10.1%	\$129	1.5%	\$22,143	10.1%
Forecast:										
FY 2019	\$22,330	2.8%	\$1,432	374.4%	\$23,761	7.9%	\$155	20.5%	\$23,916	8.0%
FY 2020	\$24,316	8.9%	\$398	-72.2%	\$24,714	4.0%	\$146	-5.7%	\$24,860	3.9%
FY 2021	\$25,488	4.8%	\$501	26.1%	\$25,989	5.2%	\$139	-5.1%	\$26,128	5.1%
FY 2022	\$26,373	3.5%	\$514	2.5%	\$26,886	3.5%	\$152	9.4%	\$27,038	3.5%
FY 2023	\$27,311	3.6%	\$528	2.9%	\$27,839	3.5%	\$159	4.7%	\$27,998	3.5%
Biennial Totals										
05-07 Biennium	\$29,785	17.3%	\$381	NA	\$30,166	18.8%	\$0	NA	\$30,166	18.8%
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$30,254	0.3%	\$0	NA	\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$28,487	-5.8%	\$99	NA	\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$30,872	8.4%	\$244	145.2%	\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$34,071	10.4%	\$234	-4.1%	\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$38,785	13.8%	\$266	13.6%	\$39,050	13.8%
17-19 Biennium	\$44,042	14.9%	\$1,734	271.1%	\$45,776	18.0%	\$283	6.7%	\$46,059	17.9%
19-21 Biennium	\$49,804	13.1%	\$899	-48.2%	\$50,703	10.8%	\$285	0.4%	\$50,988	10.7%
21-23 Biennium	\$53,683	7.8%	\$1,042	15.9%	\$54,725	7.9%	\$311	9.1%	\$55,036	7.9%

*Education legacy trust fund excluding FY 14 and FY 15 lottery fund transfers. Includes pension stabilization fund interest in FY 08 and FY 09.

Lottery Transfers by Fund

(cash basis, millions of dollars)

	Lottery: Total Transfers:*		Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
	General Fund											
2004	113.3	0.0	4.0	7.3	76.5	25.5			0.0	0.0	0.0	0.0
2005	112.2	4.3	4.2	7.6	0.0	96.2			0.0	0.0	0.0	0.0
2003-05 Biennium	225.6	4.3	8.2	14.9	76.5	121.7			0.0	0.0	0.0	0.0
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	126.4	12.9	5.1	9.2	0.0	95.6	0.3	3.3	0.0	0.0	0.0	0.0
2011	137.2	8.6	5.3	9.6	0.0	9.4	0.3	4.5	99.5	0.0	0.0	0.0
2009-11 Biennium	263.6	21.5	10.4	18.8	0.0	105.0	0.5	7.9	99.5	0.0	0.0	0.0
2012	135.1	0.0	2.7	10.0	0.0	0.0	0.3	3.3	118.5	0.2	0.0	0.0
2013	139.7	0.0	0.0	10.4	0.0	0.0	0.3	3.5	125.5	0.0	0.0	0.0
2011-13 Biennium	274.8	0.0	2.7	20.4	0.0	0.0	0.6	6.9	244.0	0.2	0.0	0.0
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1	0.0
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1	0.0
2013-15 Biennium	291.0	9.9	0.0	22.0	0.0	0.0	0.6	8.4	233.9	0.0	16.1	0.0
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0	1.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0	1.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0	0.0
2019	212.9	39.1	0.0	13.1	0.0	0.0	0.4	5.3	154.9	0.0	0.0	0.0
2017-19 Biennium	396.5	77.6	0.0	25.8	0.0	0.0	0.8	8.8	283.5	0.0	0.0	0.0
2020	186.8	22.6	0.0	13.7	0.0	0.0	0.4	4.1	146.1	0.0	0.0	0.0
2021	188.6	31.2	0.0	14.2	0.0	0.0	0.4	4.2	138.6	0.0	0.0	0.0
2019-21 Biennium	375.3	53.7	0.0	27.9	0.0	0.0	0.8	8.3	284.7	0.0	0.0	0.0
2022	191.1	34.8	0.0	0.0	0.0	0.0	0.4	4.2	151.7	0.0	0.0	0.0
2023	193.6	30.2	0.0	0.0	0.0	0.0	0.4	4.2	158.8	0.0	0.0	0.0
2021-23 Biennium	384.7	65.0	0.0	0.0	0.0	0.0	0.8	8.4	310.5	0.0	0.0	0.0

* Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

Source: Lottery Commission, ERFC

Lottery Transfers by Fund

(GAAP basis, millions of dollars)

	Lottery: Total Transfers:*		Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
2004	113.3	0.0	4.0	7.3	76.5	25.5			0.0	0.0	0.0	0.0
2005	112.2	4.3	4.2	7.6	0.0	96.2			0.0	0.0	0.0	0.0
2003-05 Biennium	225.6	4.3	8.2	14.9	76.5	121.7			0.0	0.0	0.0	0.0
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	129.4	12.9	5.1	9.2	0.0	97.4	0.3	4.6	0.0	0.0	0.0	0.0
2011	138.2	7.0	5.3	9.6	0.0	0.0	0.3	3.7	112.3	0.0	0.0	0.0
2009-11 Biennium	267.6	19.9	10.4	18.8	0.0	97.4	0.5	8.3	112.3	0.0	0.0	0.0
2012	138.0	0.0	2.7	10.0	0.0	0.0	0.3	3.0	121.8	0.2	0.0	0.0
2013	139.2	9.3	0.0	10.4	0.0	0.0	0.3	3.6	115.5	0.0	0.0	0.0
2011-13 Biennium	277.2	9.3	2.7	20.4	0.0	0.0	0.6	6.6	237.4	0.2	0.0	0.0
2014	147.7	0.6	0.0	10.8	0.0	0.0	0.3	4.0	121.9	0.0	10.1	0.0
2015	141.3	0.0	0.0	11.2	0.0	0.0	0.3	4.7	119.0	0.0	6.1	0.0
2013-15 Biennium	288.9	0.6	0.0	22.0	0.0	0.0	0.6	8.7	240.9	0.0	16.1	0.0
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0	1.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0	1.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0	0.0
2019	208.8	31.7	0.0	13.1	0.0	0.0	0.4	4.2	159.4	0.0	0.0	0.0
2017-19 Biennium	391.8	62.8	0.0	25.8	0.0	0.0	0.8	8.8	293.5	0.0	0.0	0.0
2020	186.4	29.6	0.0	13.7	0.0	0.0	0.4	4.2	138.5	0.0	0.0	0.0
2021	188.8	29.7	0.0	14.2	0.0	0.0	0.4	4.2	140.3	0.0	0.0	0.0
2019-21 Biennium	375.2	59.3	0.0	27.9	0.0	0.0	0.8	8.4	278.8	0.0	0.0	0.0
2022	191.3	29.8	0.0	0.0	0.0	0.0	0.4	4.2	157.0	0.0	0.0	0.0
2023	193.8	29.8	0.0	0.0	0.0	0.0	0.4	4.2	159.4	0.0	0.0	0.0
2021-23 Biennium	385.1	59.6	0.0	0.0	0.0	0.0	0.8	8.4	316.4	0.0	0.0	0.0

* Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

Source: Lottery Commission, ERFC

General Fund-State Cash Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2017-19 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,193.8	\$0.0	\$6.7	\$1,200.5	\$6.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$490.0	(\$3.0)	\$5.9	\$492.9	\$2.9
Lottery Commission Lottery Revenue	\$69.1	(\$0.0)	\$8.5	\$77.6	\$8.5
State Treasurer Interest Earnings	\$36.5	\$0.0	(\$0.6)	\$35.8	(\$0.6)
Office of Financial Management Other Agencies	\$339.7	\$0.2	(\$14.9)	\$325.0	(\$14.7)
Administrative Office of the Courts Fines and Forfeitures	\$148.2	\$0.0	(\$0.6)	\$147.6	(\$0.6)
Total General Fund-State	\$2,277.2	(\$2.8)	\$5.0	\$2,279.4	\$2.2

General Fund-State GAAP Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2017-19 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,193.8	\$0.0	\$6.7	\$1,200.5	\$6.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$490.0	(\$3.0)	\$5.9	\$492.9	\$2.9
Lottery Commission Lottery Revenue	\$61.4	(\$0.0)	\$1.4	\$62.8	\$1.4
State Treasurer Interest Earnings	\$35.4	\$0.0	\$1.0	\$36.3	\$1.0
Office of Financial Management Other Agencies	\$339.7	\$0.2	(\$14.9)	\$325.0	(\$14.7)
Administrative Office of the Courts Fines and Forfeitures	\$148.2	\$0.0	(\$0.6)	\$147.6	(\$0.6)
Total General Fund-State	\$2,268.4	(\$2.8)	(\$0.5)	\$2,265.1	(\$3.3)

General Fund-State Cash Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2019-21 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,282.4	\$0.0	\$14.9	\$1,297.3	\$14.9
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$550.9	(\$15.9)	\$8.6	\$543.6	(\$7.3)
Lottery Commission Lottery Revenue	\$59.0	(\$1.5)	(\$3.8)	\$53.7	(\$5.3)
State Treasurer Interest Earnings	\$41.0	\$0.0	\$5.5	\$46.5	\$5.5
Office of Financial Management Other Agencies	\$176.0	\$29.0	\$12.2	\$217.1	\$41.2
Administrative Office of the Courts Fines and Forfeitures	\$137.6	\$0.0	(\$2.0)	\$135.6	(\$2.0)
Total General Fund-State	\$2,246.9	\$11.5	\$35.4	\$2,293.8	\$47.0

General Fund-State GAAP Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2019-21 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,282.4	\$0.0	\$14.9	\$1,297.3	\$14.9
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$550.9	(\$15.9)	\$8.6	\$543.6	(\$7.3)
Lottery Commission Lottery Revenue	\$58.3	(\$1.5)	\$2.5	\$59.3	\$0.9
State Treasurer Interest Earnings	\$40.8	\$0.0	\$5.5	\$46.3	\$5.5
Office of Financial Management Other Agencies	\$176.0	\$29.0	\$12.2	\$217.1	\$41.2
Administrative Office of the Courts Fines and Forfeitures	\$137.6	\$0.0	(\$2.0)	\$135.6	(\$2.0)
Total General Fund-State	\$2,246.0	\$11.5	\$41.7	\$2,299.2	\$53.2

General Fund-State Cash Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2021-23 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,392.7	\$0.0	\$15.6	\$1,408.3	\$15.6
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$586.3	(\$6.0)	\$4.2	\$584.5	(\$1.8)
Lottery Commission Lottery Revenue	\$64.9	(\$1.9)	\$2.0	\$65.0	\$0.1
State Treasurer Interest Earnings	\$42.0	\$0.0	\$0.6	\$42.6	\$0.6
Office of Financial Management Other Agencies	\$162.6	\$31.5	(\$4.7)	\$189.3	\$26.8
Administrative Office of the Courts Fines and Forfeitures	\$139.5	\$0.0	(\$2.4)	\$137.1	(\$2.4)
Total General Fund-State	\$2,388.0	\$23.6	\$15.3	\$2,426.9	\$38.9

General Fund-State GAAP Estimates - Other Agencies
 Comparison of the June 2019 and March 2019 forecasts
 2021-23 Biennium
 (Amounts in Millions)

Source/Agency	March 2019 Baseline	Non-Economic Changes	Economic Changes	June 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,392.7	\$0.0	\$15.6	\$1,408.3	\$15.6
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$586.3	(\$6.0)	\$4.2	\$584.5	(\$1.8)
Lottery Commission Lottery Revenue	\$58.7	(\$1.9)	\$2.8	\$59.6	\$0.9
State Treasurer Interest Earnings	\$41.9	\$0.0	\$0.6	\$42.5	\$0.6
Office of Financial Management Other Agencies	\$162.6	\$31.5	(\$4.7)	\$189.3	\$26.8
Administrative Office of the Courts Fines and Forfeitures	\$139.5	\$0.0	(\$2.4)	\$137.1	(\$2.4)
Total General Fund-State	\$2,381.6	\$23.6	\$16.1	\$2,421.3	\$39.7

June 2019Alternative General Fund-State Forecasts
Millions of Dollars

Cash Basis

2017-19 Biennium

	<u>2017-19 Biennium</u>	<u>Difference From the June 2019 Baseline</u>
June 2019 GF-S Baseline (70%)	\$44,042	
June 2019 Alternative GF-S Forecasts		
Optimistic (15%)	\$44,083	\$41
Pessimistic (15%)	\$43,992	(\$50)
Probability Weighted Average	\$44,041	(\$1)
GCEA*	\$44,044	\$2

2019-21 Biennium

	<u>2019-21 Biennium</u>	<u>Difference From the June 2019 Baseline</u>
June 2019 GF-S Baseline (50%)	\$49,804	
June 2019 Alternative GF-S Forecasts		
Optimistic (15%)	\$51,714	\$1,910
Pessimistic (35%)	\$47,516	(\$2,288)
Probability Weighted Average	\$49,290	(\$514)
GCEA*	\$50,049	\$245

* Based on the Governor's Council of Economic Advisors Assumptions.

U.S. Forecast Comparison

	2019Q1	2019Q2	2019Q3	2019Q4
Real GDP (Billions of 2012 Dollars)				
June Forecast	18,908	18,984	19,076	19,167
Percent Change	3.1%	1.6%	2.0%	1.9%
March Forecast	18,852	18,971	19,078	19,172
Percent Change	1.4%	2.6%	2.3%	2.0%
Real Consumption (Billions of 2012 Dollars)				
June Forecast	13,075	13,161	13,232	13,303
Percent Change	1.3%	2.7%	2.2%	2.2%
March Forecast	13,101	13,183	13,259	13,333
Percent Change	1.7%	2.5%	2.3%	2.2%
PCE Price Index (2012=100)				
June Forecast	109.0	109.6	110.1	110.6
Percent Change	0.4%	2.5%	1.7%	1.6%
March Forecast	109.3	109.9	110.4	111.0
Percent Change	1.4%	2.2%	2.1%	2.0%
Real Personal Income (Billions of 2012 Dollars)				
June Forecast	16,498	16,575	16,679	16,791
Percent Change	2.9%	1.9%	2.5%	2.7%
March Forecast	16,520	16,598	16,691	16,783
Percent Change	2.3%	1.9%	2.3%	2.2%
Nonfarm Payroll Employment (Millions)				
June Forecast	150.7	151.4	151.9	152.3
Percent Change	1.7%	1.8%	1.5%	1.1%
March Forecast	150.8	151.4	151.9	152.3
Percent Change	1.9%	1.5%	1.4%	1.1%
Unemployment Rate (Percent of Labor Force)				
June Forecast	3.9	3.6	3.5	3.5
March Forecast	3.8	3.5	3.5	3.5
Oil Price, Refiner's Acquisition				
June Forecast	56.9	61.4	54.3	53.6
March Forecast	56.6	59.1	59.4	59.5
30 Year Fixed Mortgage Rate (Percent, average)				
June Forecast	4.4	4.1	4.0	4.0
March Forecast	4.4	4.5	4.6	4.6
3 Month T-Bill Rate (Percent, average)				
June Forecast	2.4	2.4	2.4	2.3
March Forecast	2.4	2.5	2.6	2.6

	2017	2018	2019	2020	2021	2022	2023
Real GDP (Billions of 2012 Dollars)							
June Forecast	18,051	18,566	19,034	19,376	19,706	20,080	20,482
Percent Change	2.2%	2.9%	2.5%	1.8%	1.7%	1.9%	2.0%
March Forecast	18,051	18,571	19,018	19,370	19,700	20,074	20,476
Percent Change	2.2%	2.9%	2.4%	1.9%	1.7%	1.9%	2.0%
Real Consumption (Billions of 2012 Dollars)							
June Forecast	12,559	12,888	13,193	13,469	13,725	13,999	14,279
Percent Change	2.5%	2.6%	2.4%	2.1%	1.9%	2.0%	2.0%
March Forecast	12,559	12,891	13,219	13,487	13,744	14,018	14,299
Percent Change	2.5%	2.6%	2.5%	2.0%	1.9%	2.0%	2.0%
PCE Price Index (2012=100)							
June Forecast	106.1	108.2	109.8	111.8	114.0	116.2	118.4
Percent Change	1.8%	2.0%	1.5%	1.8%	1.9%	1.9%	1.9%
March Forecast	106.1	108.2	110.1	112.4	114.7	117.0	119.3
Percent Change	1.8%	2.0%	1.8%	2.1%	2.1%	2.0%	1.9%
Real Personal Income (Billions of 2012 Dollars)							
June Forecast	15,867	16,233	16,636	17,071	17,491	17,915	18,356
Percent Change	2.6%	2.3%	2.5%	2.6%	2.5%	2.4%	2.5%
March Forecast	15,867	16,244	16,648	17,004	17,360	17,744	18,144
Percent Change	2.6%	2.4%	2.5%	2.1%	2.1%	2.2%	2.3%
Nonfarm Payroll Employment (Millions)							
June Forecast	146.6	149.1	151.6	153.2	154.1	155.0	155.9
Percent Change	1.6%	1.7%	1.7%	1.1%	0.6%	0.6%	0.6%
March Forecast	146.6	149.1	151.6	153.0	153.5	154.4	155.3
Percent Change	1.6%	1.7%	1.7%	0.9%	0.4%	0.6%	0.6%
Unemployment Rate (Percent of Labor Force)							
June Forecast	4.4	3.9	3.6	3.6	3.8	3.9	4.0
March Forecast	4.4	3.9	3.6	3.7	3.9	4.0	4.1
Oil Price, Refiner's Acquisition							
June Forecast	50.7	64.5	56.6	52.9	52.3	52.5	53.2
March Forecast	50.7	64.9	58.7	58.8	57.1	55.8	55.3
30 Year Fixed Mortgage Rate (Percent, average)							
June Forecast	4.0	4.5	4.1	4.3	4.6	4.7	4.8
March Forecast	4.0	4.5	4.5	4.8	4.9	4.9	4.9
3 Month T-Bill Rate (Percent, average)							
June Forecast	0.9	1.9	2.4	2.2	2.2	2.1	2.4
March Forecast	0.9	1.9	2.5	2.7	2.7	2.7	2.5

Washington Forecast Comparison

	2019Q1	2019Q2	2019Q3	2019Q4
Real Personal Income (Billions of 2012 Dollars)				
June Forecast	434.6	436.2	439.1	442.5
Percent Change	4.5%	1.6%	2.6%	3.2%
March Forecast	431.6	433.5	436.5	439.6
Percent Change	2.5%	1.7%	2.8%	2.9%
Personal Income (Billions of Dollars)				
June Forecast	473.6	478.3	483.5	489.2
Percent Change	4.9%	4.1%	4.4%	4.8%
March Forecast	471.6	476.2	482.1	487.9
Percent Change	4.0%	4.0%	5.0%	4.9%
Disposable Personal Income (Billions of Dollars)				
June Forecast	421.1	424.9	429.6	434.7
Percent Change	4.5%	3.6%	4.5%	4.9%
March Forecast	420.0	424.3	429.5	434.8
Percent Change	4.1%	4.2%	5.0%	4.9%
Nonfarm Payroll Employment (Thousands)				
June Forecast	3453	3472	3487	3501
Percent Change	2.4%	2.2%	1.8%	1.6%
March Forecast	3454	3469	3487	3502
Percent Change	2.6%	1.8%	2.0%	1.8%
Unemployment Rate (Percent of Labor Force)				
June Forecast	4.6	4.7	4.6	4.5
March Forecast	4.5	4.4	4.3	4.4
Manufacturing Employment (Thousands)				
June Forecast	292.2	292.1	292.1	292.8
Percent Change	1.1%	-0.1%	-0.1%	1.0%
March Forecast	292.6	293.0	293.5	294.3
Percent Change	2.1%	0.5%	0.7%	1.2%
Construction Employment (Thousands)				
June Forecast	220.9	223.5	222.4	221.9
Percent Change	4.5%	4.8%	-2.0%	-0.8%
March Forecast	217.7	216.8	215.8	215.6
Percent Change	1.6%	-1.6%	-1.9%	-0.3%
Housing Permits (Thousands)				
June Forecast	43.8	48.0	41.6	41.6
Percent Change	-34.6%	44.6%	-43.5%	-0.2%
March Forecast	42.9	42.7	42.4	42.4
Percent Change	-39.3%	-2.6%	-2.3%	0.3%

	2017	2018	2019	2020	2021	2022	2023
Real Personal Income (Billions of 2012 Dollars)							
June Forecast	404.2	423.8	438.1	451.3	464.5	477.6	491.8
Percent Change	4.2%	4.9%	3.4%	3.0%	2.9%	2.8%	3.0%
March Forecast	404.2	423.7	435.3	447.0	458.8	471.3	484.2
Percent Change	4.2%	4.8%	2.7%	2.7%	2.6%	2.7%	2.7%
Personal Income (Billions of Dollars)							
June Forecast	428.8	458.7	481.1	504.7	529.4	554.9	582.4
Percent Change	6.1%	7.0%	4.9%	4.9%	4.9%	4.8%	5.0%
March Forecast	428.8	458.5	479.5	502.5	526.5	551.6	577.6
Percent Change	6.1%	6.9%	4.6%	4.8%	4.8%	4.8%	4.7%
Disposable Personal Income (Billions of Dollars)							
June Forecast	380.3	408.5	427.6	448.5	470.7	493.1	516.7
Percent Change	6.0%	7.4%	4.7%	4.9%	4.9%	4.8%	4.8%
March Forecast	380.3	408.3	427.1	448.1	469.9	491.9	514.3
Percent Change	6.0%	7.3%	4.6%	4.9%	4.9%	4.7%	4.6%
Nonfarm Payroll Employment (Thousands)							
June Forecast	3321	3405	3478	3533	3573	3612	3649
Percent Change	2.4%	2.5%	2.2%	1.6%	1.1%	1.1%	1.0%
March Forecast	3321	3405	3478	3531	3565	3603	3640
Percent Change	2.4%	2.5%	2.2%	1.5%	1.0%	1.1%	1.0%
Unemployment Rate (Percent of Labor Force)							
June Forecast	4.7	4.5	4.6	4.6	4.8	4.9	4.9
March Forecast	4.7	4.5	4.4	4.5	4.7	4.8	4.9
Manufacturing Employment (Thousands)							
June Forecast	284.2	287.5	292.3	292.2	292.1	293.5	296.3
Percent Change	-2.1%	1.2%	1.7%	0.0%	0.0%	0.5%	0.9%
March Forecast	284.2	287.4	293.3	293.1	291.7	293.4	296.3
Percent Change	-2.1%	1.1%	2.1%	-0.1%	-0.5%	0.6%	1.0%
Construction Employment (Thousands)							
June Forecast	199.8	213.4	222.2	219.8	217.6	216.9	217.3
Percent Change	7.0%	6.8%	4.1%	-1.0%	-1.0%	-0.3%	0.2%
March Forecast	199.8	213.0	216.5	214.7	214.0	215.0	216.6
Percent Change	7.0%	6.6%	1.6%	-0.8%	-0.3%	0.5%	0.8%
Housing Permits (Thousands)							
June Forecast	45.8	47.4	43.7	42.0	41.8	42.1	41.8
Percent Change	3.9%	3.4%	-7.7%	-3.9%	-0.5%	0.7%	-0.8%
March Forecast	45.8	47.4	42.6	42.2	42.1	42.6	42.1
Percent Change	3.9%	3.4%	-10.0%	-1.1%	-0.1%	1.1%	-1.2%

Governor's Council of Economic Advisor's Forecast

Calendar Years

	2019	2020	2021	2022	2023
<u>U.S.</u>					
Real GDP					
<i>Growth</i>					
ERFC	2.5	1.8	1.7	1.9	2.0
GCEA Average	2.6	1.6	1.9	2.0	2.0
Real Consumption					
<i>Growth</i>					
ERFC	2.4	2.1	1.9	2.0	2.0
GCEA Average	2.6	2.2	2.0	2.0	2.0
PCE Price Index					
<i>Growth</i>					
ERFC	1.5	1.8	1.9	1.9	1.9
GCEA Average	1.7	2.0	1.9	1.8	1.8
Mortgage Rate					
<i>Percent</i>					
ERFC	4.1	4.3	4.6	4.7	4.8
GCEA Average	4.2	4.1	4.1	4.1	4.1
Oil Price (Brent)					
<i>Dollars per barrel</i>					
ERFC	62.8	58.4	57.8	58.0	58.7
GCEA Average	65.5	63.5	62.5	62.6	62.9

Washington State

Real Personal Income

<i>Growth</i>					
ERFC	3.4	3.0	2.9	2.8	3.0
GCEA Average	3.3	3.1	3.0	2.8	2.9

Wage and Salary Employment

<i>Growth</i>					
ERFC	2.2	1.6	1.1	1.1	1.0
GCEA Average	2.0	1.4	1.3	1.1	1.1

Manufacturing Employment

<i>Growth</i>					
ERFC	1.7	0.0	0.0	0.5	0.9
GCEA Average	1.7	0.5	0.3	0.5	0.7

Construction Employment

<i>Growth</i>					
ERFC	4.1	-1.0	-1.0	-0.3	0.2
GCEA Average	3.8	0.6	0.5	0.5	0.5

Housing Permits

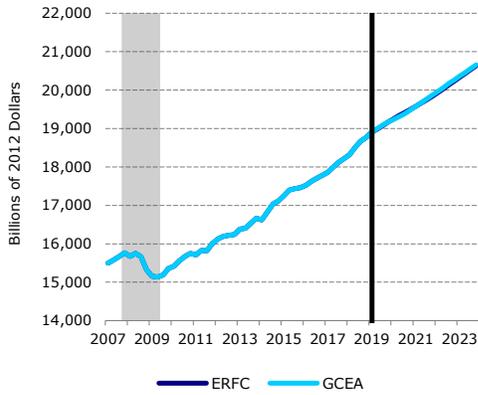
<i>Thousands of authorized units</i>					
ERFC	43.7	42.0	41.8	42.1	41.8
GCEA Average	43.8	42.6	42.9	43.1	43.0

Washington Average Annual Wage

<i>Growth</i>					
ERFC	3.3	3.2	3.6	3.7	4.2
GCEA Average	3.5	3.3	3.6	3.6	3.6

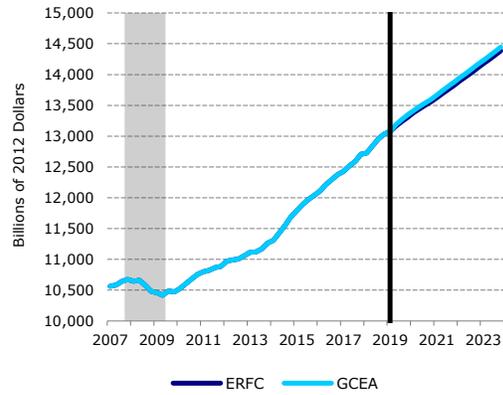
U.S. Forecast Comparison

Real GDP



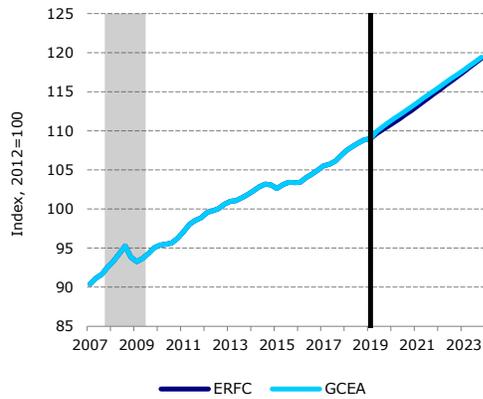
Source: BEA, ERFC, GCEA; data through 2019 Q1

Real Consumption



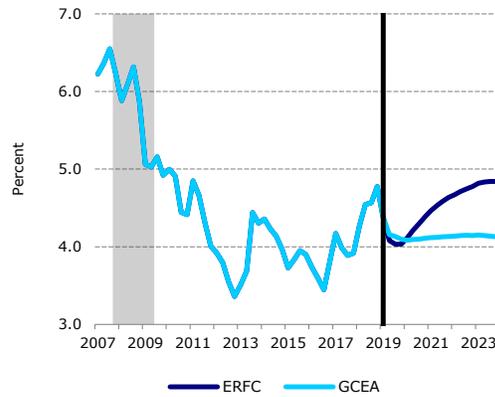
Source: BEA, ERFC, GCEA; data through 2019 Q1

PCE Price Index



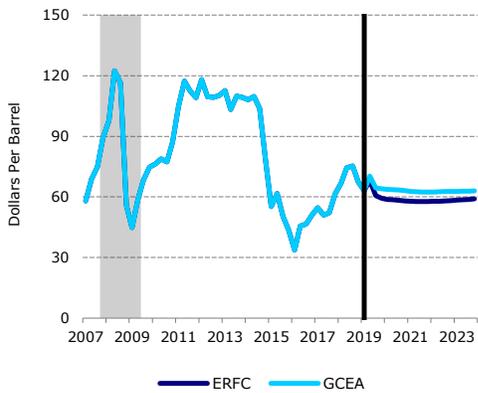
Source: BEA, ERFC, GCEA; data through 2019 Q1

Mortgage Rate



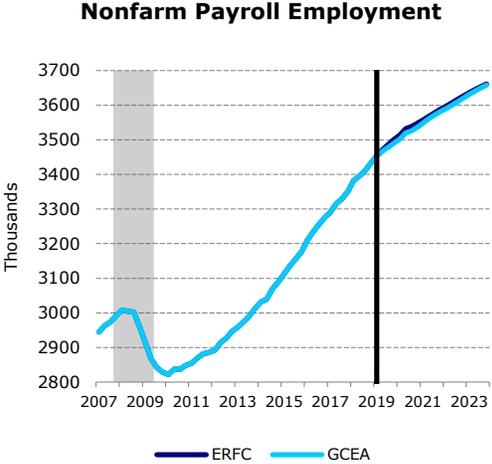
Source: Freddie Mac, ERFC, GCEA; data through 2019 Q1

Brent Oil Price

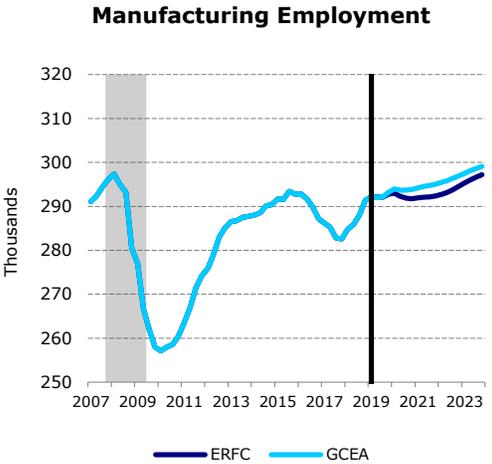


Source: EIA, ERFC, GCEA; data through 2019 Q1

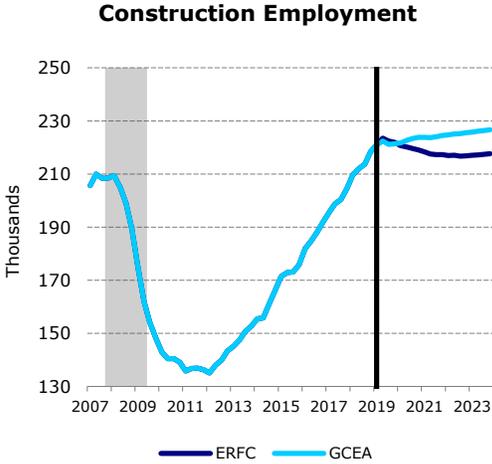
Washington Forecast Comparison



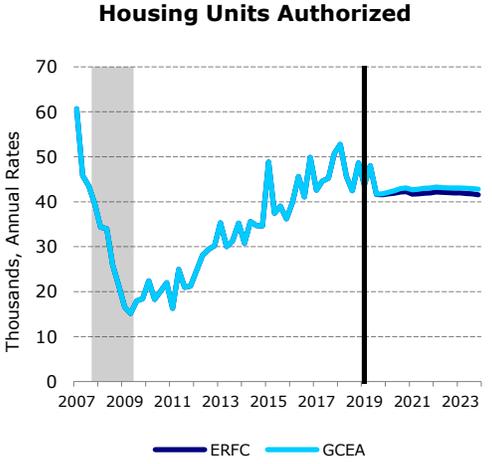
Source: ESD, ERFC, GCEA; data through 2019 Q1



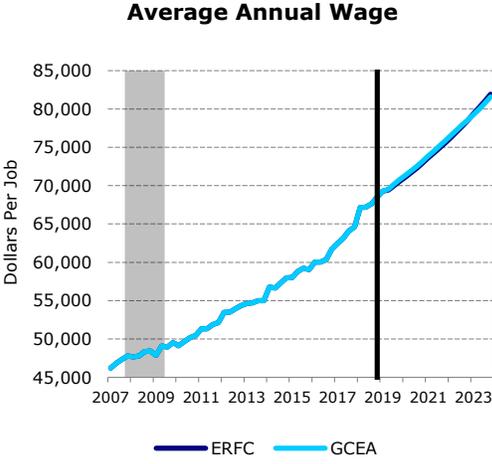
Source: ESD, ERFC, GCEA; data through 2019 Q1



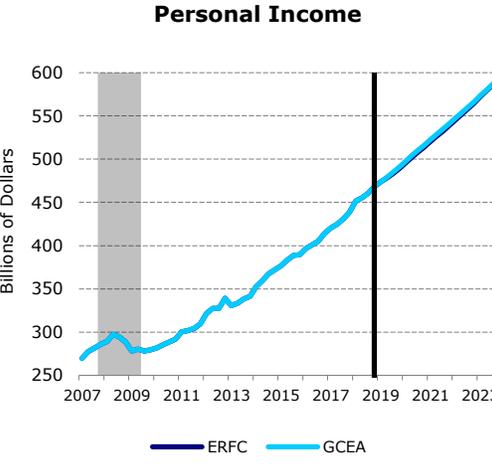
Source: ESD, ERFC, GCEA; data through 2019 Q1



Source: Census, ERFC, GCEA; data through 2019 Q1



Source: BEA, ERFC, GCEA; data through 2018 Q4



Source: BEA, ERFC, GCEA; data through 2018 Q4

Revenue legislation, budget driven revenue and other legislation affecting revenue

Passed in the 2019 Legislative Session

(Millions of dollars)

Bill title (Number)	Tax Type/Fee	FY19	FY20	FY21	FY22	FY23
2019 Other legislation - General Fund-State						
Service contract providers (1001)	GFS		0.002	0.004	0.006	0.007
Tobacco & vapor products/age (1074)	GFS		-2.739	-6.162	-6.093	-5.984
Nonprofit Homeownership dev (1107)	GFS		-0.009	-0.034	-0.049	-0.049
Energy efficiency (1257)	GFS					-3.193
Arenas/leashold excise tax (1301)	GFS		-0.006	-0.022	-0.022	-0.022
Affordable Housing-sales tax (1406)	GFS		-25.000	-26.000	-26.000	-27.000
Paint stewardship (1652)	GFS			0.301	0.640	0.659
Arena projects (1839)	GFS		-22.863	-17.772	-0.200	44.990
Vapor Product Taxation (1873)	GFS		0.488	0.928	0.771	0.771
Medicaid incentive payments (2024)	GFS		-0.139	-0.132	-0.124	-0.124
Hospital Tax Preference (2168)	GFS		-6.840	-7.760	-8.090	-8.430
Self-help Housing Dev/Taxes (5025)	GFS		-0.097	-0.084	-0.084	-0.084
Renewable energy M&E extension (5116)	GFS		-4.831	-6.004	-6.539	-7.135
Sr's Disab. Vets/Prop Tx Ex (5160)	GFS		-6.900	-13.300	-13.600	-13.700
Manufactured mobile homes (5183)	GFS		-0.058	-0.093	-0.100	-0.101
Tiny Houses (5383)	GFS		0.025	0.049	0.049	0.049
Health science & service authority (5596)	GFS					-1.123
Total Other legislation-fiscal year-GFS		0.000	-68.967	-76.081	-59.435	-20.469
Biennium totals		0.000		-145.048		-79.904
2019 Other legislation - Education Legacy Trust Account						
Self-help Housing Dev/Taxes (5025)			-0.012	-0.019	-0.019	-0.019
Biennium totals		0.000		-0.031		-0.038
2018 Budget driven revenue						
Liquor Control Board (Liquor)	GFS		-5.523	-4.062	0.148	1.272
Liquor Control Board (Marijuana)	GFS		-3.014	-3.270	-3.041	-4.018
Lottery	GFS		-0.003	-0.568	-0.962	-0.942
Vessel renewal	GFS		0.807	0.815	0.815	0.815
Payment in lieu of taxes (DFW)	GFS		-1.996	-1.997		
Tota budget driven revenue-fiscal year-GFS		-2.210	-10.542	-9.247	-3.329	-2.873
Biennium totals		-2.210		-19.789		-6.202
2019 Revenue legislation - General Fund-State						
K-12 education funding (2140)	GFS	-84.716				
Specified financial institutions (2167)	GFS		36.600	96.600	100.700	104.900
State Tax Laws (5581) <i>(included in the March forecast)</i>	GFS					
Tax Preferences (5997)	GFS		25.423	28.414	29.112	29.810
Graduated REET (5998)	GFS		6.700	16.300	16.600	15.900
Travel Agents & Tour Ops/Tax (6004)	GFS		2.200	2.500	2.600	2.700
International investment management (6016)	GFS		27.669	31.748	32.210	33.910
Subtotal GFS		-84.716	98.592	175.562	181.222	187.220
Biennium totals		-84.716		274.154		368.442
2019 Revenue legislation - Education Legacy Trust Account						
Graduated REET (5998)	ELTA (08A)		63.600	156.900	159.300	163.000
K-12 education funding (2140)	ELTA (08A)	84.716				
Subtotal ELTA (08A)		84.716	63.600	156.900	159.300	163.000
Biennium totals		84.716		220.500		322.300
Total revenue legislation-GFS and ELTA		0.000	162.192	332.462	340.522	350.220
Biennium totals		0.000		494.654		690.742

2017-19 with Enacted Supplementals and 2019-21 Budget Balance Sheet

General Fund-State (GFS), Education Legacy Trust Account (ELTA),
Washington Opportunity Pathways Account (OPA) and Budget Stabilization Account (BSA)

Dollars in Millions

	2017-19			2019-21		
	GFS	ELTA and OPA	TOTAL	GFS	ELTA and OPA	TOTAL
RESOURCES						
Beginning Fund Balance	1,100.6	48.0	1,148.5	801.2	1,033.3	1,834.5
March 2019 Revenue Forecast	44,181.7	1,924.6	46,106.4	49,608.6	946.7	50,555.3
June 2019 Revenue Forecast change	(52.9)	7.8	(45.1)	86.1	16.4	102.6
Current Revenue Totals	44,128.9	1,932.4	46,061.3	49,694.7	963.1	50,657.8
Transfer to Budget Stabilization Account (1% of GSR)	(439.8)		(439.8)	(497.3)		(497.3)
Transfer to Budget Stabilization Account (EGSR)	(1,696.3)		(1,696.3)	-		-
Transfer from BSA (EGSR)	1,136.4		1,136.4	-		-
Enacted Fund Transfers	(92.3)	254.0	161.7	-	-	-
CAFR Adjustment	(39.5)	13.9	(25.6)	-	-	-
Actual/Assumed Prior Period Adjustments	111.2		111.2	40.8		40.8
2019 Legislative session			-			-
Revenue legislation	(84.7)	84.7	-	274.2	220.5	494.7
Other legislation			-	(145.0)	(0.03)	(145.1)
Budget Driven Revenue	(2.2)		(2.2)	(19.8)		(19.8)
Fund transfers	73.0		73.0	49.0	160.0	209.0
Governor's vetoes	(38.0)		(38.0)			-
Total Resources (including beginning fund balance)	44,157.3	2,333.0	46,490.3	50,197.8	2,376.8	52,574.7
EXPENDITURES						
Enacted Budgets						
2017-19 Biennium	43,360.7	1,300.5	44,661.2	-	-	-
2019 Supplemental	187.5	(0.7)	186.8	-	-	-
2019-21 Biennium			-	50,374.4	2,103.0	52,477.3
Governor's vetoes	2.6		2.6	21.1	0.2	21.3
Actual/Assumed Reversions	(194.9)	-	(194.9)	(353.7)	-	(353.7)
Total Expenditures	43,356.0	1,299.8	44,655.8	50,041.8	2,103.2	52,144.9
RESERVES						
Projected Ending Balance (GFS + ELTA + OPA)	801.2	1,033.3	1,834.5	156.1	273.6	429.7
Budget Stabilization Account						
Budget Stabilization Account Beginning Balance	1,638.3		1,638.3	1,671.0		1,671.0
Transfers from General Fund (1% of GSR)	439.8		439.8	497.3		497.3
Actual/Assumed Interest Earnings and other	42.0		42.0	80.3		80.3
Transfers from GFS (EGSR)	1,696.3		1,696.3	-	-	-
Less 17-19 Appropriations from BSA	(41.5)		(41.5)	-	-	-
Less 17-19 Transfers to Pension Stabilization Account	(925.2)		(925.2)	-	-	-
Less Transfers out to GFS (EGSR)	(1,136.4)		(1,136.4)	-	-	-
Less 2019 Supplemental-DNR fires	(42.3)		(42.3)	-	-	-
Projected Budget Stabilization Account Ending Balance	1,671.0		1,671.0	2,248.5		2,248.5
Total Reserves (Near General Fund plus Budget Stabilization)	2,472.2	1,033.3	3,505.5	2,404.6	273.6	2,678.3

Acronyms

GSR- General State Revenues
EGSR- Extraordinary General State Revenues
CAFR- Comprehensive Annual Financial Report