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Revenue Review

September 25, 2019



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

REVENUE REVIEW MEETING

September 25, 2019
10:00 a.m.

- Call to order
- Approval meeting minutes:
 - September 5, 2019
- Economic & Revenue Forecast
 - Adoption of official state economic and revenue forecast and unofficial optimistic and pessimistic alternative forecasts
- 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
Revenue Review
September 5, 2019
John L O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate
Timm Ormsby, House of Representatives (via phone)
Jason Richter, Assistant Treasurer
David Schumacher, Office of Financial Management
Vikki Smith, Department of Revenue

Staff

Steve Lerch, Executive Director
Andy Toulon, House
Sarian Scott, Senate
Rachel Knutson, OFM

Call to Order

Representative Orcutt called the meeting to order at 10:03 a.m.

Motion

Director Smith moved, seconded by Representative Ormsby, to adopt the June 25 meeting minutes. Council approved the motion unanimously at 10:04 a.m.

Budget Outlook Presentation

Andy Toulon and the Budget Outlook Work Group provided a review of the accuracy of projections for ensuing biennium expenditures in the state budget outlook.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes. Discussion ensued regarding exports, bond ratings, and unemployment rates.

Motion

Director Smith moved, seconded by Representative Ormsby, to extend the contract with Steve Lerch as the supervisor of the forecast for one year. Council approved the motion unanimously at 10:32 a.m.

Adjournment

With no further business, the meeting adjourned at 10:32 a.m.

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



Economic & Revenue Review: September 25, 2019

Executive Summary

United States

- This forecast is based on a modified version of IHS Markit's September 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 September Blue Chip forecast for real GDP growth in 2019 was 2.3%, down from 2.5% in June. For 2020 through 2023, the forecast of real GDP growth remain unchanged at 1.8%, 1.7%, 1.9% and 2.0%.
- The forecast correctly predicted that the Federal Reserve would reduce the federal funds rate by 0.25% in September. One more 0.25% rate cut is expected in December. Starting in 2021, the Federal Reserve will gradually reverse these rate cuts.
- 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 September 11, 2019 closing prices for Brent and WTI futures. The latest futures prices are slightly higher this year and in 2020 compared to the prices used in the June forecast; for 2021 – 2023 they are slightly lower than in the June forecast. The refiner acquisition price of crude oil in 2019 is now expected to average \$58 per barrel, dropping to \$52 in 2021 - 2023.
- The U.S. economy added 130,000 net new jobs in July, of which 25,000 were temporary workers hired to prepare for the 2020 Census. Employment data for June and July were revised down by 20,000 jobs. Sectors with notable employment gains in August included the Federal government (+28,000; includes temporary Census hires), health care (+24,000), social assistance (+17,000) and professional and technical services (+15,000). Sectors with net employment declines in August included retail trade (-11,000), business support services (-6,000), mining (-6,000) and educational services (-5,000).
- Two key measures of consumer confidence decreased this month. The University of Michigan consumer sentiment survey fell by 8.6 points to 89.8 in August. This is the largest monthly decline for the University of Michigan index since December 2012. The Conference Board index of consumer confidence also dipped in August, but by a much smaller 0.7 points.
- Housing data were generally stronger this month, with both construction activity and home sales improving compared to year-ago levels. Housing units authorized by building permits in July were 8.4% (SA) above their June level and 1.5% above their year-ago level. July housing starts decreased by 4.0% (SA) compared to June but were 0.6% above their July 2018 level. New home sales in July decreased by 12.8% (SA) compared to June but were 4.3% above their year-ago level. Existing home sales in July increased by 2.5% (SA) compared to June and were up 0.6% compared to July 2018. The

seasonally adjusted Case-Shiller national home price index for July was 0.1% above its June level and 3.2% 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 June forecast was released. Total nonfarm payroll employment rose 20,800 (seasonally adjusted) in June, July, and August, which was 5,200 more than expected in the June forecast. Private services-providing sectors added 15,100 jobs in the three-month period. The manufacturing sector added 2,300 jobs of which 1,200 were aerospace jobs. The construction sector lost 300 jobs in June, July, and August but government added 3,900 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 May 2019 by 12,300 jobs (0.4%). As a result of the downward revision to history and stronger-than-expected growth, the combined effect is 7,000 (0.2%) fewer jobs in August 2019 than expected in the June forecast.
- Washington's unemployment rate remained at 4.6% in August for a fourth consecutive month. The state's unemployment rate remains near its all-time low of 4.4% last reached in October 2018.
- While Boeing has suspended deliveries of the 737 Max, production continues though at a reduced rate. We do not have any information on the impact on employment or hours worked but do not believe they are large at this point. Boeing has issued no worker adjustment and retraining notifications (WARNs) since the grounding of the 737 Max and overall aerospace employment is actually up.
- In June, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2019. According to these estimates, Washington personal income rose to \$471.5 billion (SAAR) in the first quarter from \$466.6 billion in the fourth quarter of 2018. The reported 4.3% growth rate (SAAR) in Washington personal income was the 15th largest among the states and District of Columbia and exceeded the 3.4% growth rate for the U.S. as a whole. Washington earnings growth was actually first in the nation at 5.2% (SAAR) compared to the 2.8% national average, but property income (dividends, interest, and rent) growth ranked 42nd at -4.8% compared to -4.3% for the nation. Washington transfer receipts growth was about average at 15.4% compared to 15.5% with a rank of 27th among the states and District of Columbia.
- Washington housing construction increased in the second quarter of 2019 and slightly exceeded the June forecast. The number of housing units authorized by building permits increased to 48,600 units (SAAR) in the second quarter of 2019 from 43,800 units in the first quarter. Second quarter permits were made up of 22,100 single-family units and 26,500 multi-family units. The June forecast assumed 48,000 units (SAAR) in the second quarter, consisting

- of 22,400 single-family units and 25,600 multi-family units. Washington housing construction got off to a very strong start in the third quarter of 2019, though mostly because of a surge in multi-family permits. In July, 54,200 units (SAAR) were permitted consisting of 23,500 single-family units and 30,700 multi-family units. The June forecast assumed an average rate of 41,600 (SAAR) units for the third quarter as a whole.
- Seattle area home prices increased in July but were down over the year. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices increased 0.5% from June to July while the composite-20 index was unchanged. Monthly Seattle home prices have, on average, been trending down since June 2018. As of July 2019, Seattle home prices were down 0.7% over the year compared to a 2.0% increase in the composite-20 index. Seattle home prices are still up 89% since the December 2011 trough and exceed the May 2007 peak by 32%.
 - Seattle area consumer price inflation continued to outpace the national average in August. From August 2018 to August 2019, the Seattle CPI rose 3.2% compared to the 1.8% increase in the U.S. City Average. Core prices, which exclude food and energy, increased 3.7% over the year in Seattle compared to 2.4% for the U.S. City Average. In part, the above-average Seattle inflation was due to higher shelter cost inflation. Over-the-year shelter cost inflation in Seattle was 4.8% compared to the national rate of 3.4%. However, Seattle inflation excluding shelter still exceeded the national average at 2.2% compared to 1.0%.
 - Washington exports declined sharply over the year in the second quarter of 2019. Exports decreased 27.6% in the second quarter of 2019 compared to the second quarter of 2018 due largely to a 41.9% drop in transportation equipment exports (mostly Boeing planes). Boeing suspended deliveries of the 737 Max in March which clearly affected second quarter exports. However exports of agricultural products also declined 22.4% over the year and exports of all other commodities (mostly manufacturing) declined 5.6%.
 - The Institute of Supply Management - Western Washington Index (ISM-WW) declined in August but remained in positive territory. The index, which measures conditions in the manufacturing sector, decreased from 57.0 in July to 56.0 in August (index values above 50 indicate growth while values below 50 indicate contraction). The index has exceeded 50 in each of the last 25 months. The production, orders, and deliveries components indicated expansion in August while the inventory component indicated contraction. The employment component was neutral at 50 in August.
 - Washington car and truck sales increased in August after three consecutive declines. Seasonally adjusted new vehicle registrations increased 3.2% in August but sales were down 2.3% over the year and 15.7% since the November 2017 post-recession peak. Monthly sales are erratic but have been trending down since mid-2016.
 - We expect 1.9% Washington employment growth this year, down from 2.2% in the June forecast. As in June, we expect growth to decelerate. We expect employment growth to average 1.2% per year in 2020 through 2023, which is the same rate expected in the June forecast. Our forecast for nominal personal income growth this year is 5.6%, up from 4.9% in the June forecast. Our new forecast for nominal personal income growth in 2020 through 2023

averages 4.8% per year, down slightly from the 4.9% rate expected in the June forecast.

Revenue

- Revenue collections have been higher than forecasted in June. Cumulative major General Fund-State (GF-S) revenue collections from June 11 through September 10, 2019 were \$160 million above the forecast.
- Cumulative 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 \$131 million (3.0%) higher than forecasted.
- Cumulative real estate excise taxes (REET) came in \$36 million (11.9%) higher than forecasted. Large commercial sales spiked while residential sales activity remained close to forecasted levels.
- The June forecast included an \$85 million transfer of property tax from the GF-S into the Education Legacy Trust Account in FY 2019. While some of the transfer did occur in June 2019, \$84 million of the transfer occurred in July 2019, the first month of FY 2020. This increased the preliminary cash estimate of GF-S revenue for the 2017-19 biennium by \$84 million above the June forecast and decreased the forecast for the 2019-21 biennium by the same amount. On a Generally Accepted Accounting Principles (GAAP) basis, however, the transfer still accrued to FY 2019.
- The preliminary estimate of GF-S revenue for the 2017-19 biennium, which ended June 30, 2019, is \$44.144 billion, which is \$102 million higher than forecasted in June. Absent the abovementioned delayed transfer, however, collections would have been \$18 million higher than forecasted.
- While the September economic forecast was very similar to the June forecast, expected Revenue Act collections have increased in the current 2019-21 biennium due to their recent strength. Expected slower growth in the 2021-23 biennium, however, has slightly reduced expected Revenue Act collections in that period. Similarly, the REET forecast was increased in the current biennium and decreased in the next biennium, with part of the decrease due to a re-estimation of the effects of the graduated tax rates which will take effect on January 1, 2020.
- The GF-S forecast for the current biennium has been increased by \$226 million. The forecast for the 2021-23 biennium has been decreased by \$79 million. Forecasted total GF-S revenue is now \$50.030 billion for the 2019-21 biennium and \$53.604 billion for the 2021-23 biennium.
- Due to the delayed transfer of property tax revenue, preliminary collections for the Education Legacy Trust Account (ELTA) for the 2017-19 biennium were \$80 million lower than the June forecast at \$1.654 billion. The delayed \$84 million transfer, plus a large estate tax payment and increased REET collections have increased forecasted ELTA collections by \$219 million for the current biennium. Forecasted revenue for the 2021-23 biennium increased by

\$21 million. Forecasted ELTA revenue is now \$1.118 billion for the 2019-21 biennium and \$1.063 billion for the 2021-23 biennium.

- Forecasted revenue for the Opportunity Pathways Account (OPA) increased by \$4.5 million in the 2017-19 biennium and \$1.6 million in the 2019-21 biennium but decreased by \$5.3 million in the 2021-23 biennium. Added to the changes to the GF-S and ELTA forecasts, Near GF-S revenue is forecasted to increase by \$27 million in the current biennium and \$447 million in the 2019-21 biennium, but decrease by \$63 million in the 2021-23 biennium.
- Forecasted Near GF-S revenue for the 2017-19 biennium is now \$46.086 billion, 18.0% more than that of the 2015-17 biennium. Forecasted Near GF-S revenue for the 2019-21 biennium is now \$51.435 billion, 11.6% higher than estimated 2017-19 biennial revenue, and forecasted Near GF-S revenue for the 2021-23 biennium is \$54.973 billion, an increase of 6.9% over expected 2019-21 biennial revenue.

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Revenue Review

Presented to
Economic and Revenue Forecast Council

Steve Lerch
Executive Director

September 25, 2019
Olympia, Washington



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Summary

- U.S., WA forecasts similar to the June forecast; WA personal income slightly higher than in June
- 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 increased by \$27 million for the 2017-19 biennium and increased by \$447 million for 2019-21 biennium

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Data updates since preliminary forecast

U.S.

- August employment: +130,000 jobs
- August Blue Chip GDP forecast: 2019 & 2020 slightly lower than preliminary
- Monetary policy: two additional 0.25% Federal Funds rate cuts are assumed in 2019, one of which occurred this month

Washington

- August employment: +4,000 jobs
- August unemployment rate remained at 4.6%

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Selected forecast risks

Labor markets

- Unemployment rate, initial UI claims remain low
- Job growth slower than in 2018

737 MAX

- Currently, no impact on WA employment; forecast assumes gradual production increase over 2020 Q1 and Q2

International trade policy

- China – no agreement yet
- Europe – no agreement yet; potential for aircraft tariffs

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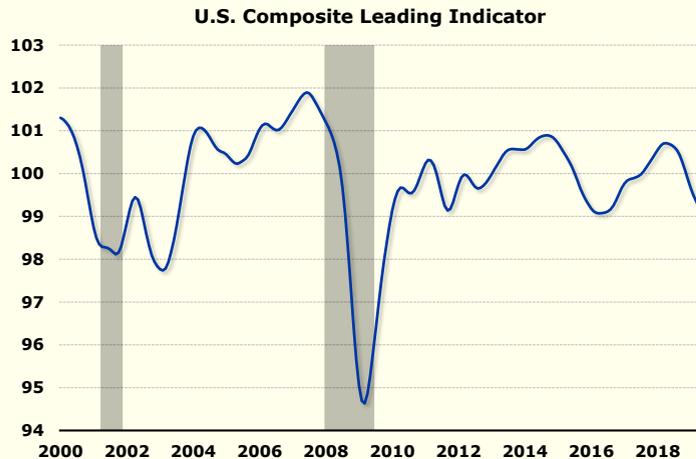
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OECD leading index suggests slowing growth in next 6 – 9 months

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



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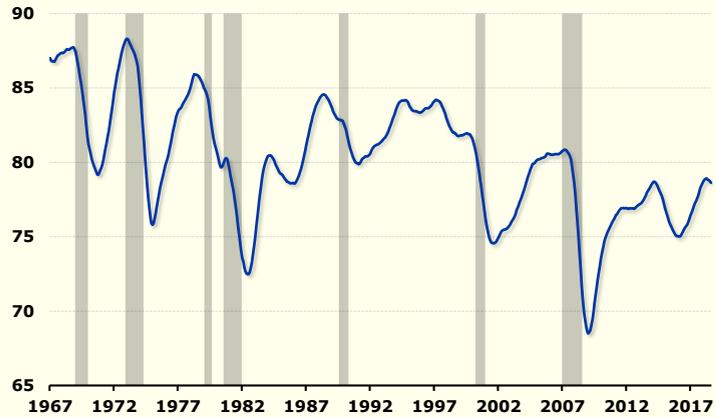
Source: Organization for Economic Cooperation and Development, data through July 2019

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Capacity utilization is typically at or above 80% before the start of a recession

Capacity utilization, 12 mo. moving average



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

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Relative to GDP, Federal debt is expected to reach levels last seen just after WW II

Federal debt as % GDP



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Source: Congressional Budget Office, Update to Budget and Economic Outlook Aug. 2019, historic data through 2018

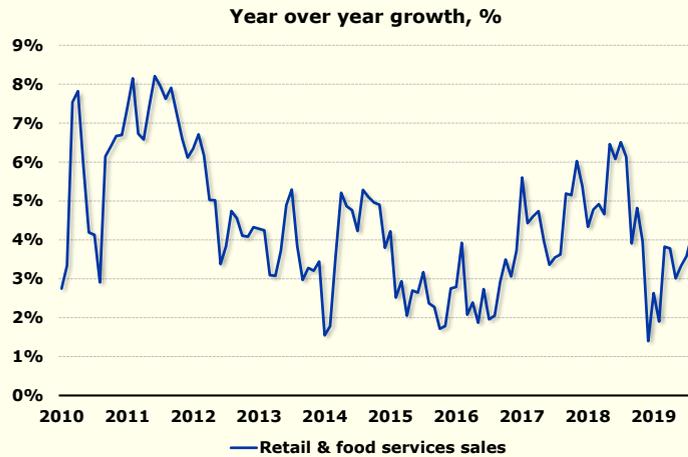
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U.S. retail sales have trended upward in 2019

August retail sales grew by 0.4% over July



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

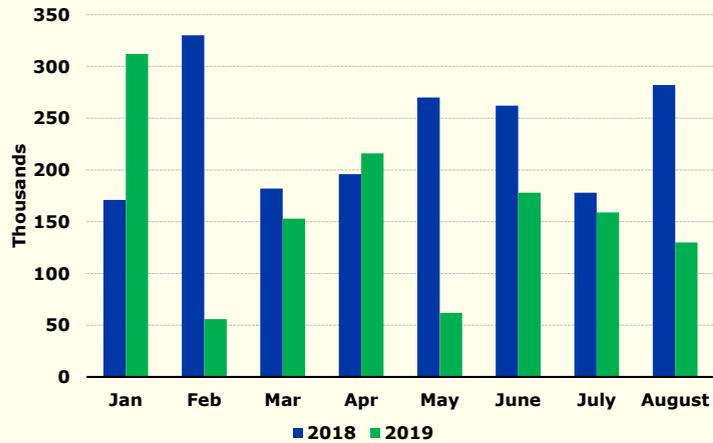
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U.S. employment change, January through August 2018 and 2019

Monthly employment growth in 2019 YTD has averaged 76,000 fewer jobs than for the same period last year.



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

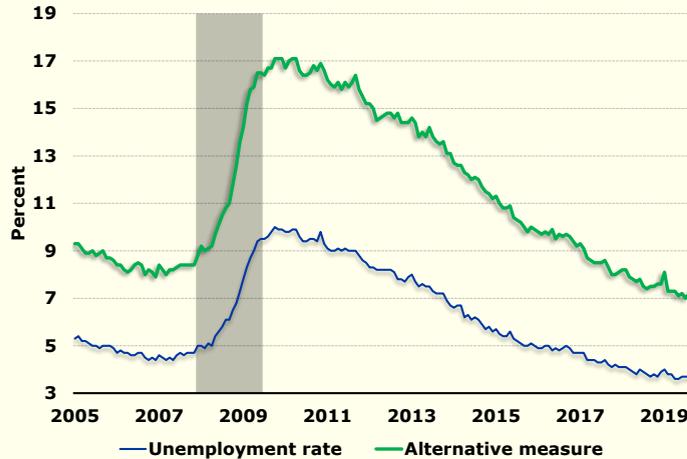
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Unemployment rates remain low

The alternative unemployment measure includes discouraged workers and those working part time for economic reasons.



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Sources: U.S. Bureau of Labor Statistics; data through August 2019

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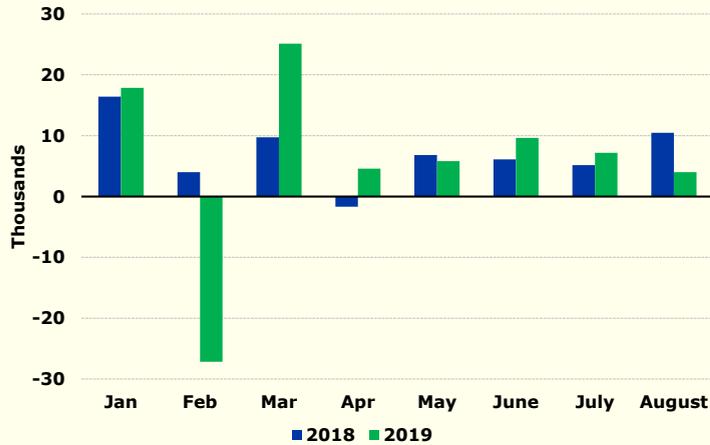
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WA employment change, Jan through August 2018 and 2019

WA employment does not show an obvious trend compared to 2018.

Feb. 2019 employment was impacted by severe weather.



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Sources: Employment Security Dept., ERFC; monthly data through August 2019

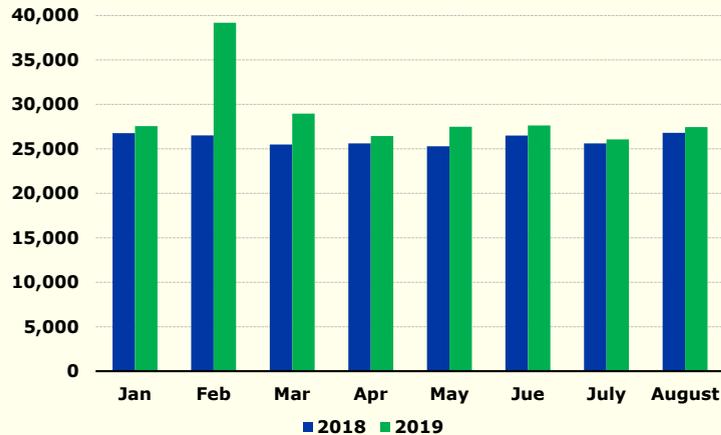
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WA Initial Unemployment Insurance claims, Jan – Aug 2018 and 2019

WA initial UI claims are higher every month in 2019 compared to 2018 but differences are small with exception of February which was affected by severe weather.



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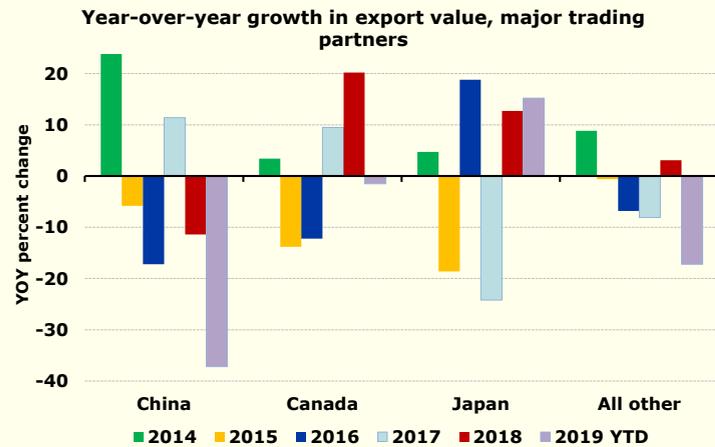
Source: Employment Security Dept.; monthly data through August 2019

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So far this year, WA exports to Japan are up but exports to China, Canada are down



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Source: WISERTrade; data through July 2019

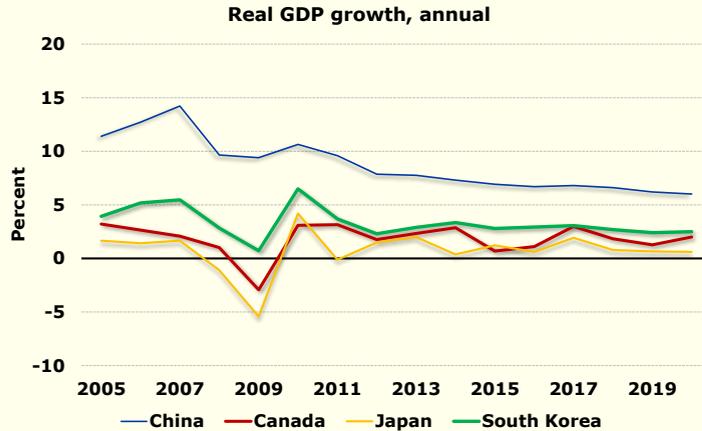
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Washington's major trading partners are expected to have flat to slowing growth in 2019 and 2020

Since May, the OECD has revised down its 2019 and 2020 global GDP forecasts, in part due to trade and political tensions.



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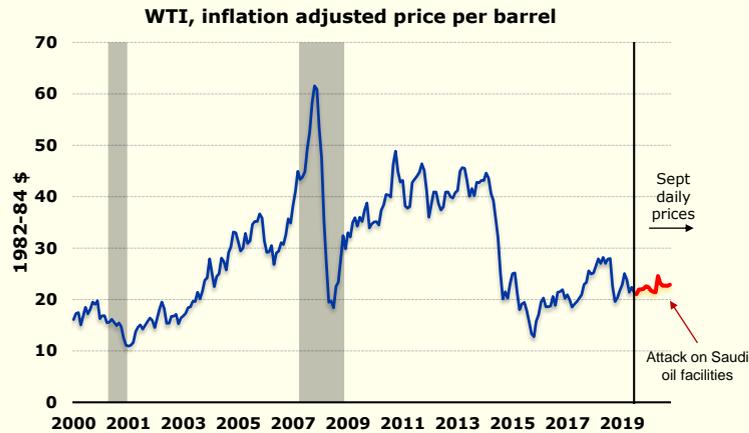
Source: OECD, Interim Economic Outlook, Sept. 2019; actual data through 2018

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Oil prices adjusted for inflation remain low even after increases due to attack on Saudi oil facilities



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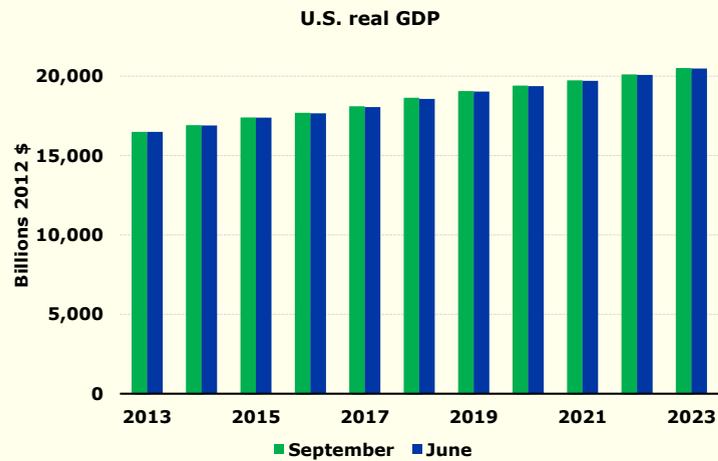
Source: U.S. Dept. of Energy, U.S. Bureau of Labor Statistics; monthly spot prices through Aug. 2019, daily spot prices Sept. 3 - 23

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GDP is very similar to the June forecast



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Source: ERFC September 2019 forecast; historical data through 2018

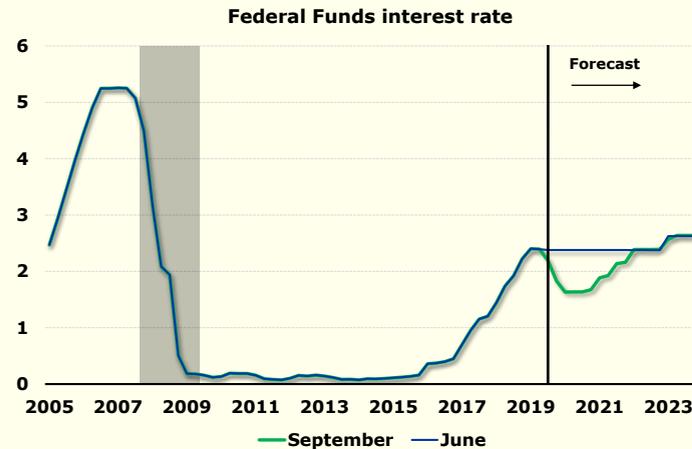
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The September forecast includes three additional 0.25% Federal Funds rate cuts compared to June

This forecast incorporates the 0.25% rate cuts which occurred in July and September and assumes an additional 0.25% cut in December.



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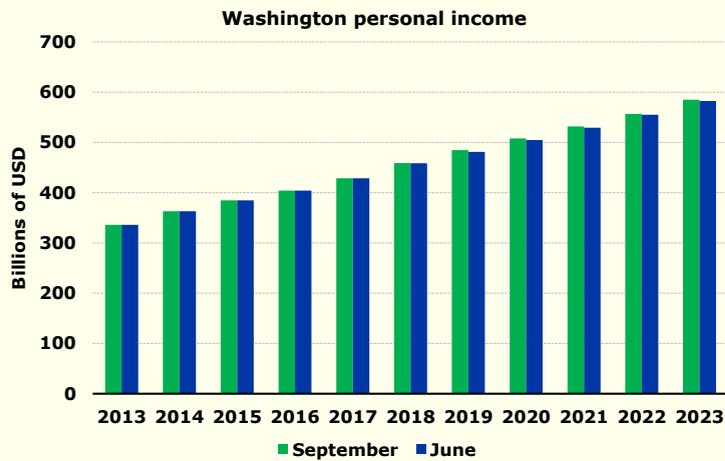
Source: ERFC September 2019 forecast; historical data through 2019 Q3

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Washington personal income is slightly higher than in June



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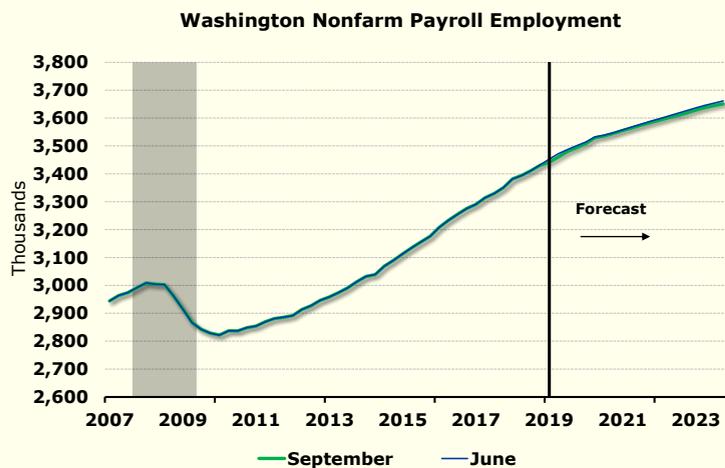
Source: ERFC September 2019 forecast; historical data through 2018

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Washington employment forecast is nearly unchanged from June



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Source: ERFC September 2019 forecast; historical data through Q2 2019

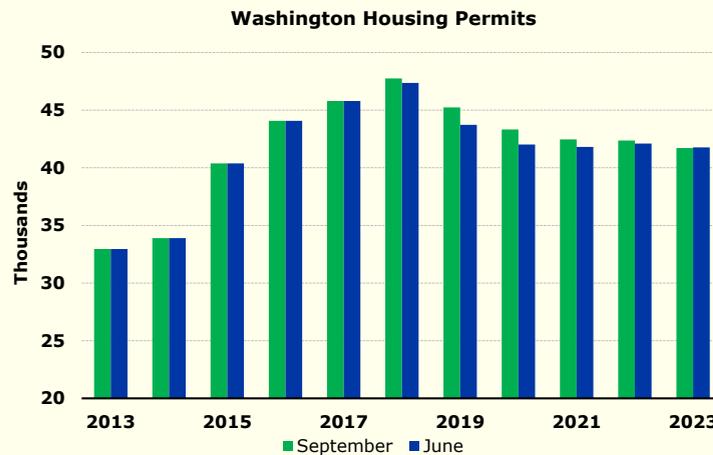
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Washington housing permits forecast slightly higher compared to June

The slight forecast increase is due to stronger than expected multi-family permits since the June forecast.



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Source: ERFC September 2019 forecast; historical data through 2018

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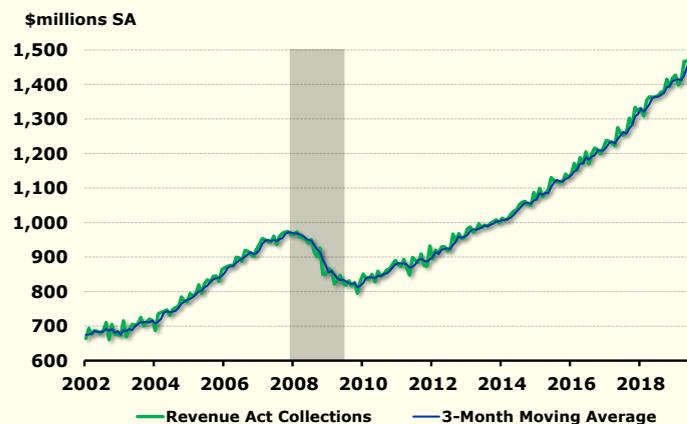
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Seasonally adjusted Revenue Act growth increased in the second quarter

Adjusted collections for second quarter activity grew at 8.1% year over year after 5.6% growth in the first quarter.

\$75.7 million of the YOY increase came from higher remittances (payments for activity outside of the quarter). Adjusted for these, YOY Q2 growth would have been 6.3%.



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

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Taxable REET activity strong but leveling off

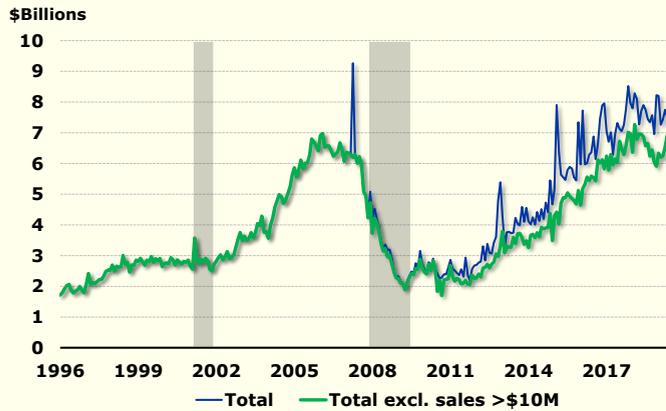
Large commercial sales (>\$10 million) fell to \$670 million in August after a \$2 billion spike in July but could spike again to beat REET rate increase that takes effect January 1, 2020.

Residential sales are down from their May peak but still strong.

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Seasonally Adjusted Taxable Real Estate Excise Activity

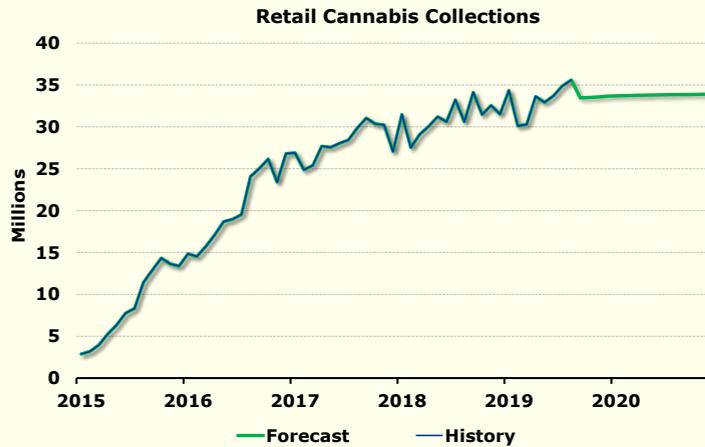


Source: ERFC; Monthly data through August 2019

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Cannabis revenue growth is expected to moderate



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Source: ERFC September 2019 forecast; historical data through August 2019

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Cannabis excise tax and license fee estimates

Total change since June forecast:

- 2017-19 +\$0.0M
- 2019-21 +\$24.9M
- 2021-23 +\$20.2M

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\$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	\$279	\$294
Non-GF	\$503	\$546	\$563
Total	\$752	\$826	\$858

Detail may not add to total due to rounding
Source: ERFC September 2019 forecast; historical data through August 2019

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

\$84 million of the statutory transfer of GF-S property tax into the Education Legacy Trust Account occurred in FY20 on a cash basis instead of in FY19 as forecasted.

The transfer still accrued to FY19 on a GAAP basis.

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\$Millions	<u>June 2019 Forecast*</u>	<u>Non-economic Change**</u>	<u>Forecast Change</u>	<u>September 2019 Forecast</u>	<u>Total Change#</u>
General Fund-State	\$44,042	\$84	\$18	\$44,144	\$102
Education Legacy Trust Account	\$1,734	(\$84)	\$4	\$1,654	(\$80)
WA Opportunity Pathways Account	\$283	\$0	\$4	\$288	\$4
Total Near GF-S	\$46,059	\$0	\$27	\$46,086	\$27

*Forecast for the 2017-19 biennium adopted June 25, 2019

**Transfer of GF-S property tax revenue to ELTA occurred in FY20 rather than FY19 as forecasted

Detail may not add to total due to rounding

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

\$Millions	<u>June 2019 Forecast*</u>	<u>Non-economic Change**</u>	<u>Forecast Change</u>	<u>September 2019 Forecast</u>	<u>Total Change#</u>
General Fund-State	\$49,804	(\$84)	\$310	\$50,030	\$226
Education Legacy Trust Account	\$899	\$84	\$135	\$1,118	\$219
WA Opportunity Pathways Account	\$285	\$0	\$2	\$286	\$11
Total Near GF-S	\$50,988	\$0	\$447	\$51,435	\$447

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*Forecast for the 2019-21 biennium adopted June 25, 2019
 ** Transfer of property tax revenue to ELTA occurred in FY20 rather than FY19 as forecasted
 # Detail may not add to total due to rounding

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Workforce Education Investment Account

Millions	2019-21	2021-23	2023-25
B&O tax receipts	\$380.0	\$393.1	\$451.3

- The Workforce Education Investment Account was established in the 2019 legislative session. The account is funded by a business and occupation tax surcharge on businesses in specified categories.
- The ERFC was tasked with forecasting B&O tax collections for the account in June 2019.
- The surcharge will take effect on January 1, 2020, with the first collections due on February 25, 2020. Until more data is available for forecasting purposes, we will continue to use the estimated revenue from the May 2019 fiscal note.

Revenue Review
September 25, 2019

Source: Department of Revenue, 2158 25 HB PL Fiscal Note, May 2019

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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2019-21 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2019-21 Biennium	Difference From the baseline#
September 2019 Baseline (50%)	\$50,030	
September 2019 Alternative Forecasts		
Optimistic (15%)	\$51,708	\$1,678
Pessimistic (35%)	\$48,037	(\$1,994)
Probability Weighted Average	\$49,584	(\$446)
GCEA*	\$50,063	\$32

Revenue Review
September 25, 2019

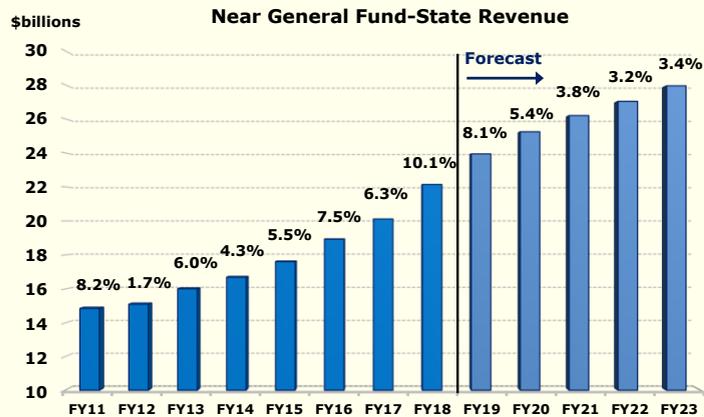
*Based on the Governor's Council of Economic Advisors' economic assumptions
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Near General Fund-State* forecast by fiscal year



Revenue Review
September 25, 2019

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

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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Conclusion

- Economic forecasts are only slightly changed from June
- Washington's economy is continuing to outperform the nation but not as dramatically as in past
- Near GF-S revenues are expected to grow 18.0% between the 2015-17 and 2017-19 biennia and 11.6% 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
September 25, 2019

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions



Revenue Review
September 25, 2019

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Economic & Revenue Forecast Council
PO BOX 40912
Olympia WA 98504-0912
www.erc.wa.gov
360-534-1560

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

Comparison of the September 2019 to the June 2019 Forecast

2017-19 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2019 Forecast*</u>	<u>Non-economic Changes**</u>	<u>Forecast Change</u>	<u>September 2019 Preliminary Estimate</u>	<u>Total Change[#]</u>
General Fund-State	\$44,042.0	\$83.8	\$17.8	\$44,143.6	\$101.6
Education Legacy Trust Account	\$1,733.6	(\$83.8)	\$4.3	\$1,654.1	(\$79.5)
WA Opportunity Pathways Account	\$283.5	\$0.0	\$4.5	\$287.9	\$4.5
Total	\$46,059.1	\$0.0	\$26.6	\$46,085.6	\$26.6

*Forecast for the 2017-19 biennium adopted June 25, 2019

**Later-than-forecasted cash transfer of Property Tax out of GF-S into ELTA

[#]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 September 2019 to the June 2019 Forecast

2019-21 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2019 Forecast*</u>	<u>Non-economic Changes**</u>	<u>Forecast Change</u>	<u>September 2019 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$49,804.1	(\$83.8)	\$310.1	\$50,030.3	\$226.3
Education Legacy Trust Account	\$898.9	\$83.8	\$135.3	\$1,117.9	\$219.0
WA Opportunity Pathways Account	\$284.7	\$0.0	\$1.6	\$286.3	\$1.6
Total	\$50,987.6	\$0.0	\$447.0	\$51,434.6	\$447.0

*Forecast for the 2019-21 biennium adopted June 25, 2019

**Later-than-forecasted cash transfer of Property Tax out of GF-S into ELTA

[#]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 September 2019 to the June 2019 Forecast

2021-23 Biennium

Cash Forecast; Millions of Dollars

	June 2019 <u>Forecast*</u>	Non-economic <u>Changes**</u>	Forecast <u>Change</u>	September 2019 <u>Forecast</u>	Total <u>Change[#]</u>
General Fund-State	\$53,683.4	\$0.0	(\$79.4)	\$53,604.0	(\$79.4)
Education Legacy Trust Account	\$1,042.1	\$0.0	\$21.4	\$1,063.4	\$21.4
WA Opportunity Pathways Account	\$310.5	\$0.0	(\$5.3)	\$305.2	(\$5.3)
Total	\$55,036.0	\$0.0	(\$63.4)	\$54,972.6	(\$63.4)

*Forecast for the 2021-23 biennium adopted June 25, 2019

[#]Details may not add due to rounding

Track Record for the 2017-19 General Fund-State Cash Forecast

February 2014 through September 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) #8	(140)	44,042
September 2019	22	(4)	18	84 #9	102	44,144
Total change***:						
From February 2014	3,968	234	4,202	1,231	5,434	
Percent change	10.8	12.8	10.9	3.2	14.0	

* 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.

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

#9 Later-than-forecasted cash transfer of Property Tax out of GF-S into ELTA

Track Record for the 2019-21 General Fund-State Cash Forecast

February 2016 through September 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) #1	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) #2	34	43,875
September 2017	245	(3)	243	3,278 #3	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) #4	267	48,520
September 2018	295	22	317	38 #5	355	48,875
November 2018	186	3	189	0	189	49,064
March 2019	465	(35)	430	115 #6	545	49,609
June 2019	57	29	86	109 #7	195	49,804
September 2019	307	3	310	(84) #8	226	50,030
Total change***:						
From February 2016	3,393	(72)	3,322	3,268	6,589	
Percent change	9.2	(3.9)	7.6	7.5	15.2	

* 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 2019-21 biennium.

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

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

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

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

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

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

#7 Sum of legislative and budget driven revenue changes from the 2018 legislative session subsequent to the March 2019 forecast

#8 Later-than-forecasted cash transfer of Property Tax out of GF-S into ELTA

Analysis for the Major Sources Based on Taxable Activity

Revenue Act Sources

September 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	6.6	1.2
2019	5.7	6.3	0.9
2020	4.4	5.2	0.8
2021	2.6	4.7	0.6
2022	3.3	4.6	0.7
2023	3.4	4.9	0.7
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	6.6	1.1
2019	4.5	6.3	0.7
2020	4.2	5.2	0.8
2021	5.9	4.7	1.2
2022	4.4	4.6	1.0
2023	4.2	4.9	0.8
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

September 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	6.6	0.8
2019	3.4	6.3	0.5
2020	(1.4)	5.2	(0.3)
2021	3.2	4.7	0.7
2022	5.8	4.6	1.3
2023	4.0	4.9	0.8
Average 2002-2018:	3.8	5.1	0.7

Total Revenue Act Receipts

September 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	6.6	1.1
2019	6.9	6.3	1.1
2020	5.9	5.2	1.1
2021	3.5	4.7	0.7
2022	3.5	4.6	0.8
2023	3.7	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)

September 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	\$22,431	3.3%	\$1,352	348.1%	\$23,784	8.0%	\$159	24.0%	\$23,943	8.1%
FY 2020	\$24,491	9.2%	\$603	-55.4%	\$25,094	5.5%	\$149	-6.4%	\$25,243	5.4%
FY 2021	\$25,539	4.3%	\$515	-14.5%	\$26,054	3.8%	\$137	-8.0%	\$26,192	3.8%
FY 2022	\$26,358	3.2%	\$525	1.8%	\$26,883	3.2%	\$148	8.0%	\$27,031	3.2%
FY 2023	\$27,246	3.4%	\$539	2.7%	\$27,785	3.4%	\$157	6.0%	\$27,942	3.4%
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	\$44,144	15.2%	\$1,654	254.1%	\$45,798	18.1%	\$288	8.4%	\$46,086	18.0%
19-21 Biennium	\$50,030	13.3%	\$1,118	-32.4%	\$51,148	11.7%	\$286	-0.6%	\$51,435	11.6%
21-23 Biennium	\$53,604	7.1%	\$1,063	-4.9%	\$54,667	6.9%	\$305	6.6%	\$54,973	6.9%

*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
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	217.5	38.7	0.0	13.1	0.0	0.0	0.4	5.8	159.4	0.0	0.0	0.0
2017-19 Biennium	401.1	77.3	0.0	25.8	0.0	0.0	0.8	9.3	287.9	0.0	0.0	0.0
2020	187.8	20.5	0.0	13.7	0.0	0.0	0.4	4.1	149.1	0.0	0.0	0.0
2021	187.2	31.0	0.0	14.2	0.0	0.0	0.4	4.3	137.2	0.0	0.0	0.0
2019-21 Biennium	374.9	51.6	0.0	27.9	0.0	0.0	0.8	8.4	286.3	0.0	0.0	0.0
2022	189.4	36.6	0.0	0.0	0.0	0.0	0.4	4.3	148.2	0.0	0.0	0.0
2023	191.9	30.2	0.0	0.0	0.0	0.0	0.4	4.3	157.0	0.0	0.0	0.0
2021-23 Biennium	381.3	66.8	0.0	0.0	0.0	0.0	0.8	8.6	305.2	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, ERF

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	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0	0.0
2020	184.9	29.6	0.0	13.7	0.0	0.0	0.4	4.3	136.9	0.0	0.0	0.0
2021	187.2	29.7	0.0	14.2	0.0	0.0	0.4	4.3	138.6	0.0	0.0	0.0
2019-21 Biennium	372.1	59.3	0.0	27.9	0.0	0.0	0.8	8.6	275.6	0.0	0.0	0.0
2022	189.7	29.8	0.0	0.0	0.0	0.0	0.4	4.3	155.3	0.0	0.0	0.0
2023	192.2	29.8	0.0	0.0	0.0	0.0	0.4	4.3	157.7	0.0	0.0	0.0
2021-23 Biennium	381.9	59.6	0.0	0.0	0.0	0.0	0.8	8.6	313.0	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 September 2019 and June 2019 forecasts
 2017-19 Biennium
 (Amounts in Millions)

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,200.5	\$0.0	\$0.0	\$1,200.5	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$492.9	\$0.0	(\$6.8)	\$486.1	(\$6.8)
Lottery Commission Lottery Revenue	\$77.6	\$0.0	(\$0.4)	\$77.3	(\$0.4)
State Treasurer Interest Earnings	\$35.8	\$0.0	(\$0.1)	\$35.7	(\$0.1)
Office of Financial Management Other Agencies	\$325.0	\$0.0	\$1.5	\$326.5	\$1.5
Administrative Office of the Courts Fines and Forfeitures	\$147.6	\$0.0	\$1.5	\$149.1	\$1.5
Total General Fund-State	\$2,279.4	\$0.0	(\$4.2)	\$2,275.2	(\$4.2)

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

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,200.5	\$0.0	\$0.0	\$1,200.5	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$492.9	\$0.0	(\$6.8)	\$486.1	(\$6.8)
Lottery Commission Lottery Revenue	\$62.8	\$0.0	(\$0.8)	\$62.1	(\$0.8)
State Treasurer Interest Earnings	\$36.3	\$0.0	\$0.1	\$36.4	\$0.1
Office of Financial Management Other Agencies	\$325.0	\$0.0	\$1.5	\$326.5	\$1.5
Administrative Office of the Courts Fines and Forfeitures	\$147.6	\$0.0	\$1.5	\$149.1	\$1.5
Total General Fund-State	\$2,265.1	\$0.0	(\$4.4)	\$2,260.7	(\$4.4)

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

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,297.3	\$0.0	\$6.0	\$1,303.3	\$6.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$543.6	\$0.0	\$6.2	\$549.8	\$6.2
Lottery Commission Lottery Revenue	\$53.7	\$0.0	(\$2.2)	\$51.6	(\$2.2)
State Treasurer Interest Earnings	\$46.5	\$0.0	(\$7.3)	\$39.1	(\$7.3)
Office of Financial Management Other Agencies	\$217.1	\$0.0	(\$2.0)	\$215.2	(\$2.0)
Administrative Office of the Courts Fines and Forfeitures	\$135.6	\$0.0	\$2.1	\$137.8	\$2.1
Total General Fund-State	\$2,293.8	\$0.0	\$2.9	\$2,296.7	\$2.9

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

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,297.3	\$0.0	\$6.0	\$1,303.3	\$6.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$543.6	\$0.0	\$6.2	\$549.8	\$6.2
Lottery Commission Lottery Revenue	\$59.3	\$0.0	(\$0.0)	\$59.3	(\$0.0)
State Treasurer Interest Earnings	\$46.3	\$0.0	(\$8.2)	\$38.1	(\$8.2)
Office of Financial Management Other Agencies	\$217.1	\$0.0	(\$2.0)	\$215.2	(\$2.0)
Administrative Office of the Courts Fines and Forfeitures	\$135.6	\$0.0	\$2.1	\$137.8	\$2.1
Total General Fund-State	\$2,299.2	\$0.0	\$4.1	\$2,303.4	\$4.1

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

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,408.3	\$0.0	\$6.9	\$1,415.2	\$6.9
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$584.5	\$0.0	\$7.8	\$592.3	\$7.8
Lottery Commission Lottery Revenue	\$65.0	\$0.0	\$1.7	\$66.8	\$1.7
State Treasurer Interest Earnings	\$42.6	\$0.0	(\$5.6)	\$37.0	(\$5.6)
Office of Financial Management Other Agencies	\$189.3	\$0.0	(\$1.8)	\$187.5	(\$1.8)
Administrative Office of the Courts Fines and Forfeitures	\$137.1	\$0.0	\$0.9	\$138.0	\$0.9
Total General Fund-State	\$2,426.9	\$0.0	\$9.9	\$2,436.8	\$9.9

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

Source/Agency	June 2019 Baseline	Non-Economic Changes	Economic Changes	September 2019 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,408.3	\$0.0	\$6.9	\$1,415.2	\$6.9
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$584.5	\$0.0	\$7.8	\$592.3	\$7.8
Lottery Commission Lottery Revenue	\$59.6	\$0.0	(\$0.0)	\$59.6	(\$0.0)
State Treasurer Interest Earnings	\$42.5	\$0.0	(\$5.2)	\$37.3	(\$5.2)
Office of Financial Management Other Agencies	\$189.3	\$0.0	(\$1.8)	\$187.5	(\$1.8)
Administrative Office of the Courts Fines and Forfeitures	\$137.1	\$0.0	\$0.9	\$138.0	\$0.9
Total General Fund-State	\$2,421.3	\$0.0	\$8.6	\$2,429.9	\$8.6

September 2019Alternative General Fund-State Forecasts
Millions of Dollars

Cash Basis

2019-21 Biennium

	2019-21 <u>Biennium</u>	Difference From the <u>September 2019 Baseline</u>
September 2019 GF-S Baseline (50%)	\$50,030	
September 2019 Alternative GF-S Forecasts		
Optimistic (15%)	\$51,708	\$1,678
Pessimistic (35%)	\$48,037	(\$1,994)
Probability Weighted Average	\$49,584	(\$446)
GCEA*	\$50,063	\$32

2021-23 Biennium

	2021-23 <u>Biennium</u>	Difference From the <u>September 2019 Baseline</u>
September 2019 GF-S Baseline (50%)	\$53,604	
September 2019 Alternative GF-S Forecasts		
Optimistic (15%)	\$57,634	\$4,030
Pessimistic (35%)	\$48,625	(\$4,979)
Probability Weighted Average	\$52,466	(\$1,138)
GCEA*	\$53,786	\$182

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

U.S. Forecast Comparison

	2019Q2	2019Q3	2019Q4	2020Q1
Real GDP (Billions of 2012 Dollars)				
September Forecast	19,023	19,117	19,204	19,288
Percent Change	2.0%	2.0%	1.8%	1.8%
June Forecast	18,984	19,076	19,167	19,256
Percent Change	1.6%	2.0%	1.9%	1.9%
Real Consumption (Billions of 2012 Dollars)				
September Forecast	13,253	13,341	13,407	13,477
Percent Change	4.7%	2.7%	2.0%	2.1%
June Forecast	13,161	13,232	13,303	13,377
Percent Change	2.7%	2.2%	2.2%	2.3%
PCE Price Index (2012=100)				
September Forecast	109.5	110.0	110.5	111.2
Percent Change	2.3%	1.8%	2.0%	2.3%
June Forecast	109.6	110.1	110.6	111.1
Percent Change	2.5%	1.7%	1.6%	1.9%
Real Personal Income (Billions of 2012 Dollars)				
September Forecast	16,988	17,071	17,187	17,273
Percent Change	3.1%	2.0%	2.8%	2.0%
June Forecast	16,575	16,679	16,791	16,907
Percent Change	1.9%	2.5%	2.7%	2.8%
Nonfarm Payroll Employment (Millions)				
September Forecast	151.1	151.6	152.0	152.5
Percent Change	1.2%	1.3%	1.1%	1.4%
June Forecast	151.4	151.9	152.3	152.7
Percent Change	1.8%	1.5%	1.1%	1.1%
Unemployment Rate (Percent of Labor Force)				
September Forecast	3.6	3.6	3.5	3.6
June Forecast	3.6	3.5	3.5	3.5
Oil Price, Refiner's Acquisition				
September Forecast	63.6	56.3	55.7	54.5
June Forecast	61.4	54.3	53.6	53.3
30 Year Fixed Mortgage Rate (Percent, average)				
September Forecast	4.0	3.6	3.5	3.6
June Forecast	4.1	4.0	4.0	4.1
3 Month T-Bill Rate (Percent, average)				
September Forecast	2.3	2.0	1.8	1.7
June Forecast	2.4	2.4	2.3	2.3

	2017	2018	2019	2020	2021	2022	2023
Real GDP (Billions of 2012 Dollars)							
September Forecast	18,108	18,638	19,068	19,407	19,737	20,112	20,514
Percent Change	2.4%	2.9%	2.3%	1.8%	1.7%	1.9%	2.0%
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%
Real Consumption (Billions of 2012 Dollars)							
September Forecast	12,567	12,945	13,276	13,566	13,824	14,100	14,382
Percent Change	2.6%	3.0%	2.6%	2.2%	1.9%	2.0%	2.0%
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%
PCE Price Index (2012=100)							
September Forecast	105.9	108.1	109.7	112.0	114.3	116.6	118.8
Percent Change	1.8%	2.1%	1.5%	2.1%	2.0%	2.0%	1.9%
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%
Real Personal Income (Billions of 2012 Dollars)							
September Forecast	15,933	16,477	17,026	17,403	17,765	18,165	18,628
Percent Change	2.9%	3.4%	3.3%	2.2%	2.1%	2.3%	2.5%
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%
Nonfarm Payroll Employment (Millions)							
September Forecast	146.6	149.1	151.4	153.1	153.9	154.6	155.4
Percent Change	1.6%	1.7%	1.5%	1.1%	0.5%	0.5%	0.5%
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%
Unemployment Rate (Percent of Labor Force)							
September Forecast	4.4	3.9	3.7	3.6	3.8	3.9	4.1
June Forecast	4.4	3.9	3.6	3.6	3.8	3.9	4.0
Oil Price, Refiner's Acquisition							
September Forecast	50.7	64.5	58.2	53.6	52.2	51.9	52.2
June Forecast	50.7	64.5	56.6	52.9	52.3	52.5	53.2
30 Year Fixed Mortgage Rate (Percent, average)							
September Forecast	4.0	4.5	3.9	3.8	4.3	4.7	4.8
June Forecast	4.0	4.5	4.1	4.3	4.6	4.7	4.8
3 Month T-Bill Rate (Percent, average)							
September Forecast	0.9	1.9	2.1	1.6	1.8	2.2	2.4
June Forecast	0.9	1.9	2.4	2.2	2.2	2.1	2.4

Washington Forecast Comparison

	2019Q2	2019Q3	2019Q4	2020Q1
Real Personal Income (Billions of 2012 Dollars)				
September Forecast	440.4	443.3	446.3	449.0
Percent Change	3.5%	2.7%	2.7%	2.4%
June Forecast	436.2	439.1	442.5	446.0
Percent Change	1.6%	2.6%	3.2%	3.2%
Personal Income (Billions of Dollars)				
September Forecast	482.2	487.7	493.4	499.1
Percent Change	5.9%	4.6%	4.8%	4.8%
June Forecast	478.3	483.5	489.2	495.4
Percent Change	4.1%	4.4%	4.8%	5.2%
Disposable Personal Income (Billions of Dollars)				
September Forecast	430.7	435.9	441.1	446.2
Percent Change	6.2%	4.9%	4.9%	4.7%
June Forecast	424.9	429.6	434.7	440.2
Percent Change	3.6%	4.5%	4.9%	5.2%
Nonfarm Payroll Employment (Thousands)				
September Forecast	3461	3480	3494	3508
Percent Change	2.3%	2.3%	1.6%	1.7%
June Forecast	3472	3487	3501	3514
Percent Change	2.2%	1.8%	1.6%	1.5%
Unemployment Rate (Percent of Labor Force)				
September Forecast	4.6	4.6	4.5	4.6
June Forecast	4.7	4.6	4.5	4.6
Manufacturing Employment (Thousands)				
September Forecast	294.4	296.6	296.5	297.0
Percent Change	0.8%	3.1%	-0.2%	0.7%
June Forecast	292.1	292.1	292.8	293.0
Percent Change	-0.1%	-0.1%	1.0%	0.3%
Construction Employment (Thousands)				
September Forecast	218.1	217.9	217.3	215.8
Percent Change	3.7%	-0.4%	-1.1%	-2.6%
June Forecast	223.5	222.4	221.9	220.6
Percent Change	4.8%	-2.0%	-0.8%	-2.3%
Housing Permits (Thousands)				
September Forecast	48.6	45.4	43.2	43.3
Percent Change	52.3%	-23.8%	-18.2%	0.7%
June Forecast	48.0	41.6	41.6	41.7
Percent Change	44.6%	-43.5%	-0.2%	1.5%

	2017	2018	2019	2020	2021	2022	2023
Real Personal Income (Billions of 2012 Dollars)							
September Forecast	404.8	424.2	441.7	453.4	465.1	477.6	492.5
Percent Change	4.2%	4.8%	4.1%	2.7%	2.6%	2.7%	3.1%
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%
Personal Income (Billions of Dollars)							
September Forecast	428.8	458.8	484.7	508.0	531.7	556.7	585.1
Percent Change	6.1%	7.0%	5.6%	4.8%	4.7%	4.7%	5.1%
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%
Disposable Personal Income (Billions of Dollars)							
September Forecast	380.3	410.0	433.0	454.3	476.0	498.5	522.9
Percent Change	6.0%	7.8%	5.6%	4.9%	4.8%	4.7%	4.9%
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%
Nonfarm Payroll Employment (Thousands)							
September Forecast	3321	3404	3469	3530	3569	3605	3640
Percent Change	2.4%	2.5%	1.9%	1.7%	1.1%	1.0%	1.0%
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%
Unemployment Rate (Percent of Labor Force)							
September Forecast	4.7	4.5	4.6	4.6	4.8	4.9	5.0
June Forecast	4.7	4.5	4.6	4.6	4.8	4.9	4.9
Manufacturing Employment (Thousands)							
September Forecast	284.2	287.5	295.3	294.9	293.0	295.0	298.7
Percent Change	-2.1%	1.2%	2.7%	-0.2%	-0.6%	0.7%	1.2%
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%
Construction Employment (Thousands)							
September Forecast	199.8	213.4	217.3	214.8	211.8	210.5	209.9
Percent Change	7.0%	6.8%	1.9%	-1.2%	-1.4%	-0.6%	-0.3%
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%
Housing Permits (Thousands)							
September Forecast	45.8	47.7	45.2	43.3	42.5	42.4	41.7
Percent Change	3.9%	4.3%	-5.3%	-4.2%	-2.0%	-0.2%	-1.5%
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%

Governor's Council of Economic Advisor's Forecast

Calendar Years

	2019	2020	2021	2022	2023
U.S.					
Real GDP					
<i>Growth</i>					
ERFC	2.3	1.8	1.7	1.9	2.0
GCEA Average	2.3	1.6	1.9	1.9	1.9
Real Consumption					
<i>Growth</i>					
ERFC	2.6	2.2	1.9	2.0	2.0
GCEA Average	2.5	2.1	2.0	2.1	2.0
PCE Price Index					
<i>Growth</i>					
ERFC	1.5	2.1	2.0	2.0	1.9
GCEA Average	1.7	1.9	1.9	1.9	1.8
Mortgage Rate					
<i>Percent</i>					
ERFC	3.9	3.8	4.3	4.7	4.8
GCEA Average	4.1	4.0	4.2	4.4	4.7
Oil Price (Brent)					
<i>Dollars per barrel</i>					
ERFC	63.5	58.3	57.1	56.9	57.3
GCEA Average	64.3	60.1	60.1	60.5	61.6

Washington State

Real Personal Income

<i>Growth</i>					
ERFC	4.1	2.7	2.6	2.7	3.1
GCEA Average	3.9	3.0	3.0	2.8	2.9

Wage and Salary Employment

<i>Growth</i>					
ERFC	1.9	1.7	1.1	1.0	1.0
GCEA Average	1.9	1.5	1.2	1.1	1.0

Manufacturing Employment

<i>Growth</i>					
ERFC	2.7	-0.2	-0.6	0.7	1.2
GCEA Average	2.7	0.1	0.0	0.4	0.9

Construction Employment

<i>Growth</i>					
ERFC	1.9	-1.2	-1.4	-0.6	-0.3
GCEA Average	1.8	-0.5	-0.5	-0.2	0.0

Housing Permits

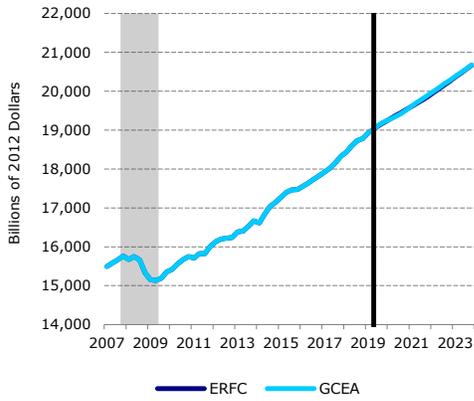
<i>Thousands of authorized units</i>					
ERFC	45.2	43.3	42.5	42.4	41.7
GCEA Average	45.6	43.0	42.8	42.9	42.8

Washington Average Annual Wage

<i>Growth</i>					
ERFC	4.5	3.8	3.8	3.9	4.5
GCEA Average	4.1	3.5	3.6	3.8	3.9

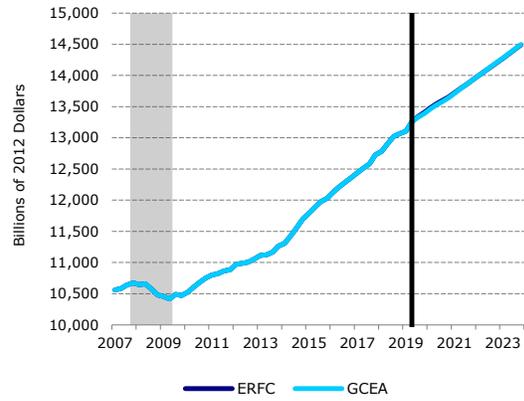
U.S. Forecast Comparison

Real GDP



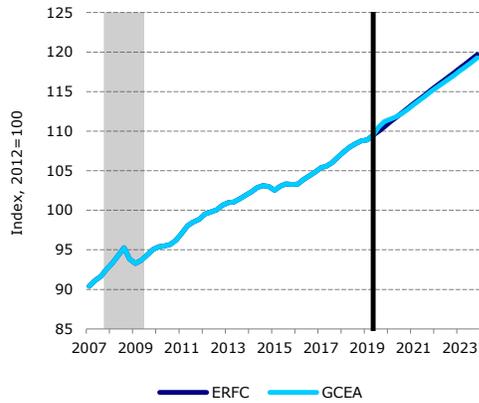
Source: BEA, ERFC, GCEA; data through 2019 Q2

Real Consumption



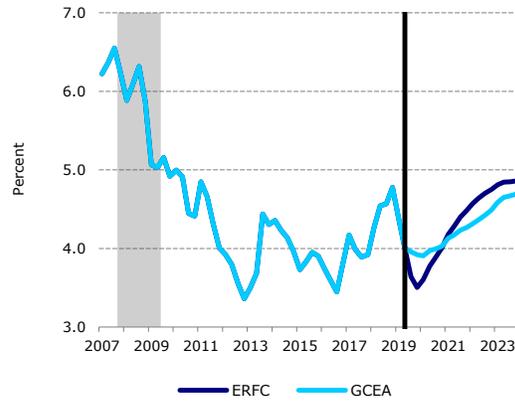
Source: BEA, ERFC, GCEA; data through 2019 Q2

PCE Price Index



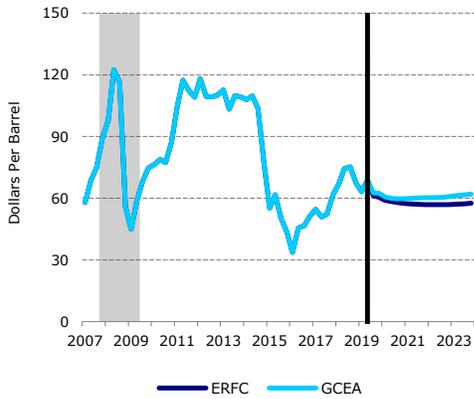
Source: BEA, ERFC, GCEA; data through 2019 Q2

Mortgage Rate



Source: Freddie Mac, ERFC, GCEA; data through 2019 Q2

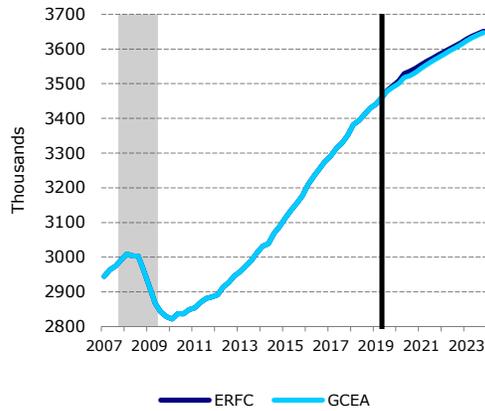
Brent Oil Price



Source: EIA, ERFC, GCEA; data through 2019 Q2

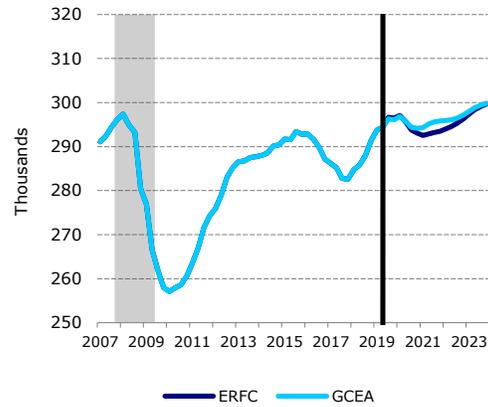
Washington Forecast Comparison

Nonfarm Payroll Employment



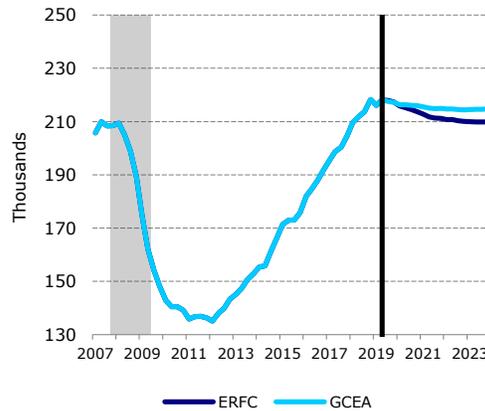
Source: ESD, ERFC, GCEA; data through 2019 Q2

Manufacturing Employment



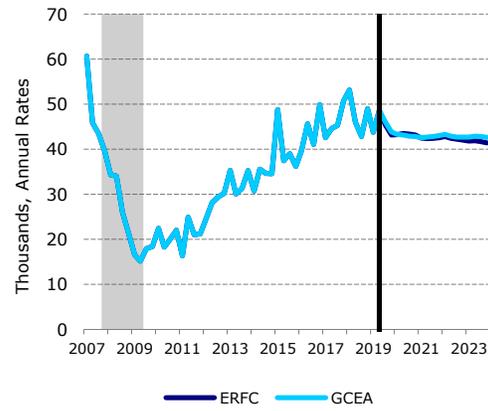
Source: ESD, ERFC, GCEA; data through 2019 Q2

Construction Employment



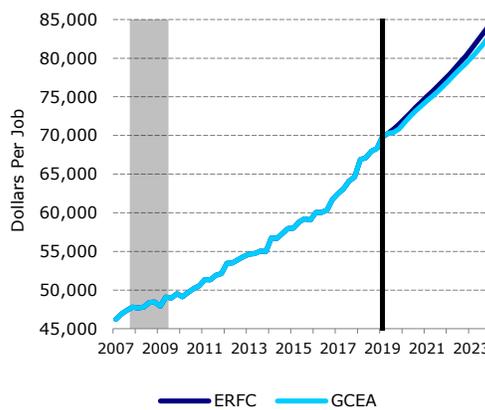
Source: ESD, ERFC, GCEA; data through 2019 Q2

Housing Units Authorized



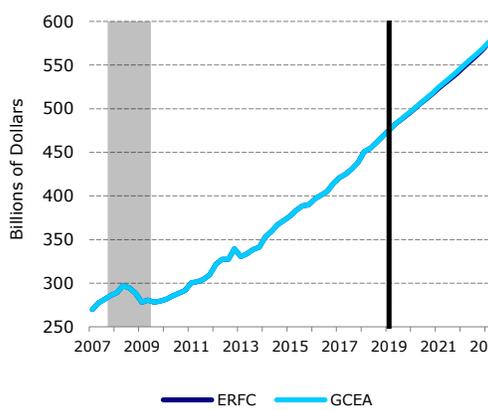
Source: Census, ERFC, GCEA; data through 2019 Q2

Average Annual Wage



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

Personal Income



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

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	951.7	958.2	1,909.9
June 2019 Revenue Forecast	44,042.0	2,017.1	46,059.1	49,804.1	1,183.6	50,987.6
September 2019 Revenue Forecast change	101.6	(75.0)	26.6	226.3	220.7	447.0
Current Revenue Totals	44,143.6	1,942.1	46,085.6	50,030.3	1,404.2	51,434.6
Transfer to Budget Stabilization Account (1% of GSR)	(439.1)		(439.1)	(497.8)		(497.8)
Transfer to Budget Stabilization Account (EGSR)	(1,648.1)		(1,648.1)	-		-
Transfer from BSA (EGSR)	1,136.4		1,136.4	-		-
Enacted Fund Transfers	(57.3)	254.0	196.7	49.0	160.0	209.0
CAFR Adjustment	(39.5)	13.9	(25.6)	-	-	-
Actual/Assumed Prior Period Adjustments	111.2		111.2	40.8		40.8
Total Resources (including beginning fund balance)	44,307.7	2,258.0	46,565.7	50,574.0	2,522.5	53,096.5
EXPENDITURES						
Enacted Budgets						
2017-19 Biennium	43,550.9	1,299.8	44,850.7	-	-	-
2019-21 Biennium			-	50,395.5	2,103.2	52,498.6
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)	951.7	958.2	1,909.9	532.3	419.3	951.6
Budget Stabilization Account						
Budget Stabilization Account Beginning Balance	1,638.3		1,638.3	1,622.1		1,622.1
Transfers from General Fund (1% of GSR)	439.1		439.1	497.8		497.8
Transfers from GFS (EGSR)	1,648.1		1,648.1	-		-
Actual/Assumed Interest Earnings and other	42.0		42.0	56.9		56.9
Less 17-19 Appropriations from BSA	(83.8)		(83.8)	-		-
Less 17-19 Transfers to Pension Stabilization Account	(925.2)		(925.2)	-		-
Less Transfers out to GFS (EGSR)	(1,136.4)		(1,136.4)	-		-
Projected Budget Stabilization Account Ending Balance	1,622.1		1,622.1	2,176.8		2,176.8
Total Reserves (Near General Fund plus Budget Stabilization)	2,573.8	958.2	3,532.1	2,709.1	419.3	3,128.4

Acronyms

GSR- General State Revenues

EGSR- Extraordinary General State Revenues

CAFR- Comprehensive Annual Financial Report