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Revenue Review

June 23, 2021



WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE  
**ECONOMIC AND REVENUE FORECAST COUNCIL**

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## AGENDA

### **REVENUE REVIEW MEETING**

June 23, 2021  
10:00 a.m.

- Call to order
- Approval of meeting minutes from June 9, 2021
- 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**  
**Budget Outlook Adoption and Economic Review**  
June 9, 2021  
Conference Call

**Economic and Revenue Forecast Council**

Tim Ormsby, House of Representatives, Chair  
Christine Rolfes, Senate  
Lynda Wilson, Senate  
Ed Orcutt, House  
Mike Pellicciotti, Treasurer  
Vikki Smith, Department of Revenue  
David Schumacher, Office of Financial Management

*Staff*

Steve Lerch, Executive Director  
Rachel Knutson, OFM  
Sarian Scott, Senate Ways and Means  
Andy Toulon, House Appropriations

**Call to Order**

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

**Approval of the Minutes**

Representative Orcutt moved, seconded by Representative Ormsby to adopt the meeting minutes from March 17, 2021 and June 3, 2021. Motion passed unanimously at 10:04 a.m.

**Budget adoption**

The Budget Outlook Work Group members presented.

**Motion**

Representative Orcutt moved, seconded by Representative Ormsby, to adopt budget outlook as presented. Council approved the motion unanimously at 10:16 a.m.

**Forecast Presentation**

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes

**Adjournment**

With no further business, the meeting adjourned at 10:45 a.m.

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



**Economic & Revenue Review: June 23, 2021**

**Executive Summary**

**United States**

- Note: due to the impact of the COVID pandemic on business activity, employment and retail sales through stay at home orders, closure of non-essential businesses and declining consumer confidence, especially in March, April and May 2020, over-the-year growth rates for March, April and May 2021 data are abnormally large in many cases.
- This forecast is based on a modified version of IHS Markit's June 2021 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 forecast for GDP growth in 2021 is now 6.7%, up from 6.6% in the preliminary June forecast. For 2022, real GDP growth is 4.4%, unchanged from the preliminary forecast. We do not have a new long term forecast from Blue Chip since the March forecast. For 2023-25, we assume that some of the higher near term growth is offset by weaker long term growth. We expect growth rates of 2.2%, 2.0%, and 1.9% in 2023 through 2025 compared to the preliminary forecast of 2.3%, 2.0%, and 1.9%.
- 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 June 16 closing prices for Brent and WTI futures. The latest futures prices indicate slightly higher oil prices than in the preliminary June forecast. The refiner acquisition price of crude is \$65 per barrel in 2021, up from \$62 in the preliminary forecast. We expect oil prices to decrease gradually, reaching approximately \$56 in 2025, up from \$55 in the preliminary forecast.
- National employment in May increased by 559,000 net jobs. Employment data for March and April were revised up by 27,000 jobs. Sectors with the largest job gains in May included food services and drinking places (+186,000), arts, entertainment and recreation (+72,000), local government education (+53,000), state government education (+50,000), educational services (+41,000), accommodations (+35,000), information (+29,000) and professional and technical services (+29,000). Sectors with declining employment in May included food and beverage stores (-26,000), construction (-20,000), local government excluding education (-20,000), U.S. Postal Service (-15,000), commercial banking (-11,000), investigation and security services (-11,000) and management of companies and enterprises (-9,000).
- Two key measures of consumer confidence declined this month; both remained well below their pre-pandemic levels. The University of Michigan (UM) consumer sentiment survey decreased by 5.4 points to 82.9 in May. Consumers were less optimistic about both current and future economic prospects, with inflation a concern of survey respondents. The Conference

Board index of consumer confidence decreased by 0.3 points in May to 117.2. Survey results suggest that consumers were more optimistic about current economic conditions than in April but remain concerned about the outlook over the next six months.

- Residential construction activity continued its upward trend in May. May housing starts increased by 3.6% (SA) compared to April and were 50.3% above their May 2020 level. Housing units authorized by building permits in May were 3.90 (SA) below their May level but 34.9% above their year-ago level. New home sales in April decreased by 5.9% (SA) compared to March but were 48.3% above their year-ago level. Existing home sales in May decreased by 0.9% (SA) compared to April. This was the fourth straight month with a drop in existing home sales, reflecting near-record lows of for-sale home inventories. Existing home sales were up 44.6% compared to May 2020. The seasonally adjusted Case-Shiller national home price index for March was 1.5% above its February level and 13.2% above its year-ago level.
- Threats to the U.S. and Washington economies include the uncertain impact of COVID-19 and the potential for higher inflation.

## Washington

- We have three months of new Washington employment data since the March forecast was released. Total nonfarm payroll employment increased 37,300 in March, April, and May which was 5,300 less than the increase of 42,600 expected in the forecast. Washington employment is now 200,000 (5.7%) lower than at its February 2020 peak. Private services-providing sectors added 27,700 jobs in the three-month period. The manufacturing sector lost 3,400 jobs of which 1,300 were in aerospace manufacturing. Construction employment increased by 400 jobs in March, April, and May. State and local government employment increased by 13,400 jobs but federal government employment declined by 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 subtracted 2,500 (0.1%) from the estimated level of total employment in February 2021. Because employment growth in March, April, and May was also slightly less than expected, employment is 7,800 (0.2%) lower in May than expected in the March forecast.
- Washington's unemployment improved to 5.3% in May from a revised 5.4% in April. The unemployment rate is down significantly from the 16.3% rate reached in April 2020 which was an all-time high in the series that dates back to 1976.
- As in March, this forecast incorporates Boeing's announcement of deep cuts to company-wide employment continuing in 2021 as well as the consolidation of 787 production in South Carolina. Boeing indicated they plan to reduce employment from 161,000 at the beginning of 2020 to about 130,000 by the end of 2021, a reduction of 31,000 jobs. We assume that Boeing is currently about two-thirds of the way through this process. We also assume that the vast majority of cuts will continue to be made in Washington State and that non-Boeing aerospace employment will also decline as a result of lower production rates. Specifically, the forecast assumes that Washington aerospace employment will be 29,200 lower in December 2021 than in

- January 2020. We have already lost about 19,800 aerospace jobs as of May 2021 and expect a further decline of 9,300 by December 2021.
- In March, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the fourth quarter of 2020. According to these estimates, Washington personal income fell from \$530.6 billion in the third quarter of 2020 to \$522.1 billion (SAAR) in the fourth quarter. The 6.2% decline (SAAR) in Washington personal income was the 29th best result among the states and District of Columbia and was slightly better than the 6.8% rate of decline for the U.S. as a whole. A decrease in benefits from several CARES Act programs caused large reductions in transfer receipts across the U.S. On the other hand, farm earnings soared in several states due to increases in payments to farmers from the Coronavirus Food Assistance Program. In Washington, the decline in transfers subtracted 9.6 percentage points from annualized growth, more than offsetting the positive 2.0 percentage points from net earnings and the positive 1.3 percentage points from dividends, interest, and rent.
  - Washington housing construction soared in the first quarter of 2021 to its highest level in nearly 43 years. In the first quarter, 63,700 units (SAAR) were permitted, up from 44,400 in the fourth quarter of 2020. The number of housing units permitted in a quarter has not been this high since the second quarter of 1978. First quarter permits consisted of 30,900 single-family units and 32,800 multi-family units. The March forecast assumed an average rate of 53,100 (SAAR) units in the first quarter consisting of 28,200 single-family units and 24,900 multi-family units. Permits dropped in April to 47,500 units (SAAR) consisting of 25,900 single-family units and 21,500 multi-family units. The March forecast expected 54,500 units (SAAR) in the second quarter as a whole, consisting of 33,400 single-family units and 21,200 multi-family units.
  - Seattle-area home prices increased rapidly for a ninth consecutive month after three consecutive monthly declines. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle home prices increased 2.9% in March compared to a 1.6% increase in the composite-20 index. March Seattle home prices were up 18.2% over the year. In comparison, the composite-20 index was up 13.3% over the year. March Seattle home prices were up 138% since the December 2011 trough and exceeded the May 2007 peak by 65%.
  - Seattle-area consumer price inflation trailed the national average in the year ending in April 2021. From April 2020 to April 2021, the Seattle CPI rose 3.4% compared to the 4.2% increase in the U.S. City Average index. These relatively high rates were partially due to much higher energy prices this year compared to last year however the increase in the energy component of the Seattle CPI was less than the increase in the national energy component. Core prices, which exclude food and energy, increased 2.7% in Seattle compared to 3.0% for the U.S. City Average index. Seattle shelter cost inflation trailed the national average at 1.6% compared to 2.1%. Seattle inflation excluding shelter also trailed the national average at 4.5% compared to 5.2%.
  - According to the World Institute for Strategic Economic Research (WISER), Washington exports increased over the year for the first time in two and a

half years but this is misleading as it was due to soaring soybean and corn exports which receive only minimal processing in Washington. According to WISER, first quarter exports of agricultural products increased 79.4% but excluding likely transshipments of soybeans and corn, agricultural exports and total exports probably declined over the year. Transportation equipment exports (mostly Boeing planes) continue to decline, falling 33.6% since the first quarter of 2020. Year-over-year exports from all other sectors (mostly manufacturing) increased 3.8% over the year.

- Washington car and truck sales declined in May after surging in April to their highest level in more than five years. The seasonally adjusted number of new vehicle registrations declined 5.8% in May to 305.8 thousand (SAAR). May sales were up 161.0% over the year. May 2020 sales were severely depressed by Covid-19 restrictions.
- We expect a 2.0% increase in Washington employment this year which is up from the 1.7% increase the March forecast. We expect above-average growth through the remainder of the forecast as the economy continues to recover from the recession. We expect employment growth to average 2.3% per year in 2022 through 2025 which is slightly higher than the 2.2% rate expected in the March forecast. Our forecast for nominal personal income growth this year is 6.0%, up from 4.8% in the March forecast. Personal income growth will slow next year as the extraordinary stimulus of the last two years is withdrawn. We expect personal income growth of only 1.5% in 2022 compared to 1.1% in the March forecast. Our new forecast for nominal personal income growth in 2023 through 2025 averages 4.8% per year compared to the 5.1% rate in the March forecast.

## Revenue

- Since the March 2021 forecast, taxable economic activity in the state has been much higher than forecasted, especially in terms of retail sales. Because of this, revenue collections have greatly exceeded our expectations. Cumulative major General Fund-State (GF-S) collections from March 11 through June 10, 2021 came in \$645 million above the November forecast.
- Most of the collections in excess of the forecast were from Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation, public utility and non-cigarette tobacco products). Cumulative Revenue Act collections came in \$481 million higher than forecasted. As there is only one more month of collections in the 2019-21 biennium, the total biennial forecast increase for Revenue Act taxes is \$586 million. The forecast of higher state income and employment has also increased forecasted Revenue Act receipts by \$995 million for the 2021-23 biennium and \$1.03 billion for the 2023-25 biennium.
- The real estate market has continued to accelerate, particularly in terms of residential home prices. Since March, real estate excise tax (REET) collections came in \$51 million higher than forecasted. REET collections for the current biennium are now expected to be \$65 million higher than previously forecasted. The REET forecast was increased by \$89 million for the 2021-23 biennium and \$79 million for the 2023-25 biennium.

- Legislation passed in the 2021 legislative session has reduced forecasted GF-S revenue by \$2 million in the current biennium, \$101 million in the 2021-23 biennium and \$218 million in the 2023-25 biennium. The largest change was a B&O tax credit to offset a newly-passed tax on capital gains. This credit subtracts \$85 million from 2021-23 GF-S revenue and \$188 million from 2023-25 revenue.
- The GF-S revenue forecast has been increased by \$807.6 million in the current biennium and \$1.239 billion in the next. The forecast of GF-S revenue for the 2023-25 biennium has increased by \$1.200 billion.
- Forecasted GF-S revenue is now \$50.848 billion for the current biennium, \$55.611 billion for the 2021-23 biennium and \$58.979 billion for the 2023-25 biennium.
- The Education Legacy Trust Account (ELTA) forecast for the 2019-21 biennium was increased by \$2 million. Forecasted ELTA revenue in future biennia has been greatly increased by the newly passed tax on certain capital gains of \$250,000 or more. The tax will be first collected in FY 2023, based on calendar year 2022 taxable gains. The first \$500 million of the tax gets transferred to ELTA, with the minimum transfer increasing each year with inflation. The ELTA share of the tax is forecasted at \$500 million for the 2021-23 biennium and \$1.028 billion for the 2023-25 biennium. The total forecast increase for the 2021-23 biennium is \$506 million and the forecast increase for the 2023-25 biennium is \$1.022 billion. Forecasted ELTA revenue is now \$1.630 billion for the 2019-21 biennium and \$1.793 billion for the 2021-23 biennium. Forecasted ELTA revenue for the 2023-25 biennium is now \$2.094 billion.
- Forecasted revenue dedicated to the Opportunity Pathways Account (OPA) was increased by \$16 million in the 2019-21 biennium, \$18 million in the 2021-23 biennium and \$16 million in the 2023-25 biennium. Forecasted OPA revenue is now \$336 million for the 2019-21 biennium, \$349 million for the 2021-23 biennium and \$351 million for the 2023-25 biennium.
- Forecasted revenue dedicated to the Workforce Education Investment Account (WEIA) was increased by \$12 million in the 2019-21 biennium, \$35 million in the 2021-23 biennium and \$7 million in the 2023-25 biennium. Forecasted WEIA revenue is now \$358 million for the 2019-21 biennium, \$661 million for the 2021-23 biennium and \$728 million for the 2023-25 biennium.
- Summing the changes to the GF-S, ELTA, OPA and WEIA forecasts, total state revenue subject to the budget outlook process is forecasted to increase by \$838 million in the 2019-21 biennium, \$1.798 billion in the 2021-23 biennium and \$2.246 billion in the 2023-25 biennium.
- The forecasted sum of GF-S, ELTA, OPA and WEIA revenue for the 2019-21 biennium is now \$53.172 billion, 15.4% higher than 2017-19 biennial revenue, and forecasted total revenue for the 2021-23 biennium is \$58.413 billion, an increase of 9.9% over expected 2019-21 biennial revenue. Forecasted total revenue for the 2023-25 biennium is \$62.151 billion, an increase of 6.4% over expected 2021-23 biennial revenue.

# Revenue Review

Presented to  
Economic and Revenue Forecast Council

Steve Lerch  
Executive Director

June 23, 2021



**WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL**



## Summary

- U.S. GDP growth, WA personal income growth are higher this year and in 2022 compared to the March forecast
- WA residential building permits forecast is higher than in March
- Forecast risks include COVID-19 and higher inflation
- The forecast of funds subject to the budget outlook is increased by \$838 million for the 2019-21 biennium and \$1,798 million for 2021-23 biennium

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## Since the March forecast...

### Positives:

- COVID cases, hospitalizations and deaths have continued to decline
- U.S. employment has increased by 1.6 million jobs
- WA employment has increased by 37,300 jobs
- Residential real estate transactions remain strong

### Negatives:

- Inflation is higher
- New COVID variants
- Supply chain issues not fully resolved in some sectors

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## Data updates since preliminary forecast

### U.S.

- May employment: +559,000 jobs
- May unemployment rate decreased to 5.8% from 6.1% in April
- June Blue Chip GDP forecast: 2021 increased from 6.6% to 6.7%; 2022 unchanged at 4.4%
- May Consumer Price Index: +5.0% over May 2020

### Washington

- May employment: +8,900 jobs
- May unemployment rate decreased to 5.3% from 5.4% in April

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## Forecast risks

### Upside

- COVID cases decline faster, consumer response to fiscal stimulus is stronger than in baseline forecast
- Congress could pass infrastructure or additional stimulus legislation.

### Downside

- More infectious COVID variants lead to increased cases and hospitalizations, slowing pace of recovery
- Slower supply chain recovery and growth in labor supply lead to higher than expected inflation

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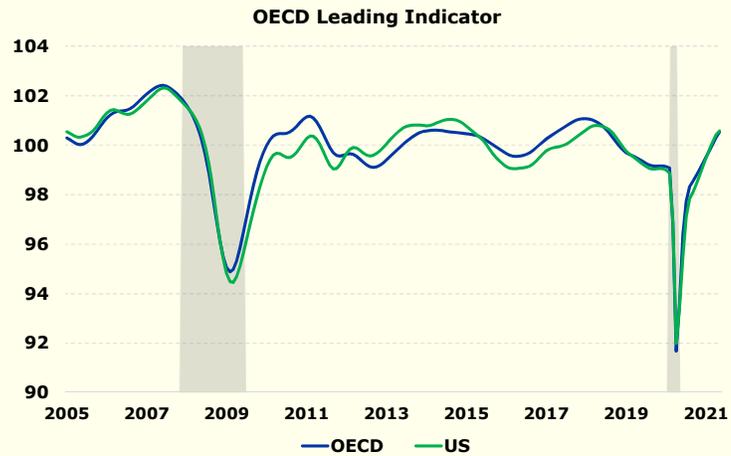
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## The OECD leading economic index is above its pre-pandemic level

The index is designed to have a long-run average of 100



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Source: Organization for Economic Cooperation and Development; data through May 2021

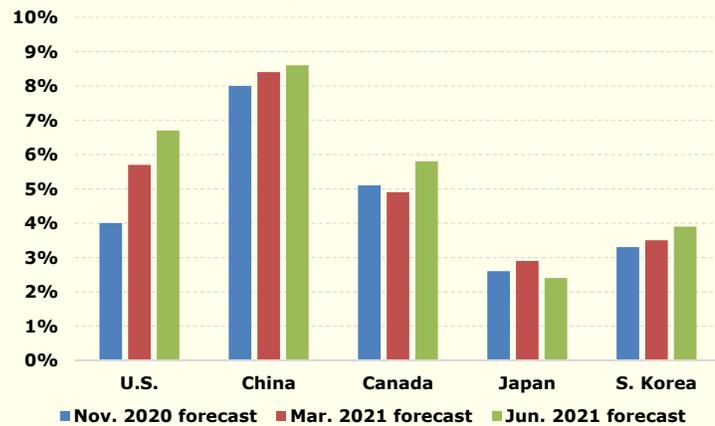
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## Blue Chip forecasts of 2021 GDP growth have been revised up for U.S., China, Canada, South Korea

Real GDP growth forecasts for 2021



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Source: Blue Chip Economic Indicators

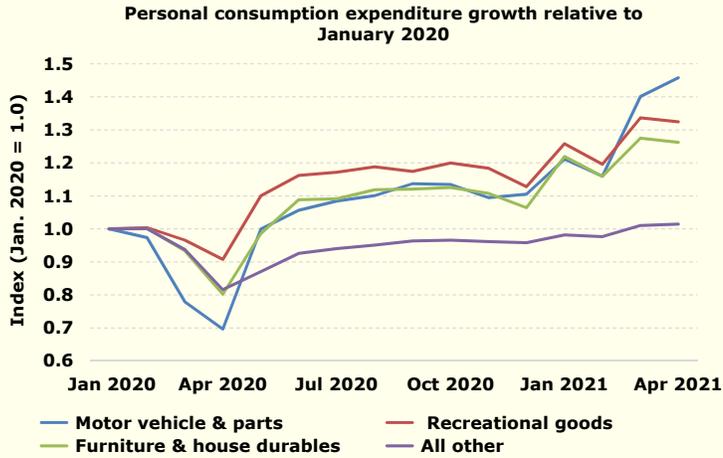
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## The pandemic shifted consumption towards consumer durables, away from services

"All other" includes groceries, clothes, gasoline, household supplies and all household expenditures on services.



Source: U.S. Bureau of Economic Analysis, data through Apr. 2021

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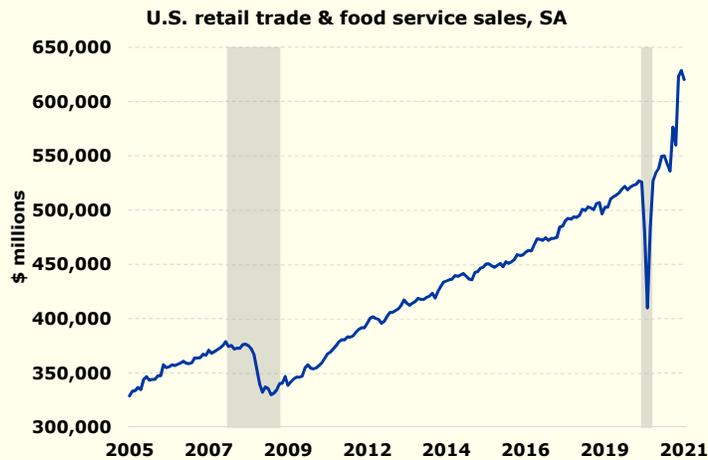
## U.S. retail trade sales dipped 1.3% in May

Sectors with above-average sales declines in May:

Building material & garden equipment, supplies: -5.9%

Motor vehicles & parts: -3.7%

Electronics & appliances: -3.4%



Source: U.S. Census Bureau; data through advanced May 2021

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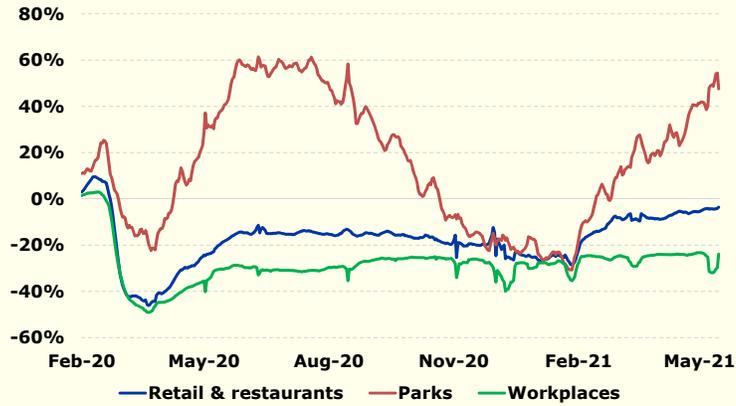
# Time spent at retail stores, restaurants, workplaces remains below pre-pandemic levels

As of June 7 2021, time spent outside the home was 5% below Jan. 2020 level

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### Time spent at selected locations compared to January 2020 (U.S. data)



Sources: Opportunity Insights, Google; data Feb. 24 2020 – June 7, 2021

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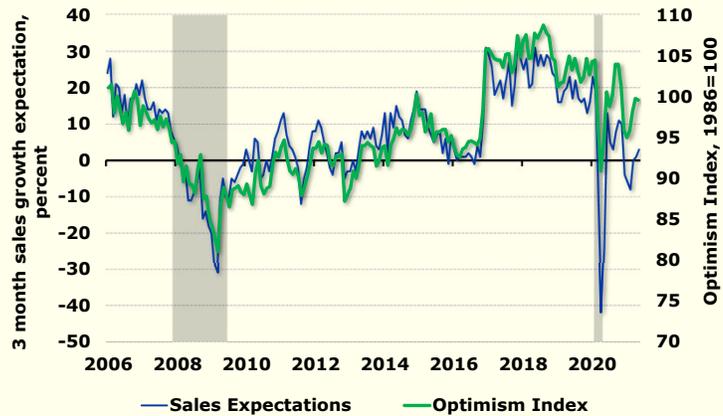


# Small business optimism, sales expectations have trended up since March

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### NFIB Small Business Optimism Index



Source: National Federation of Independent Business; data through May 2021

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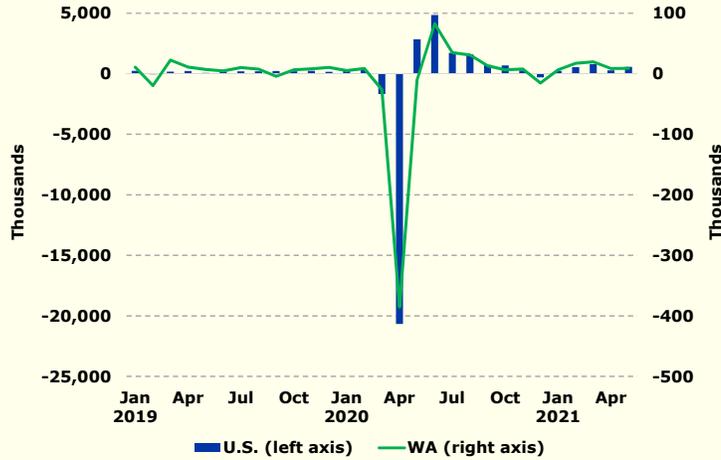


## After declining in December, U.S. and Washington employment have increased so far this year

May 2021 employment compared to February 2020:

U.S. = -7.6 million

WA = -200,000



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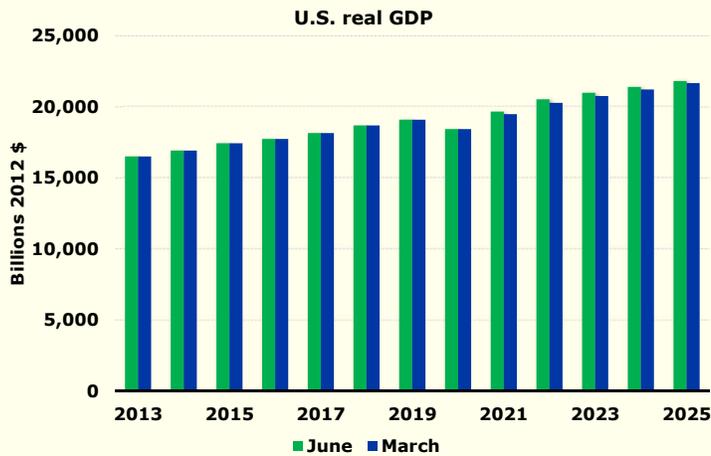
Source: ERFC, U.S. Bureau of Labor Statistics, Employment Security Dept.; data through May 2021

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## GDP is higher throughout the forecast as Blue Chip growth forecast increased for 2021 & 2022



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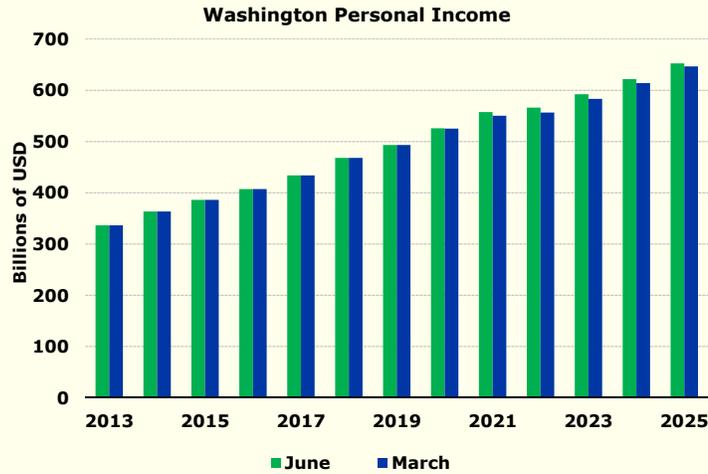
Source: ERFC June 2021 forecast; historical data through 2020

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## Washington personal income is also higher in 2021 and 2022 compared to March forecast



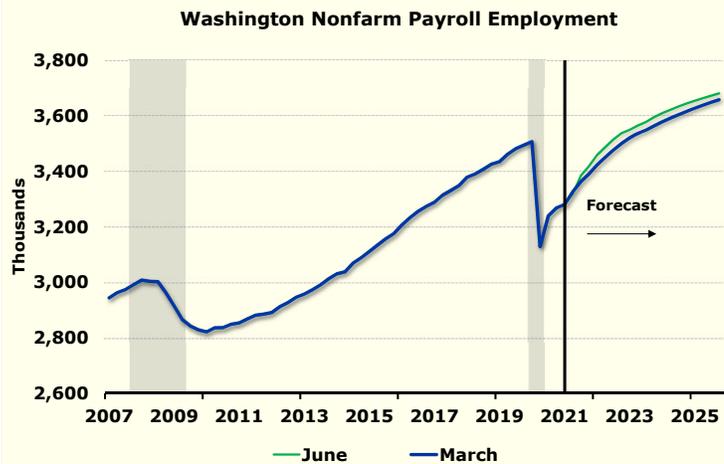
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## WA employment is slightly higher than in March forecast; growth expected to average 2.2% for 2021 - 2025



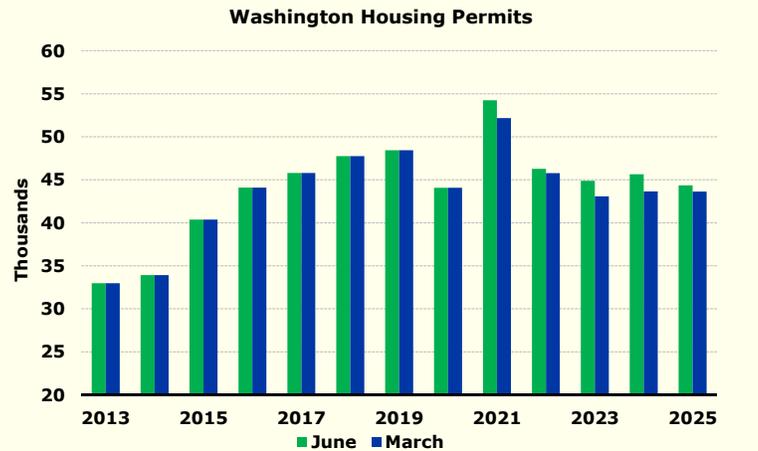
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## WA housing permits in 2021 Q1 hit 42+ year high; higher through 2025 compared to March forecast



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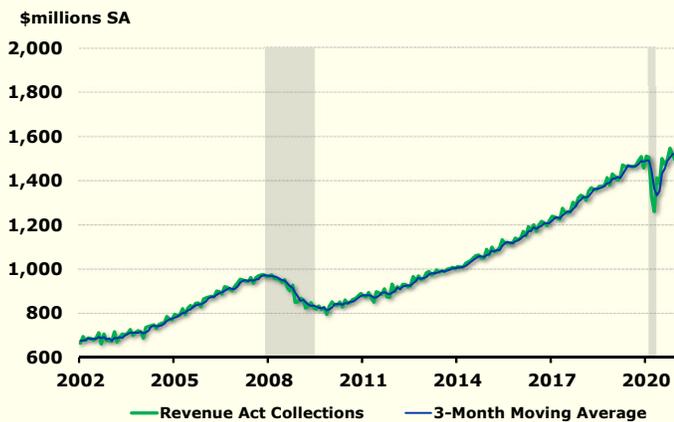
Source: ERFC June 2021 forecast; historical data through 2020

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## Revenue Act collections have increased for four straight months; receipts for April activity were 8.4% above March



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\* Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred payments, current definition of Revenue Act  
Source: DOR and ERFC; monthly data through April 2021 activity

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## Although down from December 2020, real estate transactions remain at very high levels

\$10 M+ transactions have averaged over \$700 million per month so far this year; residential transactions remain strong.



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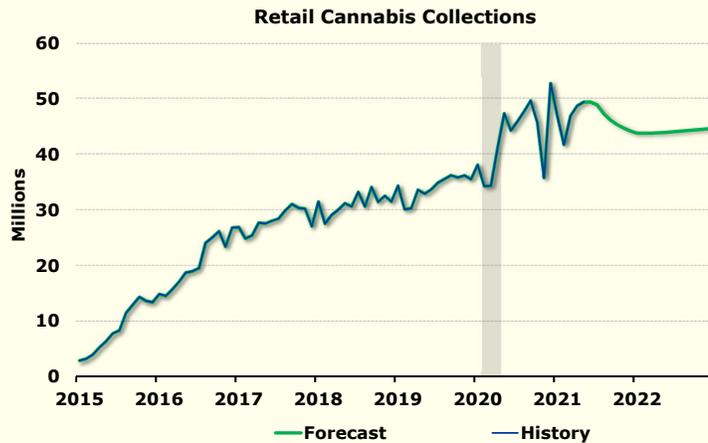
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## Cannabis revenues have spiked since April

Collections came in 15.8% above the March forecast



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## Cannabis excise tax and license fee estimates

Total change since Mar forecast:

- 2019-21 +\$20 M
- 2021-23 +\$61 M
- 2023-25 +\$39 M

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\$Millions

### Cannabis Forecast

	<u>2019-21</u>	<u>2021-23</u>	<u>2023-25</u>
GF-S share of excise tax and license fees	\$361	\$400	\$420
Non-GF	\$648	\$692	\$713
<b>Total</b>	<b>\$1,009</b>	<b>\$1,092</b>	<b>\$1,133</b>

Detail may not add to total due to rounding  
Source: ERFC June 2021 forecast; historical data through May 2021

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## Forecast changes, all funds: 2019-2021 biennium, cash basis

\$Millions	<u>Mar 2021 Forecast*</u>	<u>Legislative Change</u>	<u>Forecast Change</u>	<u>Jun 2021 Forecast</u>	<u>Total Change#</u>
General Fund-State	\$50,041	(\$2)	\$810	\$50,848	\$808
Education Legacy Trust Account	\$1,628	\$0	\$2	\$1,630	\$2
WA Opportunity Pathways Account	\$320	\$0	\$16	\$336	\$16
Workforce Education Investment Account	\$345	\$0	\$12	\$358	\$12
<b>Total</b>	<b>\$52,334</b>	<b>(\$2)</b>	<b>\$840</b>	<b>\$53,172</b>	<b>\$838</b>

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\*Forecast for the 2019-21 biennium adopted March 17, 2021  
# Detail may not add to total due to rounding

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## Forecast changes: all funds, 2021-23 biennium, cash basis

\$Millions	Mar 2021 Forecast*	Legislative Change	Forecast Change	Jun 2021 Forecast	Total Change#
General Fund-State	\$54,372	(\$101)	\$1,340	\$55,611	\$1,239
Education Legacy Trust Account	\$1,286	\$500	\$6	\$1,793	\$506
WA Opportunity Pathways Account	\$331	\$0	\$18	\$349	\$18
Workforce Education Investment Account	\$626	\$0	\$35	\$661	\$35
<b>Total</b>	<b>\$56,615</b>	<b>\$399</b>	<b>\$1,399</b>	<b>\$58,413</b>	<b>\$1,798</b>

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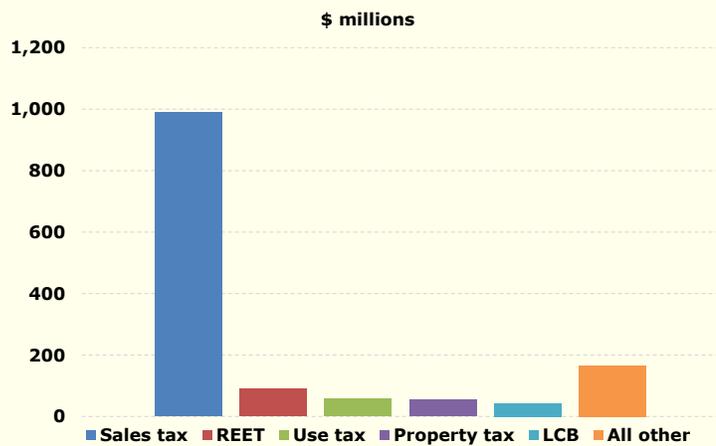
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\*Forecast for the 2021-23 biennium adopted March 17, 2021  
# Detail may not add to total due to rounding

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## 2021- 2023 biennium NGF-S forecast changes by source



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Source: ERFC June 2021 forecast; does not include new legislation or other non-economic changes

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## 2021 Revenue Legislation \$millions (excluding Governor vetoes)

	Biennium		
	19-21	21-23	23-25
<b>General Fund-State</b>			
Capital Gains Tax (5006) (B&O tax credit)	0.0	(85.0)	(188.0)
Captive Insurance (5315)	0.0	34.2	4.7
SST mitigation payments (1521)	0.0	(12.2)	(7.8)
Liquor & cannabis board fees (5272)	(2.6)	(7.7)	0.0
Other Legislation	0.0	(15.2)	(15.9)
Budget Driven Revenue (LCB and Lottery)	0.2	(15.2)	(11.2)
<b>Total GF-S</b>	<b>(2.3)</b>	<b>(101.1)</b>	<b>(218.3)</b>
<b>Education Legacy Trust Account</b>			
Capital Gains Tax (5096)	0.0	500.0	1,028.0
<b>Workforce Education Investment Account</b>			
Behavioral health admin orgs (1296)	0.0	(0.1)	(0.2)
<b>Total all funds</b>	<b>(2.3)</b>	<b>398.8</b>	<b>809.5</b>

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*
<b>June 2021 Baseline (50%)</b>	<b>\$50,848</b>	
<b><u>June 2021 Alternative Forecasts</u></b>		
<b>Optimistic (25%)</b>	<b>\$50,952</b>	<b>\$104</b>
<b>Pessimistic (25%)</b>	<b>\$50,767</b>	<b>(\$81)</b>
<b>Probability Weighted Average</b>	<b>\$50,854</b>	<b>\$6</b>
<b>GCEA*</b>	<b>\$50,877</b>	<b>\$28</b>

\*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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## 2021-23 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2021-23 Biennium	Difference From the baseline*
<b>June 2021 Baseline (50%)</b>	<b>\$55,611</b>	
<b>June 2021 Alternative Forecasts</b>		
<b>Optimistic (25%)</b>	<b>\$59,055</b>	<b>\$3,444</b>
<b>Pessimistic (25%)</b>	<b>\$52,220</b>	<b>(\$3,391)</b>
<b>Probability Weighted Average</b>	<b>\$55,625</b>	<b>\$13</b>
<b>GCEA*</b>	<b>\$56,182</b>	<b>\$571</b>

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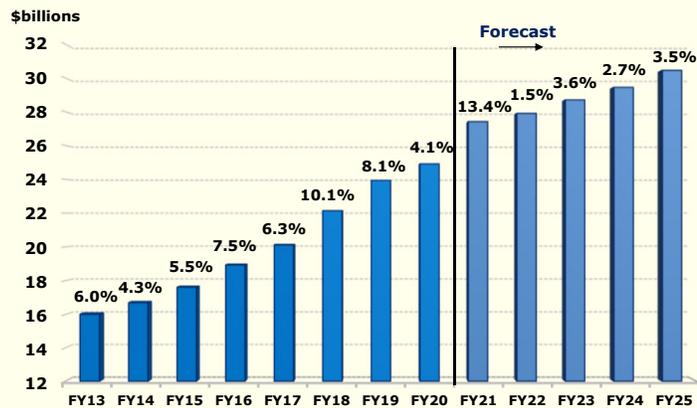
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\*Based on the Governor's Council of Economic Advisors' economic assumptions  
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Forecast of funds subject to the budget outlook process\* by fiscal year



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\*Funds subject to the budget outlook process are General Fund-State plus Education Legacy Trust, Washington Opportunities Pathway and Workforce Education Investment Accounts  
Source: ERF forecast, June 2021

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Conclusion

- U.S. and WA economic activity are stronger than expected in March
- WA retail sales are expected to be 14% higher in CY 2021 compared to 2020; growth will slow but totals will remain above March forecast
- COVID, inflation pose forecast risks
- Total state revenues are expected to grow 15.4% between the 2017-19 and 2019-21 biennia and 9.9% between the 2019-21 and 2021-23 biennia

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Questions



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Economic & Revenue Forecast Council  
PO BOX 40912  
Olympia WA 98504-0912  
[www.erc.wa.gov](http://www.erc.wa.gov)  
360-534-1560

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

Comparison of the June 2021 to the March 2021 Forecast

2019-21 Biennium

Cash Forecast; Millions of Dollars

	March 2021 Forecast*	Legislative Changes**	Forecast Change	June 2021 Forecast	Total Change <sup>#</sup>
General Fund-State	\$50,040.7	(\$2.3)	\$809.9	\$50,848.3	\$807.6
Education Legacy Trust Account	\$1,628.1	\$0.0	\$2.0	\$1,630.1	\$2.0
WA Opportunity Pathways Account	\$320.2	\$0.0	\$15.6	\$335.8	\$15.6
Workforce Education Investment Account	\$345.3	\$0.0	\$12.4	\$357.7	\$12.4
<b>Total</b>	<b>\$52,334.2</b>	<b>(\$2.3)</b>	<b>\$840.0</b>	<b>\$53,171.9</b>	<b>\$837.7</b>

\*Forecast for the 2019-21 biennium adopted March 17, 2021

\*\*Revenue legislation and budget driven revenue changes from 2021 legislative session, excluding Governor vetoes

<sup>#</sup>Details may not add due to rounding

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

Comparison of the June 2021 to the March 2021 Forecast

2021-23 Biennium

Cash Forecast; Millions of Dollars

	March 2021 Forecast*	Legislative Changes**	Forecast Change	June 2021 Forecast	Total Change <sup>#</sup>
General Fund-State	\$54,372.1	(\$101.1)	\$1,340.3	\$55,611.3	\$1,239.2
Education Legacy Trust Account	\$1,286.1	\$500.0	\$6.4	\$1,792.6	\$506.4
WA Opportunity Pathways Account	\$330.7	\$0.0	\$17.9	\$348.7	\$17.9
Workforce Education Investment Account	\$626.0	\$0.1	\$34.5	\$660.6	\$34.6
<b>Total</b>	<b>\$56,614.9</b>	<b>\$399.0</b>	<b>\$1,399.2</b>	<b>\$58,413.1</b>	<b>\$1,798.2</b>

\*Forecast for the 2021-23 biennium adopted March 17, 2021

\*\*Revenue legislation and budget driven revenue changes from 2021 legislative session, excluding Governor vetoes

<sup>#</sup>Details may not add due to rounding

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

February 2016 through June 2021

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>
<b>February 2016 #</b>	\$36,887	\$1,823				\$43,441
<b>Changes to Forecast</b>						
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
November 2019	283	(8)	274	0	274	50,304
February 2020	309	(2)	307	0	307	50,611
June 2020	(4,422)	(185)	(4,607)	125 #9	(4,482)	46,129
September 2020	1,990	69	2,060	0	2,060	48,189
November 2020	577	31	607	0	607	48,796
March 2021	1,086	158	1,244	0	1,244	50,041
June 2021	772	38	810	(2) #10	808	50,848
<b>Total change***:</b>						
From February 2016	3,987	29	4,017	3,391	7,407	
Percent change	10.8	1.6	9.2	7.8	17.1	

\* 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

#9 Legislative and budget-driven revenue changes from the 2020 legislative session

#10 Legislative and budget-driven revenue changes from the 2021 legislative session

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

History and Forecast by Fiscal Year (Cash basis)

June 2021 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Fund* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA		
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	
History:											
FY 2001	\$11,560	4.4%								\$11,560	4.4%
FY 2002	\$11,632	0.6%								\$11,632	0.6%
FY 2003	\$11,721	0.8%								\$11,721	0.8%
FY 2004	\$12,358	5.4%								\$12,358	5.4%
FY 2005	\$13,036	5.5%								\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115							\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%						\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%						\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%						\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%						\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99					\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%				\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%				\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%				\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%				\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%				\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%				\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%				\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%				\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32			\$24,915	4.1%
Forecast:											
FY 2021	\$27,031	13.5%	\$717	-21.5%	\$183	20.2%	\$326	922.6%		\$28,257	13.4%
FY 2022	\$27,535	1.9%	\$650	-9.4%	\$174	-5.0%	\$325	-0.4%		\$28,683	1.5%
FY 2023	\$28,076	2.0%	\$1,143	76.0%	\$175	0.3%	\$336	3.5%		\$29,730	3.6%
FY 2024	\$28,980	3.2%	\$1,029	-10.0%	\$175	0.3%	\$354	5.4%		\$30,538	2.7%
FY 2025	\$29,999	3.5%	\$1,065	3.4%	\$175	0.1%	\$373	5.4%		\$31,613	3.5%
<b>Biennial Totals</b>											
<b>07-09 Biennium</b>	<b>\$29,817</b>	<b>0.1%</b>	<b>\$437</b>	<b>14.8%</b>	<b>\$0</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>		<b>\$30,254</b>	<b>0.3%</b>
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>		<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>		<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>		<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>		<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>		<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,848</b>	<b>15.2%</b>	<b>\$1,630</b>	<b>-1.5%</b>	<b>\$336</b>	<b>18.2%</b>	<b>\$358</b>	<b>NA</b>		<b>\$53,172</b>	<b>15.4%</b>
<b>21-23 Biennium</b>	<b>\$55,611</b>	<b>9.4%</b>	<b>\$1,793</b>	<b>10.0%</b>	<b>\$349</b>	<b>3.8%</b>	<b>\$661</b>	<b>84.7%</b>		<b>\$58,413</b>	<b>9.9%</b>
<b>23-25 Biennium</b>	<b>\$58,979</b>	<b>6.1%</b>	<b>\$2,094</b>	<b>16.8%</b>	<b>\$351</b>	<b>0.5%</b>	<b>\$728</b>	<b>10.2%</b>		<b>\$62,151</b>	<b>6.4%</b>

\*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)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>	<b>Gambling Revolving Account</b>
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	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0	0.0
2021	227.1	25.2	0.0	14.2	0.0	0.0	0.5	3.9	183.3	0.0	0.0	0.0
2019-21 Biennium	413.5	41.9	0.0	27.9	0.0	0.0	0.8	7.0	335.8	0.0	0.0	0.0
2022	205.2	26.5	0.0	0.0	0.0	0.0	0.4	4.3	174.1	0.0	0.0	0.0
2023	205.4	26.3	0.0	0.0	0.0	0.0	0.4	4.1	174.6	0.0	0.0	0.0
2021-23 Biennium	410.6	52.8	0.0	0.0	0.0	0.0	0.8	8.3	348.7	0.0	0.0	0.0
2024	206.0	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.1	0.0	0.0	0.0
2025	206.3	26.5	0.0	0.0	0.0	0.0	0.4	4.1	175.4	0.0	0.0	0.0
2023-25 Biennium	412.4	52.8	0.0	0.0	0.0	0.0	0.8	8.1	350.5	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)

	<b>Lottery: Total Transfers:*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>	<b>Gambling Revolving Account</b>
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	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0	0.0
2021	228.1	26.5	0.0	14.2	0.0	0.0	0.5	4.1	182.8	0.0	0.0	0.0
2019-21 Biennium	409.0	42.7	0.0	27.9	0.0	0.0	0.8	7.4	330.1	0.0	0.0	0.0
2022	204.7	26.3	0.0	0.0	0.0	0.0	0.4	4.1	173.9	0.0	0.0	0.0
2023	205.5	26.4	0.0	0.0	0.0	0.0	0.4	4.1	174.7	0.0	0.0	0.0
2021-23 Biennium	410.2	52.6	0.0	0.0	0.0	0.0	0.8	8.1	348.6	0.0	0.0	0.0
2024	206.1	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.2	0.0	0.0	0.0
2025	206.4	26.4	0.0	0.0	0.0	0.0	0.4	4.1	175.5	0.0	0.0	0.0
2023-25 Biennium	412.4	52.8	0.0	0.0	0.0	0.0	0.8	8.1	350.6	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 2021 and March 2021 forecasts  
2019-21 Biennium  
(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,306.1	\$0.0	(\$7.6)	\$1,298.6	(\$7.6)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$642.6	(\$2.3)	\$9.7	\$649.9	\$7.3
Lottery Commission Lottery Revenue	\$42.2	\$0.0	(\$0.3)	\$41.9	(\$0.3)
State Treasurer Interest Earnings	\$19.5	\$0.0	\$2.0	\$21.5	\$2.0
Office of Financial Management Other Agencies	\$231.4	\$0.0	\$33.2	\$264.6	\$33.2
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$113.9	\$0.0	\$1.2	\$115.1	\$1.2
<b>Total General Fund-State</b>	<b>\$2,355.7</b>	<b>(\$2.3)</b>	<b>\$38.2</b>	<b>\$2,391.6</b>	<b>\$35.9</b>

### General Fund-State GAAP Estimates - Other Agencies

Comparison of the June 2021 and March 2021 forecasts  
2019-21 Biennium  
(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,306.1	\$0.0	(\$7.6)	\$1,298.6	(\$7.6)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$642.6	(\$2.3)	\$9.7	\$649.9	\$7.3
Lottery Commission Lottery Revenue	\$43.1	\$0.0	(\$0.4)	\$42.7	(\$0.4)
State Treasurer Interest Earnings	\$17.5	\$0.0	\$3.8	\$21.2	\$3.8
Office of Financial Management Other Agencies	\$231.4	\$0.0	\$33.2	\$264.6	\$33.2
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$113.9	\$0.0	\$1.2	\$115.1	\$1.2
<b>Total General Fund-State</b>	<b>\$2,354.6</b>	<b>(\$2.3)</b>	<b>\$39.9</b>	<b>\$2,392.2</b>	<b>\$37.5</b>

### General Fund-State Cash Estimates - Other Agencies

Comparison of the June 2021 and March 2021 forecasts  
2021-23 Biennium  
(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,420.9	\$33.9	\$15.1	\$1,470.0	\$49.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$682.9	(\$12.9)	\$42.9	\$712.9	\$30.0
Lottery Commission Lottery Revenue	\$53.5	\$0.3	(\$0.7)	\$52.8	(\$0.4)
State Treasurer Interest Earnings	\$14.6	\$0.0	\$6.3	\$21.0	\$6.3
Office of Financial Management Other Agencies	\$233.0	(\$27.4)	\$4.7	\$210.3	(\$22.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$92.3	\$0.0	\$1.9	\$94.2	\$1.9
<b>Total General Fund-State</b>	<b>\$2,497.2</b>	<b>(\$6.1)</b>	<b>\$70.3</b>	<b>\$2,561.1</b>	<b>\$64.2</b>

### General Fund-State GAAP Estimates - Other Agencies

Comparison of the June 2021 and March 2021 forecasts  
2021-23 Biennium  
(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,420.9	\$33.9	\$15.1	\$1,470.0	\$49.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$682.9	(\$13.2)	\$43.1	\$712.9	\$30.0
Lottery Commission Lottery Revenue	\$53.2	\$0.3	(\$0.6)	\$52.6	(\$0.3)
State Treasurer Interest Earnings	\$14.1	\$0.0	\$6.1	\$20.2	\$6.1
Office of Financial Management Other Agencies	\$233.0	(\$27.4)	\$4.7	\$210.3	(\$22.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$92.3	\$0.0	\$1.9	\$94.2	\$1.9
<b>Total General Fund-State</b>	<b>\$2,496.4</b>	<b>(\$6.4)</b>	<b>\$70.5</b>	<b>\$2,560.2</b>	<b>\$64.1</b>

**General Fund-State Cash Estimates - Other Agencies**

Comparison of the June 2021 and March 2021 forecasts

2023-25 Biennium

(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,525.2	\$4.4	\$18.3	\$1,547.9	\$22.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$728.1	(\$1.4)	\$20.3	\$747.1	\$18.9
Lottery Commission Lottery Revenue	\$53.6	\$0.2	(\$0.7)	\$52.8	(\$0.5)
State Treasurer Interest Earnings	\$5.5	\$0.0	\$3.5	\$9.1	\$3.5
Office of Financial Management Other Agencies	\$280.2	(\$24.6)	\$17.1	\$272.8	(\$7.5)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$89.5	\$0.0	(\$2.3)	\$87.2	(\$2.3)
<b>Total General Fund-State</b>	<b>\$2,682.1</b>	<b>(\$21.4)</b>	<b>\$56.2</b>	<b>\$2,716.8</b>	<b>\$34.9</b>

**General Fund-State GAAP Estimates - Other Agencies**

Comparison of the June 2021 and March 2021 forecasts

2023-25 Biennium

(Amounts in Millions)

Source/Agency	March 2021 Baseline	Non-Economic Changes	Economic Changes	June 2021 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,525.2	\$4.4	\$18.3	\$1,547.9	\$22.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$728.1	(\$1.4)	\$20.3	\$747.1	\$18.9
Lottery Commission Lottery Revenue	\$53.5	\$0.2	(\$0.6)	\$52.8	(\$0.4)
State Treasurer Interest Earnings	\$5.3	\$0.0	\$3.6	\$8.8	\$3.6
Office of Financial Management Other Agencies	\$280.2	(\$24.6)	\$17.1	\$272.8	(\$7.5)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$89.5	\$0.0	(\$2.3)	\$87.2	(\$2.3)
<b>Total General Fund-State</b>	<b>\$2,681.8</b>	<b>(\$21.4)</b>	<b>\$56.4</b>	<b>\$2,716.5</b>	<b>\$35.0</b>

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**June 2021**Alternative General Fund-State Forecasts  
Millions of Dollars

Cash Basis

**2019-21 Biennium**

	<u>2019-21 Biennium</u>	<u>Difference From the June 2021 Baseline</u>
June 2021 GF-S Baseline (50%)	\$50,848	
June 2021 Alternative GF-S Forecasts		
Optimistic (25%)	\$50,952	\$104
Pessimistic (25%)	\$50,767	(\$81)
Probability Weighted Average	\$50,854	\$6
GCEA*	\$50,877	\$28

**2021-23 Biennium**

	<u>2021-23 Biennium</u>	<u>Difference From the June 2021 Baseline</u>
June 2021 GF-S Baseline (50%)	\$55,611	
June 2021 Alternative GF-S Forecasts		
Optimistic (25%)	\$59,055	\$3,444
Pessimistic (25%)	\$52,220	(\$3,391)
Probability Weighted Average	\$55,625	\$13
GCEA*	\$56,182	\$571

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

## U.S. Forecast Comparison

	2021Q1	2021Q2	2021Q3	2021Q4
<b>Real GDP (Billions of 2012 Dollars)</b>				
June Forecast	19,088	19,532	19,878	20,128
Percent Change	6.4%	9.6%	7.3%	5.1%
March Forecast	19,005	19,343	19,667	19,894
Percent Change	4.8%	7.3%	6.9%	4.7%
<b>Real Consumption (Billions of 2012 Dollars)</b>				
June Forecast	13,352	13,658	13,862	14,019
Percent Change	11.3%	9.5%	6.1%	4.6%
March Forecast	13,178	13,437	13,672	13,839
Percent Change	5.6%	8.1%	7.2%	5.0%
<b>PCE Price Index (2012=100)</b>				
June Forecast	112.9	114.3	115.0	115.5
Percent Change	3.7%	5.3%	2.3%	1.9%
March Forecast	113.0	113.5	114.0	114.5
Percent Change	4.1%	2.0%	1.7%	1.7%
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
June Forecast	19,572	18,246	17,861	17,710
Percent Change	54.0%	-24.5%	-8.2%	-3.3%
March Forecast	18,230	19,254	17,695	17,565
Percent Change	19.5%	24.4%	-28.7%	-2.9%
<b>Nonfarm Payroll Employment (Millions)</b>				
June Forecast	143.4	145.0	147.6	148.6
Percent Change	2.1%	4.8%	7.3%	2.8%
March Forecast	143.0	145.0	146.6	147.9
Percent Change	1.1%	5.7%	4.3%	3.6%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast	6.2	5.7	5.1	4.8
March Forecast	6.2	5.6	5.2	4.9
<b>Oil Price, Refiner's Acquisition</b>				
June Forecast	57.3	65.1	70.5	68.6
March Forecast	58.0	65.2	63.5	61.6
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
June Forecast	2.9	3.0	3.1	3.2
March Forecast	2.8	3.0	3.2	3.4
<b>3 Month T-Bill Rate (Percent, average)</b>				
June Forecast	0.1	0.0	0.0	(0.0)
March Forecast	0.1	0.0	0.0	0.0

	2019	2020	2021	2022	2023	2024	2025
June Forecast	19,092	18,426	19,656	20,524	20,982	21,397	21,808
Percent Change	2.2%	-3.5%	6.7%	4.4%	2.2%	2.0%	1.9%
March Forecast	19,092	18,423	19,477	20,270	20,756	21,213	21,658
Percent Change	2.2%	-3.5%	5.7%	4.1%	2.4%	2.2%	2.1%
June Forecast	13,240	12,726	13,723	14,312	14,643	14,937	15,247
Percent Change	2.4%	-3.9%	7.8%	4.3%	2.3%	2.0%	2.1%
March Forecast	13,240	12,726	13,532	14,102	14,441	14,773	15,113
Percent Change	2.4%	-3.9%	6.3%	4.2%	2.4%	2.3%	2.3%
June Forecast	109.9	111.1	114.4	116.9	119.1	121.4	123.7
Percent Change	1.5%	1.2%	2.9%	2.2%	1.9%	1.9%	1.9%
March Forecast	109.9	111.2	113.8	115.6	117.5	119.6	122.0
Percent Change	1.5%	1.2%	2.4%	1.6%	1.6%	1.8%	2.0%
June Forecast	16,888	17,751	18,347	18,041	18,440	18,906	19,387
Percent Change	2.4%	5.1%	3.4%	-1.7%	2.2%	2.5%	2.5%
March Forecast	16,888	17,717	18,186	17,964	18,454	19,009	19,519
Percent Change	2.4%	4.9%	2.6%	-1.2%	2.7%	3.0%	2.7%
June Forecast	150.9	142.3	146.2	150.9	153.3	154.8	155.8
Percent Change	1.3%	-5.7%	2.7%	3.2%	1.6%	1.0%	0.6%
March Forecast	150.9	142.3	145.6	150.6	153.4	155.0	155.8
Percent Change	1.3%	-5.7%	2.4%	3.4%	1.8%	1.0%	0.5%
June Forecast	3.7	8.1	5.4	4.1	3.6	3.5	3.7
March Forecast	3.7	8.1	5.5	4.1	3.6	3.4	3.5
June Forecast	59.4	39.2	65.4	64.9	60.7	58.0	56.4
March Forecast	59.4	39.1	62.1	58.2	54.8	52.7	51.5
June Forecast	3.9	3.1	3.0	3.5	3.7	3.9	4.1
March Forecast	3.9	3.1	3.1	3.6	3.8	3.9	4.1
June Forecast	2.1	0.4	0.0	0.0	0.1	0.2	0.5
March Forecast	2.1	0.4	0.0	0.1	0.1	0.2	0.5

**Washington Forecast Comparison**

	2021Q1	2021Q2	2021Q3	2021Q4
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
June Forecast	512.0	485.6	478.2	473.7
Percent Change	41.5%	-19.1%	-5.9%	-3.8%
March Forecast	484.1	509.1	472.6	469.7
Percent Change	16.8%	22.4%	-25.8%	-2.4%
<b>Personal Income (Billions of Dollars)</b>				
June Forecast	577.9	555.3	549.9	547.2
Percent Change	46.7%	-14.7%	-3.8%	-2.0%
March Forecast	546.9	578.1	538.9	537.9
Percent Change	21.5%	24.8%	-24.5%	-0.7%
<b>Disposable Personal Income (Billions of Dollars)</b>				
June Forecast	524.7	499.4	492.9	490.2
Percent Change	55.1%	-17.9%	-5.2%	-2.1%
March Forecast	494.5	525.1	484.6	483.0
Percent Change	24.8%	27.2%	-27.5%	-1.3%
<b>Nonfarm Payroll Employment (Thousands)</b>				
June Forecast	3283	3319	3385	3419
Percent Change	2.1%	4.5%	8.2%	4.1%
March Forecast	3281	3327	3364	3391
Percent Change	1.5%	5.7%	4.5%	3.4%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast	5.7	5.3	5.0	4.8
March Forecast	5.9	5.6	5.4	5.2
<b>Manufacturing Employment (Thousands)</b>				
June Forecast	261.1	258.6	258.5	255.4
Percent Change	1.4%	-3.9%	-0.1%	-4.6%
March Forecast	262.2	260.8	258.9	256.5
Percent Change	1.6%	-2.1%	-2.8%	-3.6%
<b>Construction Employment (Thousands)</b>				
June Forecast	222.5	222.5	220.3	217.7
Percent Change	7.5%	0.0%	-3.8%	-4.7%
March Forecast	221.7	219.3	217.8	216.0
Percent Change	5.4%	-4.3%	-2.9%	-3.2%
<b>Housing Permits (Thousands)</b>				
June Forecast	63.7	52.1	51.9	49.2
Percent Change	321.3%	-55.1%	-1.7%	-19.0%
March Forecast	53.1	54.5	51.6	49.4
Percent Change	103.6%	11.4%	-19.9%	-15.9%

	2019	2020	2021	2022	2023	2024	2025
June Forecast	448.9	473.1	487.4	484.4	497.1	512.0	527.4
Percent Change	3.8%	5.4%	3.0%	-0.6%	2.6%	3.0%	3.0%
March Forecast	448.9	472.4	483.9	481.3	496.4	513.5	530.1
Percent Change	3.8%	5.2%	2.4%	-0.5%	3.2%	3.4%	3.2%
June Forecast	493.1	525.8	557.5	566.2	592.3	621.6	652.3
Percent Change	5.4%	6.6%	6.0%	1.5%	4.6%	4.9%	4.9%
March Forecast	493.1	525.0	550.4	556.5	583.3	614.0	646.5
Percent Change	5.4%	6.5%	4.8%	1.1%	4.8%	5.3%	5.3%
June Forecast	442.2	473.6	501.8	508.1	531.1	556.1	583.1
Percent Change	5.1%	7.1%	6.0%	1.3%	4.5%	4.7%	4.9%
March Forecast	442.2	473.6	496.8	499.4	522.4	549.8	579.6
Percent Change	5.1%	7.1%	4.9%	0.5%	4.6%	5.2%	5.4%
June Forecast	3469	3286	3351	3500	3573	3628	3669
Percent Change	2.0%	-5.3%	2.0%	4.4%	2.1%	1.6%	1.1%
March Forecast	3469	3286	3341	3463	3543	3598	3644
Percent Change	2.0%	-5.3%	1.7%	3.7%	2.3%	1.6%	1.3%
June Forecast	4.2	8.4	5.2	4.3	4.1	4.1	4.3
March Forecast	4.2	8.4	5.5	4.7	4.3	4.3	4.4
June Forecast	293.7	271.7	258.4	259.5	263.3	267.2	268.4
Percent Change	2.1%	-7.5%	-4.9%	0.4%	1.5%	1.5%	0.5%
March Forecast	294.0	271.9	259.6	259.7	261.3	262.2	262.1
Percent Change	2.2%	-7.5%	-4.5%	0.0%	0.6%	0.3%	0.0%
June Forecast	219.5	213.5	220.8	213.4	209.1	210.4	211.8
Percent Change	3.0%	-2.7%	3.4%	-3.4%	-2.0%	0.6%	0.7%
March Forecast	219.5	213.6	218.7	211.4	207.1	207.6	209.8
Percent Change	3.0%	-2.7%	2.4%	-3.3%	-2.0%	0.2%	1.1%
June Forecast	48.4	44.1	54.2	46.3	44.9	45.6	44.4
Percent Change	1.4%	-9.0%	23.1%	-14.7%	-3.0%	1.7%	-2.8%
March Forecast	48.4	44.1	52.2	45.8	43.1	43.6	43.6
Percent Change	1.4%	-9.0%	18.4%	-12.3%	-5.9%	1.3%	-0.1%

U.S. Forecast Comparison	Fiscal Years					
	2020	2021	2022	2023	2024	2025
<b>Real GDP</b>						
Billions of 2012 dollars						
June Forecast	18,677	19,003	20,197	20,766	21,193	21,602
<i>Growth</i>	-1.1%	1.7%	6.3%	2.8%	2.1%	1.9%
March Forecast	18,677	18,932	19,959	20,520	20,989	21,436
<i>Growth</i>	-1.1%	1.4%	5.4%	2.8%	2.3%	2.1%
Difference in level	0	71	238	246	204	166
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.9%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>-0.2%</b>
<b>Real Consumption</b>						
Billions of 2012 dollars						
June Forecast	12,908	13,233	14,077	14,489	14,790	15,091
<i>Growth</i>	-1.3%	2.5%	6.4%	2.9%	2.1%	2.0%
March Forecast	12,908	13,135	13,885	14,272	14,608	14,942
<i>Growth</i>	-1.3%	1.8%	5.7%	2.8%	2.4%	2.3%
Difference in level	0	98	191	217	182	149
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>-0.3%</b>	<b>-0.3%</b>
<b>PCE Price Index</b>						
2012 = 100						
June Forecast	110.5	112.6	115.8	118.0	120.3	122.5
<i>Growth</i>	1.3%	1.9%	2.8%	1.9%	1.9%	1.9%
March Forecast	110.5	112.5	114.7	116.5	118.5	120.7
<i>Growth</i>	1.3%	1.8%	2.0%	1.6%	1.7%	1.9%
Difference in level	0.0	0.2	1.0	1.5	1.8	1.8
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>Unemployment Rate</b>						
Percent of Labor Force						
June Forecast	6.0%	6.9%	4.6%	3.7%	3.5%	3.6%
March Forecast	6.0%	6.9%	4.7%	3.7%	3.5%	3.5%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>
<b>30 Year Fixed Mortgage Rate</b>						
Annual Average						
June Forecast	3.5%	2.9%	3.3%	3.6%	3.7%	4.0%
March Forecast	3.5%	2.9%	3.4%	3.7%	3.8%	4.0%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>
<b>3 Month T-Bill Rate</b>						
Annual Average						
June Forecast	1.2%	0.1%	0.0%	0.1%	0.1%	0.3%
March Forecast	1.2%	0.1%	0.1%	0.1%	0.1%	0.3%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Washington Forecast Comparison**
**Fiscal Years**

	2020	2021	2022	2023	2024	2025
<b>Real Personal Income</b>						
Billions of 2012 dollars						
June Forecast	462.9	485.3	478.4	490.7	504.5	519.6
<i>Growth</i>	4.8%	4.8%	-1.4%	2.6%	2.8%	3.0%
March Forecast	462.9	483.4	474.0	488.9	505.1	521.8
<i>Growth</i>	4.8%	4.4%	-1.9%	3.1%	3.3%	3.3%
Difference in level	0.0	1.8	4.4	1.8	-0.6	-2.2
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>-0.6%</b>	<b>-0.5%</b>	<b>-0.3%</b>
<b>Nominal Personal Income</b>						
Billions of dollars						
June Forecast	511.4	546.5	554.0	579.1	606.8	636.7
<i>Growth</i>	6.2%	6.9%	1.4%	4.5%	4.8%	4.9%
March Forecast	511.4	543.8	543.9	569.7	598.5	629.9
<i>Growth</i>	6.2%	6.3%	0.0%	4.7%	5.1%	5.2%
Difference in level	0.0	2.8	10.1	9.4	8.3	6.8
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.3%</b>
<b>Nonfarm Payroll Employment</b>						
Thousands						
June Forecast	3,403.3	3,277.0	3,437.7	3,542.3	3,601.7	3,649.8
<i>Growth</i>	-0.9%	-3.7%	4.9%	3.0%	1.7%	1.3%
March Forecast	3,403.5	3,279.3	3,407.5	3,509.1	3,571.3	3,622.2
<i>Growth</i>	-0.9%	-3.6%	3.9%	3.0%	1.8%	1.4%
Difference in level	-0.2	-2.3	30.2	33.2	30.4	27.5
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>-0.1%</b>	<b>1.0%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Housing Permits</b>						
Units Authorized, Thousands						
June Forecast	47.5	50.7	48.8	45.2	45.2	45.2
<i>Growth</i>	3.3%	6.7%	-3.8%	-7.3%	0.0%	-0.2%
March Forecast	47.5	48.7	48.7	43.8	43.3	43.7
<i>Growth</i>	3.3%	2.4%	0.1%	-10.1%	-1.2%	0.9%
Difference in level	0.0	2.0	0.1	1.4	1.9	1.5
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>4.3%</b>	<b>-3.9%</b>	<b>2.7%</b>	<b>1.2%</b>	<b>-1.0%</b>

**Governor's Council of Economic Advisor's Forecast**

**Calendar Years**

	2021	2022	2023	2024	2025
<b>U.S.</b>					
<b>Real GDP</b>					
<i>Growth</i>					
ERFC	6.7	4.4	2.2	2.0	1.9
GCEA Average	6.8	4.1	2.2	2.4	2.4
<b>Real Consumption</b>					
<i>Growth</i>					
ERFC	7.8	4.3	2.3	2.0	2.1
GCEA Average	7.8	4.5	2.4	2.2	2.4
<b>PCE Price Index</b>					
<i>Growth</i>					
ERFC	2.9	2.2	1.9	1.9	1.9
GCEA Average	3.0	2.5	2.2	2.1	2.0
<b>Mortgage Rate</b>					
<i>Percent</i>					
ERFC	3.0	3.5	3.7	3.9	4.1
GCEA Average	3.3	3.6	3.6	4.1	4.3
<b>Oil Price (Brent)</b>					
<i>Dollars per barrel</i>					
ERFC	69.0	68.7	64.7	62.2	60.6
GCEA Average	68.5	69.3	67.4	66.1	65.2

**In what quarter will the Federal Reserve raise interest rates (YYYY.Q)?**

The average of the responses was in the second half of 2022.

**Washington State**

**Real Personal Income**

<i>Growth</i>					
ERFC	3.0	-0.6	2.6	3.0	3.0
GCEA Average	4.7	-0.2	1.9	2.9	2.9

**Wage and Salary Employment**

<i>Growth</i>					
ERFC	2.0	4.4	2.1	1.6	1.1
GCEA Average	3.3	3.5	2.2	1.7	1.3

**Manufacturing Employment**

<i>Growth</i>					
ERFC	-4.9	0.4	1.5	1.5	0.5
GCEA Average	-4.8	-1.8	0.9	0.8	0.3

**Construction Employment**

<i>Growth</i>					
ERFC	3.4	-3.4	-2.0	0.6	0.7
GCEA Average	4.2	-0.4	-0.4	0.7	0.8

**Housing Permits**

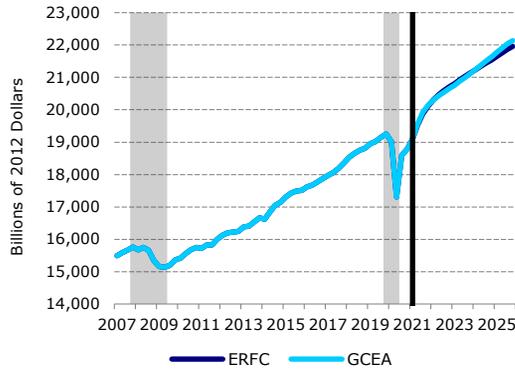
<i>Thousands of authorized units</i>					
ERFC	54.2	46.3	44.9	45.6	44.4
GCEA Average	54.9	48.6	45.8	45.9	45.0

**Washington Average Annual Wage**

<i>Growth</i>					
ERFC	6.1	1.9	3.0	3.5	3.9
GCEA Average	5.0	2.3	3.0	3.4	3.6

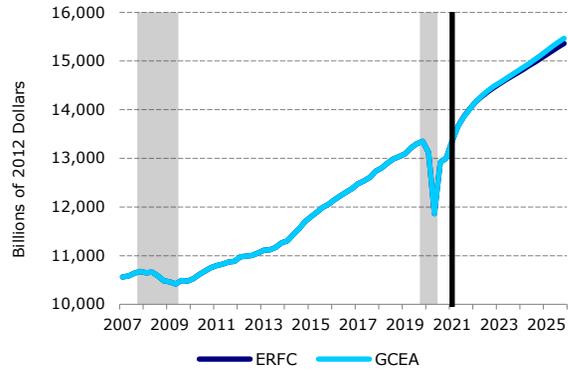
# U.S. Forecast Comparison

### Real GDP



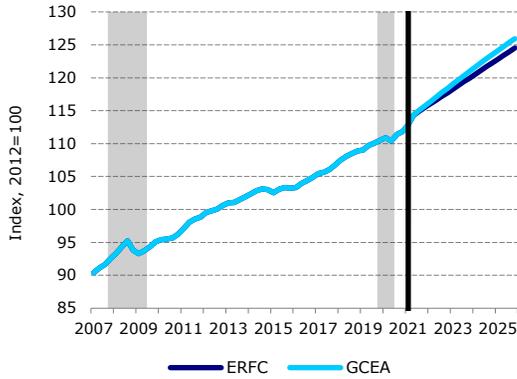
Source: BEA, ERFC, GCEA; data through 2021 Q1

### Real Consumption



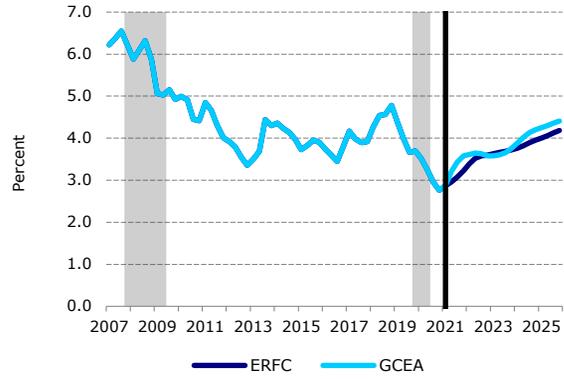
Source: BEA, ERFC, GCEA; data through 2021 Q1

### PCE Price Index



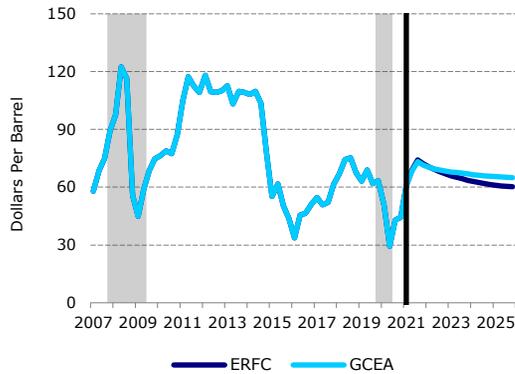
Source: BEA, ERFC, GCEA; data through 2021 Q1

### Mortgage Rate



Source: Freddie Mac, ERFC, GCEA; data through 2021 Q1

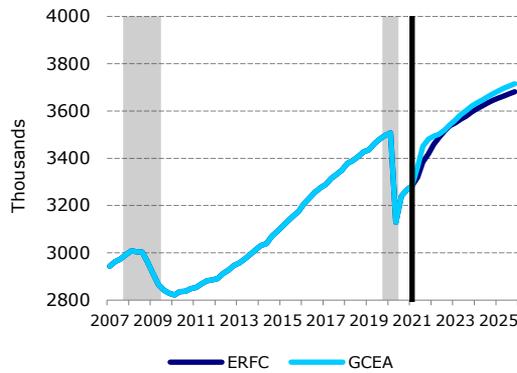
### Brent Oil Price



Source: EIA, ERFC, GCEA; data through 2021 Q1

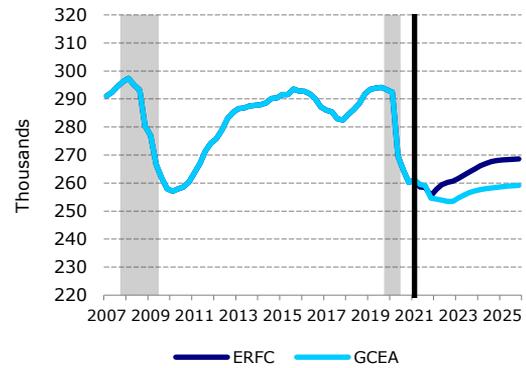
# Washington Forecast Comparison

### Nonfarm Payroll Employment



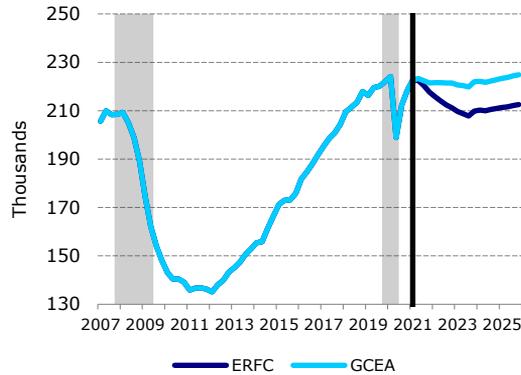
Source: ESD, ERFC, GCEA; data through 2021 Q1

### Manufacturing Employment



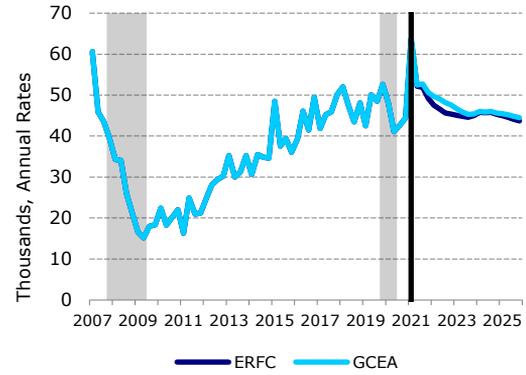
Source: ESD, ERFC, GCEA; data through 2021 Q1

### Construction Employment



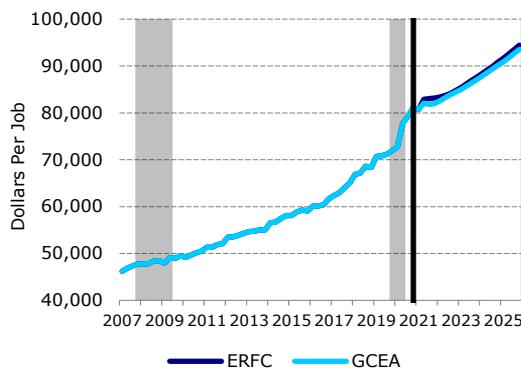
Source: ESD, ERFC, GCEA; data through 2021 Q1

### Housing Units Authorized



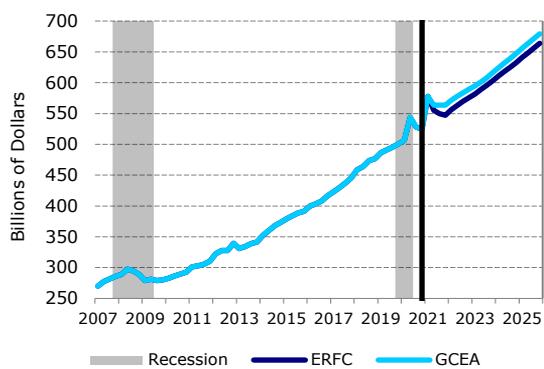
Source: Census, ERFC, GCEA; data through 2021 Q1

### Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2020 Q4

### Personal Income



Source: BEA, ERFC, GCEA; data through 2020 Q4

**Revenue legislation and budget driven revenue changes**

Passed in the 2021 Legislative Session  
(Millions of dollars, excludes Governor vetoes)

Bill title (Number)	Fund	FY20	FY21	FY22	FY23	FY24	FY25
<b>2021 Revenue legislation - General Fund-State</b>							
Employment training program (1033)	GFS	0.000	0.000	-0.065	-0.065	-0.065	-0.065
Non-resident vessel permits (1107)	GFS	0.000	0.000	-0.023	-0.027	-0.027	-0.027
Main street program (1279)	GFS	0.000	0.000	-0.190	-0.580	-0.960	-1.350
Main street program (1279)	GFS	0.000	0.000	-0.060	-0.170	-0.290	-0.400
Behavioral health admin orgs (1296)	GFS	0.000	0.000	-0.040	-0.570	-0.600	-0.630
Lodging related assessments (1512)	GFS	0.000	0.000	-0.508	-0.530	-0.553	-0.564
Lodging related assessments (1512)	GFS	0.000	0.000	-0.037	-0.038	-0.040	-0.041
SST mitigation payments (1521)	GFS	0.000	0.000	-6.750	-5.400	-4.320	-3.460
Hydrogen/electric vehicles (5000)	GFS	0.000	0.000	0.000	0.000	0.000	0.000
BPA power contracts.tax deduction (5008)	GFS	0.000	0.000	-0.590	-0.640	-0.640	-0.640
Capital Gains Tax (5096)	GFS	0.000	0.000	0.000	-85.000	-91.000	-97.000
Foster care and child care licensing (5151)	GFS	0.000	0.000	-1.680	-1.680	0.000	0.000
WDFW payments/property tax (5159)	GFS	0.000	0.000	-2.020	-2.020	-2.020	-2.020
Liquor & cannabis board fees (5272)	GFS	0.000	-2.563	-7.689	0.000	0.000	0.000
Captive insurance (5315)	GFS	0.000	0.000	31.868	2.328	2.328	2.328
Farmworker housing/tax (5396)	GFS	0.000	0.000	-1.200	-2.500	-2.500	-2.500
<b>Total Revenue legislation-fiscal year-GFS</b>		<b>0.000</b>	<b>-2.563</b>	<b>11.016</b>	<b>-96.892</b>	<b>-100.687</b>	<b>-106.369</b>
<b>Biennium totals</b>			<b>-2.563</b>		<b>-85.876</b>		<b>-207.056</b>
<b>2021 Budget Driven Revenue</b>							
Liquor and Cannabis Board (Liquor)	GFS	0.000	2.983	-1.076	0.942	2.727	3.893
Liquor and Cannabis Board (Marijuana)	GFS	0.000	-2.761	-2.302	-3.033	-3.569	-4.463
Lottery	GFS	0.000	0.000	0.210	0.059	0.103	0.113
Cannabis Distribution Changes	GFS	0.000	0.000	-5.000	-5.000	-5.000	-5.000
Total budget driven revenue-fiscal year-GFS		0.000	0.222	-8.168	-7.032	-5.739	-5.457
<b>Biennium totals</b>			<b>0.222</b>		<b>-15.200</b>		<b>-11.196</b>
<b>Total GF-S Revenue legislation and Budget Driven Revenue</b>		<b>0.000</b>	<b>-2.341</b>	<b>2.848</b>	<b>-103.924</b>	<b>-106.426</b>	<b>-111.826</b>
<b>Biennium totals</b>			<b>-2.341</b>		<b>-101.076</b>		<b>-218.252</b>
<b>2021 Revenue legislation - Education Legacy Trust Account</b>							
Capital Gains Tax (5096)	ELTA	0.000	0.000	0.000	500.000	509.000	519.000
<b>Biennium Totals</b>			<b>0.000</b>		<b>500.000</b>		<b>1,028.000</b>
<b>2021 Revenue legislation - Workforce Education Investment Account</b>							
Behavioral health admin orgs (1296)	WEIA	0.000	0.000	-0.010	-0.090	-0.100	-0.100
<b>Biennium totals</b>			<b>0.000</b>		<b>-0.100</b>		<b>-0.200</b>
<b>Total Legislative Change GF-S, ELTA and WEIA</b>		<b>0.000</b>	<b>-2.341</b>	<b>2.838</b>	<b>395.986</b>	<b>402.474</b>	<b>407.074</b>
<b>Biennium totals</b>			<b>-2.341</b>		<b>398.824</b>		<b>809.548</b>

**2019-21 and 2021-23 Enacted Budget Balance Sheet**  
**General Fund-State (GFS), Education Legacy Trust Account (ELTA),**  
**Washington Opportunity Pathways Account (OPA),**  
**Workforce Education Investment Account (WEIA) and Budget Stabilization Account (BSA)**  
Dollars in Millions

	2019-21			2021-23		
	GFS	ELTA , OPA and WEIA	TOTAL	GFS	ELTA , OPA and WEIA	TOTAL
<b>RESOURCES</b>						
<b>Beginning Fund Balance</b>	<b>999.3</b>	<b>981.9</b>	<b>1,981.2</b>	<b>3,365.9</b>	<b>470.5</b>	<b>3,836.5</b>
March 2021 Revenue Forecast	50,040.7	2,293.5	52,334.2	54,372.1	2,242.8	56,614.9
June 2021 Revenue Forecast change	809.9	30.1	840.0	1,340.3	59.0	1,399.3
<b>Current Revenue Totals</b>	<b>50,850.6</b>	<b>2,323.6</b>	<b>53,174.2</b>	<b>55,712.4</b>	<b>2,301.9</b>	<b>58,014.3</b>
Transfer to Budget Stabilization Account (1% of GSR)	(498.2)		(498.2)	(541.6)		(541.6)
Transfer to Budget Stabilization Account (EGSR)	-		-	-		-
Enacted Fund Transfers	35.2	160.0	195.2	-	-	-
ACFR Adjustments Actual- FY 20	(3.9)	28.2	24.2	-	-	-
Actual/Assumed Prior Period Adjustments	59.7		59.7	40.8		40.8
2021 Legislative Session-Enacted Budgets			-			-
Capital Gains Tax (SB 5096)			-	(85.0)	500.0	415.0
Revenue Legislation	(2.6)	-	(2.6)	(1.6)	(0.2)	(1.8)
Budget Driven Revenue	0.2	-	0.2	(15.2)	-	(15.2)
Fund Transfers	(1,100.2)	45.0	(1,055.2)	50.2	-	50.2
Fund Transfer- ESSB 5092 Section 1802- From BSA	1,820.4		1,820.4			-
Governor's Vetoes	-	-	-	0.7	0.1	0.8
<b>Total Resources (including beginning fund balance)</b>	<b>52,160.6</b>	<b>3,538.7</b>	<b>55,699.2</b>	<b>58,526.6</b>	<b>3,272.3</b>	<b>61,799.0</b>
<b>EXPENDITURES</b>						
<b>Enacted Budgets</b>						
2019-21 Biennium	50,602.8	3,096.9	53,699.7	-	-	-
2021 Supplemental	(1,108.6)	(28.7)	(1,137.4)	-	-	-
2021-23 Biennium			-	56,334.4	2,878.8	59,213.2
Governor's Vetoes and Lapses			-	(146.6)	-	(146.6)
Actual/Assumed Reversions	(699.6)	-	(699.6)	(295.7)	-	(295.7)
<b>Total Expenditures</b>	<b>48,794.6</b>	<b>3,068.1</b>	<b>51,862.8</b>	<b>55,892.0</b>	<b>2,878.8</b>	<b>58,770.9</b>
<b>RESERVES</b>						
<b>Projected Ending Balance</b>	<b>3,365.9</b>	<b>470.5</b>	<b>3,836.5</b>	<b>2,634.6</b>	<b>393.5</b>	<b>3,028.1</b>
<b>Budget Stabilization Account</b>						
Budget Stabilization Account Beginning Balance	1,618.4		1,618.4	(1.3)		(1.3)
Transfers from General Fund (1% of GSR)	498.2		498.2	541.6		541.6
Transfers from GFS (EGSR)	-		-	-		-
Prior Period Adjustment-FY 20	0.9		0.9	-		-
Actual/Assumed Interest Earnings	40.7		40.7	1.1		1.1
Fund Transfer- EHB 2965- ESD transfer back to BSA	25.0		25.0	-		-
Fund Transfer- ESSB 5092 Section 1802- To GFS	(1,820.4)		(1,820.4)			
Less 2020 Supplemental Approp from BSA-Coronavirus	(200.0)		(200.0)	-		-
Less Approp from BSA-Covid-19- HB 1367	(164.3)		(164.3)	-		-
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>(1.3)</b>		<b>(1.3)</b>	<b>541.4</b>		<b>541.4</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>3,364.6</b>	<b>470.5</b>	<b>3,835.2</b>	<b>3,176.0</b>	<b>393.5</b>	<b>3,569.5</b>

Acronyms

GSR- General State Revenues

EGSR- Extraordinary General State Revenues

ACFR- Annual Comprehensive Financial Report