

EMBARGOED

*until September 27, 2024, 2:00 pm PDT when it will be published
at www.erfc.wa.gov*

Revenue Review

September 27, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

REVENUE REVIEW

September 27, 2024
2:00 p.m.

- Call to order
- Approval of meeting minutes from September 13, 2024
- 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 and Economic Review
September 13, 2024
Conference Call

Economic and Revenue Forecast Council

Lynda Wilson, Senate, Chair
April Berg, House of Representatives
Chris Corry, House of Representatives
Chris Gildon, Senate
Timm Ormsby, House of Representatives
June Robinson, Senate
Ed Orcutt, House of Representatives
Yasmin Trudeau, Senate
Mike Pellicciotti, Treasurer
Drew Shirk, Department of Revenue
Pat Sullivan, Office of Financial Management

Staff

Dave Reich, Executive Director
Rachel Knutson, Office of Financial
Management
Corban Nemeth, Senate Ways and
Means
Andy Toulon, House Appropriations

Call to Order

Senator Wilson called the meeting to order at 2:01 p.m.

Approval of the Minutes

Senator Robinson moved, seconded by Representative Berg, to adopt the meeting minutes from June 26, 2024. Motion passed at 2:02 p.m.

Budget Outlook Work Group:

The Budget Outlook Work Group presented the Outlook Accuracy report, Outlook Growth Factor, and Reversion analysis. The Work Group requested guidance from the Council regarding the growth factor methodology. Specifically, the team asked if the Council would like the State Budget Outlook Work Group to use the new proposed growth factor methodology for preparing the Outlooks during the 2025-27 biennia or should any changes be made to the proposed methodology?

Motion

Representative Ormsby moved, seconded by Senator Robinson, to accept the State Budget Outlook Work Group's recommendation to use the new proposed growth factors while preparing Outlooks during the 2025-27 biennia. Motion passed at 2:28 p.m.

Economic Forecast Presentation

Dr. Reich presented information on the preliminary economic forecast. Dr. Reich summarized the forecast changes and provided background information on both the U.S. and Washington economies.

Administrative

Senator Wilson welcomed new council member Pat Sullivan to the Council. Mr. Sullivan is stepping into the role of Director of the Office of Financial Management.

Adjournment

With no further business, the meeting adjourned at 2:54 p.m.

DRAFT

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



Economic Review: September 27, 2024

Executive Summary

United States

- This forecast is based on a modified version of S&P Global Market Intelligence's September 2024 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2024 and 2025. We expect real GDP to increase 2.6% in 2024 and 1.8% in 2025, up from the 2.3% and 1.8% growth rates assumed in the June forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long-term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029 unchanged from the June forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Monday, September 16, 2024 closing prices for Brent and WTI futures. Oil prices are lower than in the June forecast. As in June, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$75 per barrel in the third quarter of 2024, a decrease of \$2 compared to the June forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$64 per barrel, down from \$65 per barrel in the June forecast.
- National employment in August increased by 142,000 net jobs. Employment levels for June and July were revised down due to additional data and updated seasonal factors by a combined 86,000 jobs. Job growth has slowed in the last few months with the 3-month moving average of monthly job adds now at 116,000. Sectors with the largest job gains in August included healthcare (+31,000), leisure and hospitality (+46,000), construction (+34,000) and government (+24,000). Sectors with declining employment in August included manufacturing (-24,000), retail trade (-11,000) and information (-7,000).
- Two key measures of consumer confidence diverged in August/September. The University of Michigan (UM) consumer sentiment survey increased by 1.5 points to 67.9 in August after decreasing by 1.8 points in July. The Conference Board index of consumer confidence decreased by 6.9 points in September to 98.7. Survey results indicated concerns about current and future business conditions, and future incomes and labor markets.
- Consumer prices increased 0.2% (SA) in August following a 0.2% increase in July. Compared to August 2023, prices are up 2.6% (SA). Core prices, which exclude food and energy, rose by 3.3% (SA) compared to August 2023.

- Initial claims for unemployment insurance decreased by 4,000 to 218,000 (SA) in the week ending September 21st. The four-week moving average of initial claims decreased by 3,500 to 224,750.
- Industrial production increased by 0.8% in August following a 0.9% decrease in July. Industrial production was unchanged compared with its August 2023 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.2% (SA) in August following a 0.2% decrease in July according to U.S. Census Bureau data. New orders for core capital goods were 0.3% above their August 2023 level.
- Residential construction activity was up in August compared with July, but new and existing home sales were mixed in July and August. August housing starts increased by 9.6% (SA) compared to July and were 3.9% above their August 2023 level. Housing units authorized by building permits in August were 4.9% (SA) above their July level but 6.5% below their year-ago level. New home sales in August decreased by 4.7% (SA) compared to July but were 9.8% above their year-ago level. Existing home sales in August decreased by 2.5% (SA) compared to July and were down 4.2% compared to August 2023. The seasonally adjusted Case-Shiller national home price index for July was 0.2% above its June level and 4.9% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of elevated prices, high interest rates and geopolitical conflict.

Washington

- Washington job growth has been stronger than expected in the three months since the June forecast, although historical revisions have lowered the level of employment. Total seasonally adjusted nonfarm payroll employment increased 12,500 in June, July, and August which was 5,700 more than the increase of 6,800 expected in the forecast. The construction sector added 3,300 jobs and manufacturing employment increased by 2,400 in the three-month period. Health services and social assistance had the largest increase in the private service sector with a gain of 3,600 jobs while the largest decline in was in food services and drinking places with a loss of 2,000 jobs. Government employment increased by 300, although this may be artificially low due to a reduction of 2,900 in state government education, which is notorious for seasonal adjustment issues in the summer months.
- Revisions to employment data subtracted 7,100 (0.2%) to the estimated level of total employment in May 2024. The combined effect of the downward revision to historical data and the stronger growth in the last three months is that August employment is 1,400 (0.0%) lower than expected in the June forecast.
- Washington's unemployment rate declined in August, although it has been trending up. The unemployment rate fell 0.1 percentage points over the month in August to 4.8%, but remains up from 4.1% in August 2023. The decline was due to a drop in the number of people in the labor force. The labor force participation rate fell from 63.6% to 63.5% in August and is down from 64.4% a year ago.

- The September forecast calls for a 1.3% increase in Washington employment this year, unchanged from the June forecast. We expect slower growth during the remainder of the forecast as the U.S. economy slows. The forecast has employment growth average 0.8% per year in 2025 through 2029, down from 1.0% in the previous forecast. We assume the 4.1% unemployment rate in 2023 was the trough. Going forward, we expect the unemployment rate to increase to 5.0% from 2025 through 2027, then decline to 4.6% in 2029.
- The September forecast incorporates the September 12th vote to go on strike by machinists at Boeing. We expect the impact to be transitory and not materially affect the forecast in the long term. The aerospace industry has added 16,200 jobs since reaching a trough in employment in August 2021, bringing the level to 83,000 in August 2024. We expect aerospace employment to continue to expand through 2028, reaching a peak of 90,800 jobs. The forecast then calls for aerospace employment to level off and then slowly decline through the end of the forecast horizon in 2029.
- 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 2024. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the first quarter of 2024 is \$1.18 billion (0.2%) higher than in the June forecast. Wages and salaries are \$1.29 billion (0.4%) higher than expected and nonwage income was \$0.11 billion (0.0%) lower than expected.
- The forecast for nominal personal income growth this year is 5.2%, down from 5.3% in the June forecast. We expect nominal personal income growth of 5.0% in 2025, down from 5.5% in the previous forecast. The September forecast then has nominal personal income growth averaging 5.4% from 2026 to 2029, up from 5.3% in the June forecast.
- Seattle-area home prices are increasing. Home prices grew 0.9% in June, the third consecutive increase. This was the strongest growth in home prices since August 2023. In comparison, the composite-20 index has increased in each of the past sixteen months, growing 0.4% in June. Seattle home prices in June were up 6.6% over the year while the composite-20 index was up 6.4% over the year.
- Seattle-area consumer price inflation is declining, although it continues to outpace the national average. From August 2023 to August 2024, the Seattle CPI rose 3.1% compared to the 2.5% increase in the U.S. City Average index. Energy prices were down 6.2% in Seattle since August 2023. National energy prices were 4.0% lower than a year ago. Core prices, which exclude food and energy, increased 3.9% in Seattle and 3.2% in the U.S. City Average index. Seattle shelter cost inflation exceeded the U.S. city average at 6.2%

compared to 5.2%. Excluding shelter, inflation in Seattle and the U.S. city average both rose 1.1% over the year.

- Washington exports grew 1.6% from the second quarter of 2023 to the second quarter of 2024. The increase was led by growth in agricultural products (+17.2%) and petroleum and coal products (+71.8%). Transportation equipment exports fell for the second consecutive quarter, declining 4.6% year over year. Exports to China, Washington's largest trade partner, increased 17.5% year over year in the second quarter after declining in each of the previous four quarters.
- Washington car and truck sales increased for the second consecutive month in August. The seasonally adjusted number of new vehicle registrations grew 2.8% in August from the month before to 269,600 (SAAR). Passenger car registrations fell 1.0% while light truck registrations rebounded 37.7%. The number of total registrations were down 5.3% over the year in August.
- Washington housing construction slowed in the second quarter of 2024. The number of housing units authorized by building permits declined to 33,300 (SAAR) in the second quarter from 38,000 in the first quarter. Single-family permits declined 3,000 to 17,500 (SAAR) units and multi-family permits declined 1,700 to 15,700 (SAAR) units. The June forecast expected 35,500 units (SAAR) in the second quarter, consisting of 20,500 single-family units and 15,000 multi-family units. Permits increased by 2,100 units (SAAR) in July to 35,400. Permits consisted of 16,900 single-family units and 18,500 multi-family units. The June forecast expected 36,800 units (SAAR) for the third quarter as a whole consisting of 20,200 single-family units and 16,600 multi-family units.
- We expect 2024 to be the trough in housing permits with 35,600 units. The forecast calls for growth in housing permits through 2029, reaching 43,400 units. The previous forecast called for total housing permits to grow to 45,100 units in 2029 from a trough of 37,000 units in 2024.

Revenue

- Cumulative major General Fund-State revenue (GF-S) since the June forecast came in \$26.0 million (0.4%) higher than forecasted. Collections of Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation (B&O), public utility and non-cigarette tobacco products), however, came in \$0.7 million (0.0%) lower than forecasted. Some other sources, such as unclaimed property and cigarette and property taxes also came in below the forecast. These shortfalls were offset by real estate excise taxes (REET), which came in \$50.3 million (17.3%) higher than forecasted.
- The September economic forecast projects slightly lower personal income than expected in June, along with projected lower housing permits and construction employment. These factors, along with observed recent activity, have resulted in decreases in forecasted Revenue Act taxes. Forecasted Revenue Act collections have been decreased \$218.7 million for the current

- biennium, \$187.4 million in the 2025-27 biennium and \$320.0 million in the 2027-29 biennium.
- Much of the forecast decline from Revenue Act taxes has been offset by increases in forecasted REET collections due to the higher sales activity that has been observed since the June forecast. The increases were \$98.9 million in the current biennium and \$63.5 million and \$8.6 million for the next two biennia respectively. The forecasts of most other non-Revenue Act taxes collected by the DOR declined.
 - Forecasted increases in GF-S revenue from agencies other than the DOR also helped offset much of the decline in Revenue Act taxes. Forecasted revenue from the Office of the Insurance Commissioner, Office of Financial Management (OFM), and Liquor Control Board all increased on net, as did transfers of fines and fees from the Washington court system. Offsetting these gains were forecasted lower earnings from the Office of the State Treasurer due to projected lower fund balances and interest rates and lower Lottery transfers into the GF-S.
 - Much of the increase in GF-S revenue from other agencies came from non-economic changes to the revenue forecasts of smaller agencies coordinated by the OFM. The largest change came from new transfers of funds from the Washington State Convention Center Public Facilities District into the GF-S. These increases were offset by a FY 2025 transfer of \$14.9 million from the GF-S to the Clarke-McNary Account for firefighting costs. These changes added \$15.0 million in revenue in the current biennium, \$63.2 million in the 2025-27 biennium and \$52.6 million in the 2027-29 biennium.
 - Forecasted GF-S revenue is now \$63.166 billion for the 2023-25 biennium, a decrease of \$130.6 million from the June forecast. Forecasted GF-S revenue is \$67.931 billion for the 2025-27 biennium, a decrease of \$53.1 million, and \$72.920 billion for the 2027-29 biennium, a decrease of \$191.3 million.
 - Forecasted Education Legacy Trust Account (ELTA) revenue has increased. Most of the increase was in capital gains taxes due to observed refund requests that have been much lower than expected. Forecasted estate taxes and REET also increased. The ELTA forecast has been increased by \$54.1 million in the current biennium, \$96.9 million in the 2025-27 biennium and \$90.5 million in the 2027-29 biennium. Forecasted ELTA revenue is now \$2.039 billion for the 2023-25 biennium, \$2.356 billion for the 2025-27 biennium and \$2.640 billion for the 2027-29 biennium.
 - The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was increased by \$21.3 million in the current biennium and \$26.8 and \$23.5 million in the next two biennia respectively due to higher forecasted Lottery sales. Estimated OPA revenue is now \$388.7 million for the 2023-25 biennium, \$371.9 million for the 2025-27 biennium and \$388.1 million for the 2027-29 biennium.
 - The forecast of revenue dedicated to the Workforce Education Investment Account (WEIA) has been increased due to higher-than-expected receipts since June. The increases were \$6.0 million in the current biennium and \$8.5 and \$8.6 million in the next two biennia respectively. Estimated WEIA

revenue is now \$885.8 million for the 2023-25 biennium, \$952.3 million for the 2025-27 biennium and \$1.029 billion for the 2027-29 biennium.

- Summing the changes to the GF-S, ELTA, OPA and WEIA forecasts, total state revenue subject to the budget outlook process is expected to decrease by \$49.2 million in the 2023-25 and increase by \$79.1 million in the 2025-27 biennium. The forecast decreased by \$68.6 million in the 2027-29 biennium.
- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$66.479 billion, an increase of 2.7% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$71.611 billion, an increase of 7.7% over the prior biennium, and forecasted total revenue for the 2027-29 biennium is \$76.976 billion, an increase of 7.5% over the prior biennium.

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Revenue Review

Presented to the
Economic and Revenue Forecast Council

Dave Reich
Executive Director

September 27, 2024



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL



Overview

U.S. Economy

- U.S. GDP forecast is higher, inflation, oil prices and interest rates are lower than in our June forecast
- The Federal Reserve began reducing interest rates this month and is expected to continue

Washington

- WA personal income, employment and housing permits lower than in June

Revenue

- The forecast of funds subject to the budget outlook is increased by \$30 million (0.02%) for 2023-27 biennia

Revenue Review
September 27, 2024

Slide 1

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Since the June forecast...

The economic forecast incorporates June - August 2024 employment data for WA and for the U.S.

Positives:

- U.S. employment has increased by 350,000 jobs
- Wage growth is slowing (less inflation pressure)
- WA employment has increased by 12,500 jobs
- Seattle CPI fell from 4.4% (Apr.) to 3.1% (Aug.)

Negatives:

- U.S. employment growth has slowed (averaging 116K/month for last three months)
- WA revenue collections growth continues to be slow-FY24 sales tax revenues were down yoy (only 3rd time in last 15 years)

Revenue Review
September 27, 2024

Slide 2

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Forecast risks

Upside

- Stronger consumer spending, faster interest rate cuts
- Quicker resolution of Russia – Ukraine, Middle East conflicts leads to lower commodity prices

Downside

- Elevated interest rates push economy into recession
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy/transportation
- Extended Boeing labor dispute
- I-2109 (capital gains initiative)

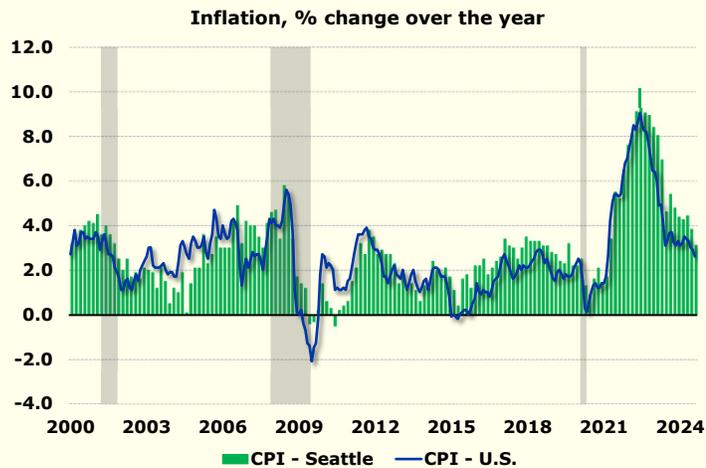
Revenue Review
September 27, 2024

Slide 3

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Inflation has slowed significantly and is expected to continue to trend down



Revenue Review
September 27, 2024

Slide 4

Source: U.S. Bureau of Labor Statistics, data through August 2024

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U.S. employment growth has been slowing and the Federal Reserve is now balancing this with inflation



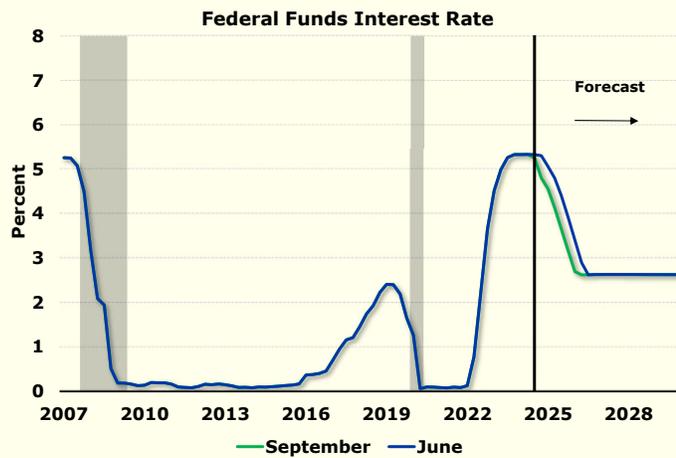
Revenue Review
September 27, 2024
Slide 5

Source: U.S. Bureau of Labor Statistics; data through August 2024

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The Federal Reserve lowered rates in September and is expecting to continue to lower them going forward



Until September 2024, the Federal Reserve had not changed interest rates since July 2023

Revenue Review
September 27, 2024
Slide 6

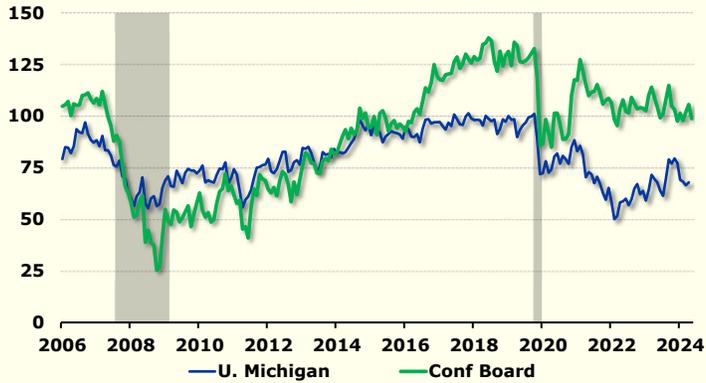
Source: ERFC September 2024 forecast; historical data through 2024 Q2

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Slowing inflation should be good for consumers but they are worried about employment

Index
Mich: 1966Q1 = 100, SA
Conf Board: 1985 = 100, SA



Revenue Review
September 27, 2024
Slide 7

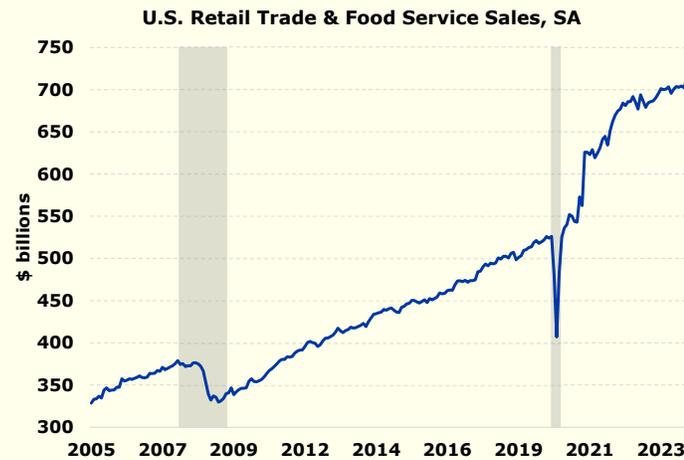
Sources: Data through August 2024 for UM, September for Conf Board

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U.S. retail sales holding up-up 2.1% in August compared with the same month in 2023

Sectors with large sales increases in August (yoy):
Non-store retailers: +7.8%
Misc. store retailers: +10.7%



Revenue Review
September 27, 2024
Slide 8

Source: U.S. Census Bureau; data through August 2024

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GDP forecast calls for positive quarterly growth in 2024 and beyond

Growth in the second quarter of 2024 was 3.0% SAAR (3rd estimate)

Revenue Review
September 27, 2024
Slide 9



Source: IHS Markit, ERFC September 2024 forecast; historical data through 2024 Q2

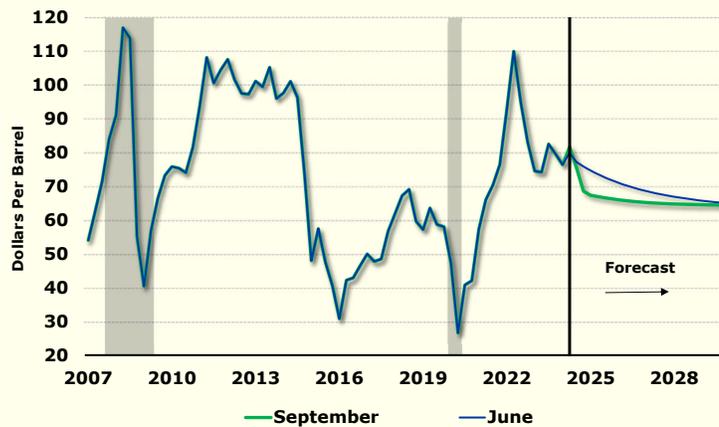
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Oil prices are forecast to be lower than in the June forecast

Oil prices in the second quarter of 2024 were higher than expected in the June forecast

Revenue Review
September 27, 2024
Slide 10



Source: Energy Information Administration, IHS Markit, ERFC; data through 2024 Q2
Note: Vertical black line indicates last actual

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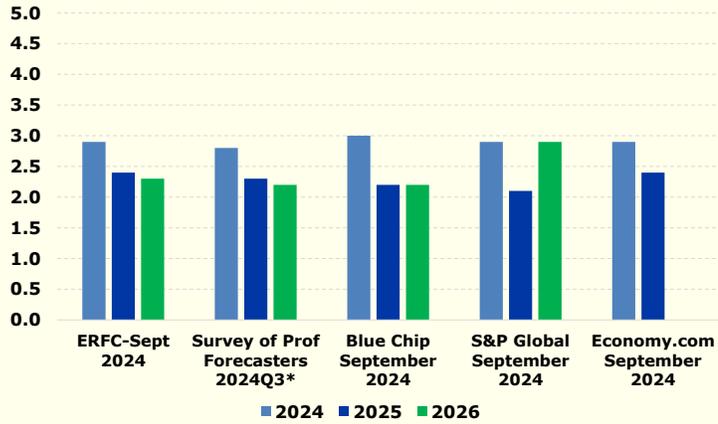
Inflation should continue to moderate

The Consumer Price Index increased by 4.1% in 2023

Revenue Review
September 27, 2024

Slide 11

Consumer Price Index, Annual % Change



Survey of Professional Forecasters reflects change in price level in 4th quarter compared to 4th quarter of prior year; all others reflect average change over the year compared to prior year.

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



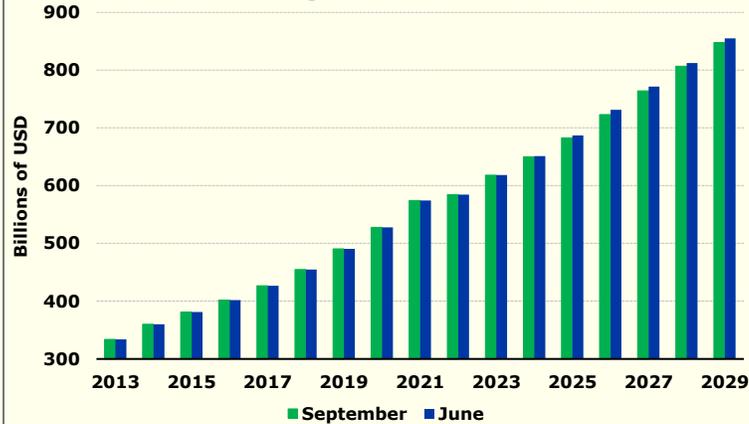
WA personal income forecast averages 5.5% annual growth down slightly from June

In June, BEA released 2024:1Q personal income and WA was up 6.1% (SAAR)

Revenue Review
September 27, 2024

Slide 12

Washington Personal Income



Source: ERFC September 2024 forecast; historical data through 2024 1Q

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WA employment forecast (level and growth) down slightly from June

Average annual employment growth, 2024 to 2029:

U.S. = 0.4%

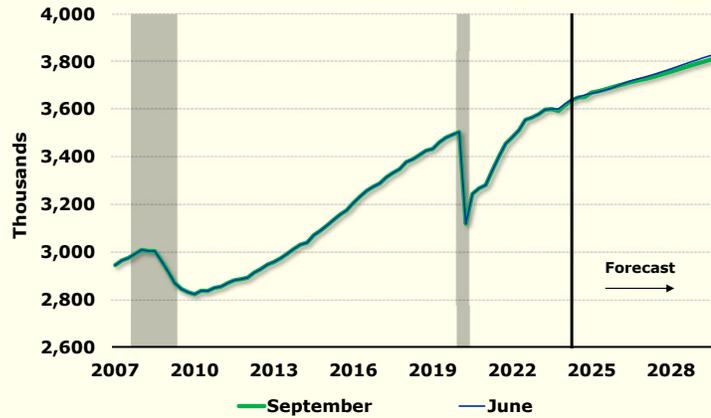
WA = 0.9%

The Boeing strike will impact employment levels depending on the duration

Revenue Review
September 27, 2024

Slide 13

Washington Nonfarm Payroll Employment



Source: ERFC September 2024 forecast; historical data through 2024 Q2

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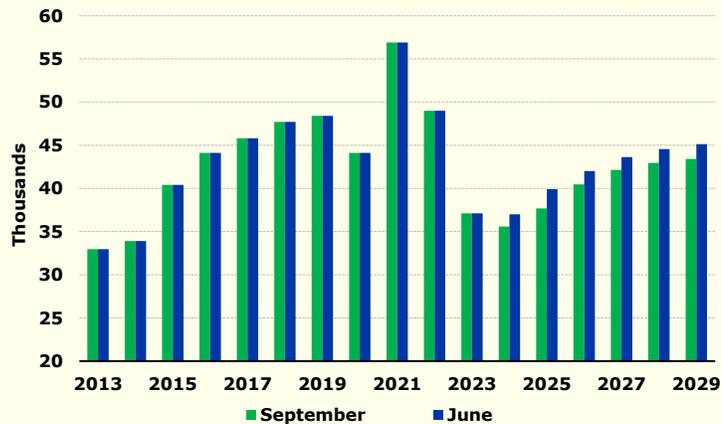


WA housing permit forecast; lower over the 2024-2029 period

Revenue Review
September 27, 2024

Slide 14

Washington Housing Permits



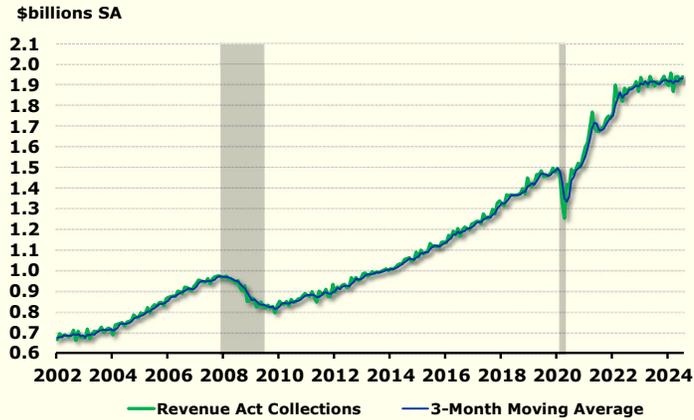
Source: ERFC September 2024 forecast; historical data through 2023

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Revenue Act collections growth has slowed; July activity was up 2.4% (SA) compared with July 2023

Revenue Act includes:
Sales tax
B&O tax
Use tax
Pub util tax
Penalties
Tobacco



Revenue Review
September 27, 2024
Slide 15

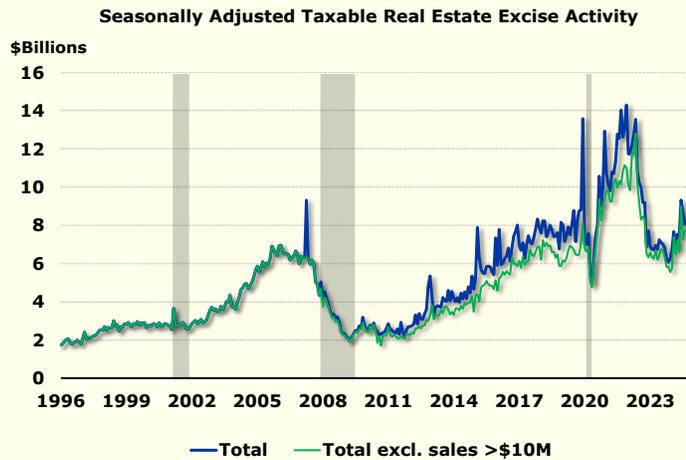
* Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred 2020 payments, current definition of Revenue Act
Source: DOR and ERFC; monthly data through July 2024 activity

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Taxable real estate activity has increased in 2024

Transactions of \$10 million or more were about \$350M in August 2024



Revenue Review
September 27, 2024
Slide 16

Source: ERFC; Monthly data through August 2024 estimate

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Cannabis excise tax and license fee forecast

Total change since June forecast:

- 2023-25
-\$5 M
- 2025-27
-\$35 M
- 2027-29
-\$30 M

\$Millions

Cannabis Forecast

	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>
GF-S share of excise tax and license fees	\$265	\$294	\$318
Non-GF	\$681	\$689	\$743
Total	\$946	\$983	\$1,061

Revenue Review
September 27, 2024
Slide 17

Detail may not add to total due to rounding
Source: ERFC September 2024 forecast; historical data through August 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes, all funds: 2023-25 biennium, cash basis

The forecast decrease represents 0.1% of biennial revenue

\$Millions	<u>June 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Sep. 2024 Forecast</u>	<u>Total Change</u> [#]
General Fund-State	\$63,296	\$15	(\$146)	\$63,166	(\$131)
Education Legacy Trust Account	\$1,985	n/a	\$54	\$2,039	\$54
WA Opportunity Pathways Account	\$367	n/a	\$21	\$389	\$21
Workforce Education Investment Account	\$880	n/a	\$6	\$886	\$6
Total	\$66,528	\$15	(\$64)	\$66,479	(\$49)

Revenue Review
September 27, 2024
Slide 18

Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Forecast changes, all funds: 2025-27 biennium, cash basis

The forecast increase represents 0.1% of biennial revenue

\$Millions	<u>June 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Sep. 2024 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$67,984	\$63	(\$116)	\$67,931	(\$53)
Education Legacy Trust Account	\$2,259	n/a	\$97	\$2,356	\$97
WA Opportunity Pathways Account	\$345	n/a	\$27	\$372	\$27
Workforce Education Investment Account	\$944	n/a	\$9	\$952	\$9
Total	\$71,532	\$63	\$16	\$71,611	\$79

Revenue Review
September 27, 2024
Slide 19

[#] Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



What are the major factors that drove the revenue forecast change?

- GF-S affected by lower forecasted sales tax partially offset by higher B&O taxes and REET
- ELTA increased on higher capital gains, estate tax and REET forecasts
- WEIA and WOPA are up on higher B&O tax and lottery forecasts respectively
- Forecast adjustments are: -0.1% for the 2023-25 biennium and +0.1% for the 2025-27 biennium

Revenue Review
September 27, 2024
Slide 20

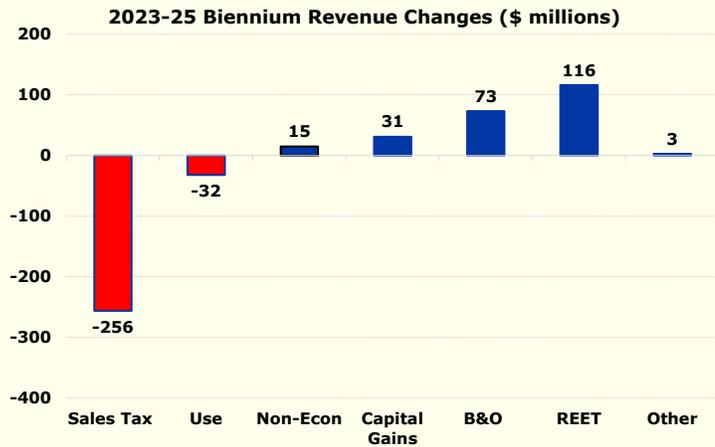
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Majority of 2023-25 revenue change due to sales and B&O taxes and REET

Sales taxes are impacted by lower construction and auto related activity

Revenue Act revenues since June were less than \$1M below the forecast



Revenue Review
September 27, 2024

Slide 21

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



2023-25 Biennium alternative forecasts for funds subject to the budget outlook

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline#
September 2024 Baseline (55%)	\$66,479	
September 2024 Alternative Forecasts		
Optimistic (20%)	\$68,254	\$1,774
Pessimistic (25%)	\$64,517	(\$1,962)
Probability Weighted Average	\$66,343	(\$136)
GCEA*	\$66,621	\$142

Revenue Review
September 27, 2024

Slide 22

*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



2025-27 Biennium alternative forecasts for funds subject to the budget outlook

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
September 2024 Baseline (55%)	\$71,611	
September 2024 Alternative Forecasts		
Optimistic (20%)	\$77,082	\$5,471
Pessimistic (25%)	\$65,575	(\$6,037)
Probability Weighted Average	\$71,196	(\$415)
GCEA*	\$71,815	\$204

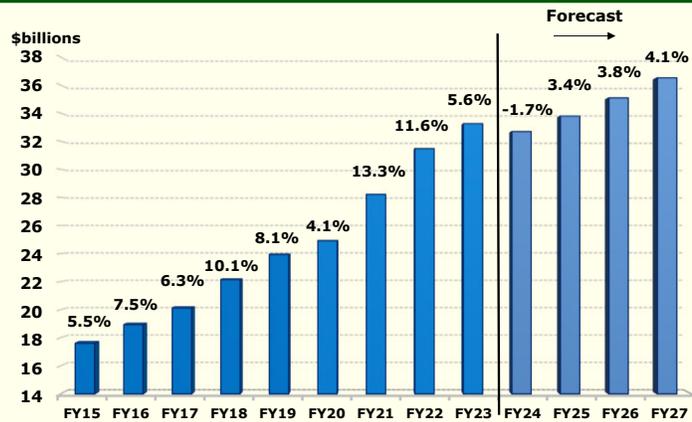
Revenue Review
September 27, 2024
Slide 23

*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



Revenue Review
September 27, 2024
Slide 24

*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, September 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. GDP is higher, inflation and oil forecasts lower than June
- WA employment level and growth generally lower, personal income and residential construction forecast lower than June
- Impacts of the conflicts in Russia-Ukraine and Middle East, lower spending, delayed rate cuts and the Boeing strike pose risks to the forecast
- Total state revenues are expected to grow 2.7% between the 2021-23 and 2023-25 biennia and 7.7% between the 2023-25 and 2025-27 biennia

Revenue Review
September 27, 2024

Slide 25

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions



Revenue Review
September 27, 2024

Slide 26

Economic & Revenue Forecast Council
PO BOX 40912
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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 September 2024 to the June 2024 Forecast

2023-25 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>September 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,296.1	\$15.0	(\$145.5)	\$63,165.6	(\$130.6)
Education Legacy Trust Account	\$1,985.0	\$0.0	\$54.1	\$2,039.2	\$54.1
WA Opportunity Pathways Account	\$367.4	\$0.0	\$21.3	\$388.7	\$21.3
Workforce Education Investment Account	\$879.8	\$0.0	\$6.0	\$885.8	\$6.0
Total	\$66,528.4	\$15.0	(\$64.1)	\$66,479.2	(\$49.2)

*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 September 2024 to the June 2024 Forecast

2025-27 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>September 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$67,983.9	\$63.2	(\$116.3)	\$67,930.8	(\$53.1)
Education Legacy Trust Account	\$2,259.4	\$0.0	\$96.9	\$2,356.3	\$96.9
WA Opportunity Pathways Account	\$345.0	\$0.0	\$26.8	\$371.9	\$26.8
Workforce Education Investment Account	\$943.8	\$0.0	\$8.5	\$952.3	\$8.5
Total	\$71,532.2	\$63.2	\$15.9	\$71,611.3	\$79.1

*Details may not add due to rounding

Track Record for the 2023-25 Forecast of Funds Subject to the Budget Outlook

February 2020 through September 2024

Cash Basis - Millions of Dollars

Date of Forecast	General Fund-State	Education Legacy Trust Acct.	Washington Opportunity Pathways Acct.	Workforce Education Investment Acct.	Subtotal	Non-Economic Changes	Total Change	Total of Funds
February 2020*	\$57,930	\$925	\$321	\$667				\$59,843
Changes to Forecast								
June 2020	-4,682	-9	8	-3	-4,685	209 #1	-4,476	55,367
September 2020	2,460	125	-7	35	2,612	0	2,612	57,979
November 2020	16	14	2	-4	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	-6	16	7	1,436	810 #2	2,246	62,151
September 2021	891	31	-1	9	931	0	931	63,082
November 2021	828	-44	5	11	800	165 #3	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	-1	55	1,112	-480 #4	632	65,999
September 2022	-332	-18	-8	-21	-378	-117 #5	-495	65,504
November 2022	684	-2	-6	6	681	0	681	66,185
March 2023	-407	-77	10	-9	-483	0	-483	65,702
June 2023	140	115	7	25	287	39 #6	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
November 2023	172	6	9	5	191	0	191	66,883
February 2024	53	31	24	13	122	0	122	67,005
June 2024	-252	-188	-27	24	-443	-34 #7	-477	66,528
September 2024	-146	54	21	6	-64	15 #8	-49	66,479
Total change:								
From February 2020	5,653	87	71	218	6,029	607	6,636	
Percent change	9.8	9.4	22.1	32.7	10.1	1.0	11.1	
Change in forecast since initial 23-25 biennial budget**								
	583	31	41	102	757	-19	738	
Percent change	0.9	1.6	11.7	13.0	1.2	0.0	1.1	

* First official forecast for the 2023-25 biennium.

**Resources for the initial 2023-25 budget include forecasted March 2023 revenue plus legislative revenue changes from 2023 session subsequent to the March forecast

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

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

#3 Addition of financial services tax to forecast after court approval and expected refunds from DOR rule change on apportionment

#4 Legislative and budget-driven revenue changes from the 2022 legislative session

#5 July 2022 BTA decision that allows machinery and equipment sales tax exemption for R&D equipment purchases

#6 Legislative and budget-driven revenue changes from the 2023 legislative session

#7 Legislative and budget-driven revenue changes from the 2024 legislative session

#8 Payments from Washington State Convention Center Public Facilities District less transfer to the Clarke-McNary Account

September 2024

Cash Basis

Alternative forecasts of funds subject to the budget outlook
Millions of Dollars**2023-25 Biennium**

	2024-25 <u>Biennium</u>	Difference From the <u>September 2024 Baseline</u>
September 2024 Baseline (55%)	\$66,479	
September 2024 Alternative Forecasts		
Optimistic (20%)	\$68,254	\$1,774
Pessimistic (25%)	\$64,517	(\$1,962)
Probability Weighted Average	\$66,343	(\$136)
GCEA*	\$66,621	\$142

2025-27 Biennium

	2025-27 <u>Biennium</u>	Difference From the <u>September 2024 Baseline</u>
September 2024 Baseline (55%)	\$71,611	
September 2024 Alternative Forecasts		
Optimistic (20%)	\$77,082	\$5,471
Pessimistic (25%)	\$65,575	(\$6,037)
Probability Weighted Average	\$71,196	(\$415)
GCEA*	\$71,815	\$204

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

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

History and Forecast by Fiscal Year (Cash basis)

September 2024 - 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 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%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%		\$28,217	13.3%
FY 2022	\$30,030	11.3%	\$890	22.6%	\$190	2.9%	\$369	15.1%		\$31,478	11.6%
FY 2023	\$30,972	3.1%	\$1,685	89.4%	\$188	-0.7%	\$410	11.3%		\$33,256	5.6%
Forecast:											
FY 2024	\$31,081	0.4%	\$963	-42.8%	\$209	11.0%	\$435	6.1%		\$32,689	-1.7%
FY 2025	\$32,084	3.2%	\$1,076	11.7%	\$180	-14.1%	\$450	3.5%		\$33,790	3.4%
FY 2026	\$33,294	3.8%	\$1,147	6.6%	\$181	1.0%	\$467	3.7%		\$35,089	3.8%
FY 2027	\$34,637	4.0%	\$1,210	5.5%	\$191	5.1%	\$485	3.9%		\$36,522	4.1%
FY 2028	\$35,840	3.5%	\$1,284	6.1%	\$193	1.2%	\$504	3.9%		\$37,822	3.6%
FY 2029	\$37,079	3.5%	\$1,356	5.6%	\$195	1.3%	\$524	3.9%		\$39,154	3.5%
Biennial Totals											
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$0	NA	\$0	NA		\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA		\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA		\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA		\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA		\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA		\$46,081	18.0%
19-21 Biennium	\$50,803	15.1%	\$1,639	-0.9%	\$337	18.5%	\$352	NA		\$53,132	15.3%
21-23 Biennium	\$61,002	20.1%	\$2,575	57.1%	\$378	12.2%	\$779	121.2%		\$64,734	21.8%
23-25 Biennium	\$63,166	3.5%	\$2,039	-20.8%	\$389	2.8%	\$886	13.7%		\$66,479	2.7%
25-27 Biennium	\$67,931	7.5%	\$2,356	15.6%	\$372	-4.3%	\$952	7.5%		\$71,611	7.7%
27-29 Biennium	\$72,920	7.3%	\$2,640	12.0%	\$388	4.4%	\$1,029	8.0%		\$76,976	7.5%

*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

September 2024 forecast

(Cash basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student ACHV Account	School Construction Account	Problem Gambling Account	Economic Develop. Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
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	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0	0.0
2022	228.7	32.6	0.0	0.0	0.0	0.0	0.4	6.0	189.7	0.0	0.0	0.0
2023	244.7	48.1	0.0	0.0	0.0	0.0	0.5	7.7	188.4	0.0	0.0	0.0
2021-23 Biennium	473.4	80.7	0.0	0.0	0.0	0.0	0.9	13.7	378.1	0.0	0.0	0.0
2024	266.1	50.4	0.0	0.0	0.0	0.0	0.8	5.8	209.1	0.0	0.0	0.0
2025	231.1	44.7	0.0	0.0	0.0	0.0	0.9	6.0	179.6	0.0	0.0	0.0
2023-25 Biennium	497.2	95.1	0.0	0.0	0.0	0.0	1.7	11.8	388.7	0.0	0.0	0.0
2026	221.8	33.6	0.0	0.0	0.0	0.0	0.9	5.9	181.3	0.0	0.0	0.0
2027	234.5	37.1	0.0	0.0	0.0	0.0	1.0	5.9	190.6	0.0	0.0	0.0
2025-27 Biennium	456.3	70.7	0.0	0.0	0.0	0.0	1.9	11.8	371.9	0.0	0.0	0.0
2028	236.8	37.1	0.0	0.0	0.0	0.0	1.0	5.9	192.9	0.0	0.0	0.0
2029	239.0	36.9	0.0	0.0	0.0	0.0	1.0	5.9	195.3	0.0	0.0	0.0
2027-29 Biennium	475.8	74.0	0.0	0.0	0.0	0.0	1.9	11.8	388.1	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 2024 and June 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,703.8	\$0.0	\$31.0	\$1,734.7	\$31.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$573.5	\$0.0	(\$6.0)	\$567.4	(\$6.0)
Lottery Commission Lottery Revenue	\$94.9	\$0.0	\$0.2	\$95.1	\$0.2
State Treasurer Interest Earnings	\$644.9	\$0.0	(\$56.4)	\$588.5	(\$56.4)
Office of Financial Management Other Agencies	(\$38.1)	\$15.0	\$16.9	(\$6.3)	\$31.8
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$103.1	\$0.0	\$4.2	\$107.3	\$4.2
Total General Fund-State	\$3,082.0	\$15.0	(\$10.2)	\$3,086.7	\$4.7

General Fund-State GAAP Estimates - Other Agencies
Comparison of the September 2024 and June 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,703.8	\$0.0	\$31.0	\$1,734.7	\$31.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$573.5	\$0.0	(\$6.0)	\$567.4	(\$6.0)
Lottery Commission Lottery Revenue	\$94.9	\$0.0	(\$3.1)	\$91.8	(\$3.1)
State Treasurer Interest Earnings	\$642.9	\$0.0	(\$40.4)	\$602.5	(\$40.4)
Office of Financial Management Other Agencies	(\$38.1)	\$15.0	\$16.9	(\$6.3)	\$31.8
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$103.1	\$0.0	\$4.2	\$107.3	\$4.2
Total General Fund-State	\$3,080.0	\$15.0	\$2.5	\$3,097.5	\$17.5

* Detail may not total due to rounding.

General Fund-State Cash Estimates - Other Agencies
Comparison of the September 2024 and June 2024 forecasts
2025-27 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,795.7	\$0.0	\$23.3	\$1,819.0	\$23.3
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$650.6	\$0.0	\$6.1	\$656.7	\$6.1
Lottery Commission Lottery Revenue	\$73.9	\$0.0	(\$3.2)	\$70.7	(\$3.2)
State Treasurer Interest Earnings	\$498.7	\$0.0	(\$65.0)	\$433.7	(\$65.0)
Office of Financial Management Other Agencies	(\$132.7)	\$63.2	\$36.4	(\$33.0)	\$99.6
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$105.6	\$0.0	\$8.1	\$113.8	\$8.1
Total General Fund-State	\$2,991.8	\$63.2	\$5.7	\$3,060.8	\$69.0

General Fund-State GAAP Estimates - Other Agencies
Comparison of the September 2024 and June 2024 forecasts
2025-27 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,795.7	\$0.0	\$23.3	\$1,819.0	\$23.3
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$650.6	\$0.0	\$6.1	\$656.7	\$6.1
Lottery Commission Lottery Revenue	\$74.0	\$0.0	\$0.2	\$74.2	\$0.2
State Treasurer Interest Earnings	\$490.5	\$0.0	(\$60.2)	\$430.3	(\$60.2)
Office of Financial Management Other Agencies	(\$132.7)	\$63.2	\$36.4	(\$33.0)	\$99.6
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$105.6	\$0.0	\$8.1	\$113.8	\$8.1
Total General Fund-State	\$2,983.7	\$63.2	\$14.0	\$3,060.9	\$77.2

* Detail may not total due to rounding.

General Fund-State Cash Estimates - Other Agencies
Comparison of the September 2024 and June 2024 forecasts
2027-29 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,866.2	\$0.0	\$24.1	\$1,890.3	\$24.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$696.9	\$0.0	\$7.8	\$704.7	\$7.8
Lottery Commission Lottery Revenue	\$74.0	\$0.0	(\$0.0)	\$74.0	(\$0.0)
State Treasurer Interest Earnings	\$356.3	\$0.0	(\$13.5)	\$342.8	(\$13.5)
Office of Financial Management Other Agencies	(\$154.1)	\$52.6	\$38.8	(\$62.7)	\$91.4
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$106.6	\$0.0	\$11.7	\$118.3	\$11.7
Total General Fund-State	\$2,945.9	\$52.6	\$69.0	\$3,067.4	\$121.6

General Fund-State GAAP Estimates - Other Agencies
Comparison of the September 2024 and June 2024 forecasts
2027-29 Biennium
(Amounts in Millions)

Source/Agency	June 2024 Baseline	Non-Economic Changes	Economic Changes	September 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,866.2	\$0.0	\$24.1	\$1,890.3	\$24.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$696.9	\$0.0	\$7.8	\$704.7	\$7.8
Lottery Commission Lottery Revenue	\$74.2	\$0.0	\$0.1	\$74.3	\$0.1
State Treasurer Interest Earnings	\$352.8	\$0.0	(\$13.4)	\$339.5	(\$13.4)
Office of Financial Management Other Agencies	(\$154.1)	\$52.6	\$38.8	(\$62.7)	\$91.4
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$106.6	\$0.0	\$11.7	\$118.3	\$11.7
Total General Fund-State	\$2,942.7	\$52.6	\$69.2	\$3,064.4	\$121.7

U.S. Forecast Comparison

	2024Q2	2024Q3	2024Q4	2025Q1
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Real GDP (Billions of 2017 Dollars)

September Forecast, Final	22,925	23,030	23,112	23,207
Percent Change	3.0%	1.8%	1.4%	1.6%
September Forecast, Preliminary	22,919	23,006	23,085	23,178
Percent Change	2.8%	1.5%	1.4%	1.6%

Real Consumption (Billions of 2017 Dollars)

September Forecast, Final	15,755	15,847	15,910	15,974
Percent Change	2.9%	2.4%	1.6%	1.6%
September Forecast, Preliminary	15,733	15,814	15,881	15,945
Percent Change	2.3%	2.1%	1.7%	1.6%

PCE Price Index (2017=100)

September Forecast, Final	123.1	123.5	124.1	124.7
Percent Change	2.5%	1.3%	1.7%	2.0%
September Forecast, Preliminary	123.2	123.7	124.3	125.0
Percent Change	2.6%	1.7%	2.0%	2.3%

Real Personal Income (Billions of 2017 Dollars)

September Forecast, Final	19,392	19,531	19,647	19,821
Percent Change	1.5%	2.9%	2.4%	3.6%
September Forecast, Preliminary	19,390	19,528	19,680	19,859
Percent Change	1.4%	2.9%	3.2%	3.7%

Nonfarm Payroll Employment (Millions)

September Forecast, Final	158.4	158.9	159.4	159.6
Percent Change	1.5%	1.2%	1.3%	0.6%
September Forecast, Preliminary	158.4	158.8	159.1	159.4
Percent Change	1.5%	1.0%	0.8%	0.6%

Unemployment Rate (Percent of Labor Force)

September Forecast, Final	4.0	4.2	4.3	4.3
September Forecast, Preliminary	4.0	4.3	4.3	4.3

Oil Price, Refiner's Acquisition

September Forecast, Final	81.7	75.4	68.6	67.4
September Forecast, Preliminary	81.8	76.6	72.8	71.6

30 Year Fixed Mortgage Rate (Percent, average)

September Forecast, Final	7.0	6.5	6.1	5.8
September Forecast, Preliminary	7.0	6.8	6.3	5.8

3 Month T-Bill Rate (Percent, average)

September Forecast, Final	5.2	5.1	4.7	4.3
September Forecast, Preliminary	5.2	5.4	5.1	4.7

	2023	2024	2025	2026	2027	2028	2029
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22,377	22,956	23,374	23,841	24,318	24,780	25,251
2.5%	2.6%	1.8%	2.0%	2.0%	1.9%	1.9%
22,377	22,942	23,354	23,821	24,298	24,759	25,230
2.5%	2.5%	1.8%	2.0%	2.0%	1.9%	1.9%

15,426	15,789	16,089	16,427	16,755	17,090	17,432
2.2%	2.4%	1.9%	2.1%	2.0%	2.0%	2.0%
15,426	15,768	16,060	16,397	16,725	17,060	17,401
2.2%	2.2%	1.9%	2.1%	2.0%	2.0%	2.0%

120.4	123.3	125.7	128.7	131.2	134.0	136.8
3.7%	2.4%	2.0%	2.4%	2.0%	2.1%	2.1%
120.4	123.4	126.1	129.2	132.0	134.9	137.7
3.7%	2.5%	2.2%	2.5%	2.1%	2.2%	2.1%

19,074	19,473	20,004	20,623	21,284	21,902	22,454
1.3%	2.1%	2.7%	3.1%	3.2%	2.9%	2.5%
19,074	19,480	20,066	20,704	21,308	21,905	22,421
1.3%	2.1%	3.0%	3.2%	2.9%	2.8%	2.4%

156.1	158.6	159.8	160.2	160.6	161.2	161.9
2.3%	1.6%	0.7%	0.3%	0.3%	0.4%	0.4%
156.1	158.5	159.6	160.0	160.4	161.0	161.6
2.3%	1.6%	0.7%	0.2%	0.3%	0.4%	0.4%

3.6	4.1	4.4	4.5	4.6	4.5	4.3
3.6	4.1	4.3	4.4	4.5	4.5	4.3

77.7	75.5	66.8	65.6	65.0	64.7	64.5
77.7	76.9	70.4	67.9	66.2	65.2	64.5

6.8	6.6	5.5	5.1	4.9	4.9	4.9
6.8	6.7	5.6	5.1	5.0	5.0	4.8

5.1	5.1	3.6	2.4	2.4	2.4	2.4
5.1	5.3	3.9	2.6	2.4	2.4	2.4

U.S. Forecast Comparison

	2024Q2	2024Q3	2024Q4	2025Q1
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Real GDP (Billions of 2017 Dollars)

September Forecast, Final	22,925	23,030	23,112	23,207
Percent Change	3.0%	1.8%	1.4%	1.6%
June Forecast	22,860	22,954	23,041	23,139
Percent Change	2.0%	1.6%	1.5%	1.7%

Real Consumption (Billions of 2017 Dollars)

September Forecast, Final	15,755	15,847	15,910	15,974
Percent Change	2.9%	2.4%	1.6%	1.6%
June Forecast	15,750	15,819	15,883	15,954
Percent Change	2.2%	1.8%	1.6%	1.8%

PCE Price Index (2017=100)

September Forecast, Final	123.1	123.5	124.1	124.7
Percent Change	2.5%	1.3%	1.7%	2.0%
June Forecast	123.3	123.9	124.6	125.3
Percent Change	3.0%	1.9%	2.5%	2.4%

Real Personal Income (Billions of 2017 Dollars)

September Forecast, Final	19,392	19,531	19,647	19,821
Percent Change	1.5%	2.9%	2.4%	3.6%
June Forecast	19,447	19,599	19,723	19,890
Percent Change	2.4%	3.2%	2.5%	3.4%

Nonfarm Payroll Employment (Millions)

September Forecast, Final	158.4	158.9	159.4	159.6
Percent Change	1.5%	1.2%	1.3%	0.6%
June Forecast	158.5	159.1	159.4	159.6
Percent Change	1.8%	1.5%	0.9%	0.4%

Unemployment Rate (Percent of Labor Force)

September Forecast, Final	4.0	4.2	4.3	4.3
June Forecast	4.0	4.0	4.0	4.0

Oil Price, Refiner's Acquisition

September Forecast, Final	81.7	75.4	68.6	67.4
June Forecast	79.9	77.2	75.9	74.6

30 Year Fixed Mortgage Rate (Percent, average)

September Forecast, Final	7.0	6.5	6.1	5.8
June Forecast	7.0	6.7	6.3	6.0

3 Month T-Bill Rate (Percent, average)

September Forecast, Final	5.2	5.1	4.7	4.3
June Forecast	5.4	5.3	5.1	4.8

	2023	2024	2025	2026	2027	2028	2029
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22,377	22,956	23,374	23,841	24,318	24,780	25,251
2.5%	2.6%	1.8%	2.0%	2.0%	1.9%	1.9%
22,377	22,901	23,315	23,781	24,257	24,718	25,187
2.5%	2.3%	1.8%	2.0%	2.0%	1.9%	1.9%

15,426	15,789	16,089	16,427	16,755	17,090	17,432
2.2%	2.4%	1.9%	2.1%	2.0%	2.0%	2.0%
15,426	15,779	16,073	16,410	16,739	17,073	17,415
2.2%	2.3%	1.9%	2.1%	2.0%	2.0%	2.0%

120.4	123.3	125.7	128.7	131.2	134.0	136.8
3.7%	2.4%	2.0%	2.4%	2.0%	2.1%	2.1%
120.4	123.5	126.5	129.6	132.5	135.4	138.3
3.7%	2.6%	2.4%	2.4%	2.2%	2.2%	2.1%

19,074	19,473	20,004	20,623	21,284	21,902	22,454
1.3%	2.1%	2.7%	3.1%	3.2%	2.9%	2.5%
19,074	19,525	20,049	20,719	21,268	21,794	22,373
1.3%	2.4%	2.7%	3.3%	2.6%	2.5%	2.7%

156.1	158.6	159.8	160.2	160.6	161.2	161.9
2.3%	1.6%	0.7%	0.3%	0.3%	0.4%	0.4%
156.1	158.7	159.7	160.0	160.3	161.0	161.6
2.3%	1.7%	0.6%	0.2%	0.2%	0.4%	0.4%

3.6	4.1	4.4	4.5	4.6	4.5	4.3
3.6	3.9	4.0	4.3	4.4	4.4	4.3

77.7	75.5	66.8	65.6	65.0	64.7	64.5
77.7	77.3	73.2	70.0	67.9	66.4	65.4

6.8	6.6	5.5	5.1	4.9	4.9	4.9
6.8	6.7	5.8	5.1	5.1	5.0	4.9

5.1	5.1	3.6	2.4	2.4	2.4	2.4
5.1	5.3	4.2	2.7	2.3	2.4	2.4

Washington Forecast Comparison

2024Q2 2024Q3 2024Q4 2025Q1

Real Personal Income (Billions of 2017 Dollars)

September Forecast, Final	525.3	528.6	532.8	538.4
Percent Change	2.3%	2.5%	3.3%	4.2%
September Forecast, Preliminary	525.4	529.6	534.0	539.1
Percent Change	2.3%	3.2%	3.3%	3.9%

Personal Income (Billions of Dollars)

September Forecast, Final	646.9	652.9	661.0	671.3
Percent Change	4.8%	3.8%	5.0%	6.4%
September Forecast, Preliminary	647.2	655.1	663.9	673.9
Percent Change	5.0%	5.0%	5.4%	6.2%

Disposable Personal Income (Billions of Dollars)

September Forecast, Final	564.9	569.7	576.4	585.1
Percent Change	4.4%	3.4%	4.8%	6.2%
September Forecast, Preliminary	565.0	572.4	579.9	588.4
Percent Change	4.5%	5.3%	5.4%	6.1%

Nonfarm Payroll Employment (Thousands)

September Forecast, Final	3637.5	3649.7	3651.4	3670.7
Percent Change	2.3%	1.4%	0.2%	2.1%
September Forecast, Preliminary	3639.8	3655.7	3666.8	3677.7
Percent Change	2.5%	1.8%	1.2%	1.2%

Unemployment Rate (Percent of Labor Force)

September Forecast, Final	4.9	4.9	4.9	5.0
September Forecast, Preliminary	4.9	5.0	5.0	5.0

Manufacturing Employment (Thousands)

September Forecast, Final	277.0	278.9	268.0	277.2
Percent Change	0.6%	2.7%	-14.7%	14.4%
September Forecast, Preliminary	277.1	278.2	278.7	277.8
Percent Change	0.6%	1.6%	0.7%	-1.2%

Construction Employment (Thousands)

September Forecast, Final	230.6	232.5	234.6	236.3
Percent Change	3.4%	3.4%	3.7%	2.9%
September Forecast, Preliminary	231.4	234.3	236.1	237.9
Percent Change	5.0%	5.0%	3.2%	3.0%

Housing Permits (Thousands)

September Forecast, Final	33.3	35.1	35.9	36.7
Percent Change	-41.3%	24.4%	9.7%	8.1%
September Forecast, Preliminary	33.3	35.0	35.9	36.7
Percent Change	-41.3%	22.2%	10.8%	9.9%

2023 2024 2025 2026 2027 2028 2029

513.3	527.3	542.9	561.7	582.3	602.0	619.5
2.0%	2.7%	3.0%	3.5%	3.7%	3.4%	2.9%
513.3	527.9	545.2	565.2	584.4	603.8	620.9
2.0%	2.8%	3.3%	3.7%	3.4%	3.3%	2.8%

617.9	650.0	682.7	722.9	764.1	806.6	847.7
5.8%	5.2%	5.0%	5.9%	5.7%	5.6%	5.1%
617.9	651.4	687.7	730.6	771.2	814.3	855.0
5.8%	5.4%	5.6%	6.2%	5.6%	5.6%	5.0%

544.6	567.5	594.9	629.1	663.4	699.2	735.4
8.0%	4.2%	4.8%	5.7%	5.5%	5.4%	5.2%
544.6	569.0	599.6	636.2	670.8	707.0	742.4
8.0%	4.5%	5.4%	6.1%	5.4%	5.4%	5.0%

3593	3639	3680	3711	3738	3771	3805
1.8%	1.3%	1.1%	0.8%	0.7%	0.9%	0.9%
3593	3645	3686	3720	3749	3786	3824
1.8%	1.4%	1.1%	0.9%	0.8%	1.0%	1.0%

4.1	4.8	5.0	5.0	5.0	4.8	4.6
4.1	4.9	5.0	5.0	5.0	4.9	4.7

273.7	275.2	276.3	277.5	278.4	278.8	278.8
1.8%	0.5%	0.4%	0.4%	0.3%	0.2%	0.0%
273.9	277.6	276.0	278.8	279.3	279.0	278.8
1.9%	1.4%	-0.6%	1.0%	0.2%	-0.1%	-0.1%

232.0	231.6	238.5	245.1	252.2	259.8	267.4
-0.1%	-0.2%	3.0%	2.8%	2.9%	3.0%	2.9%
231.9	232.6	240.0	247.4	255.2	263.5	271.4
-0.2%	0.3%	3.2%	3.1%	3.1%	3.2%	3.0%

37.1	35.6	37.7	40.5	42.1	43.0	43.4
-24.3%	-4.1%	5.9%	7.4%	4.2%	1.9%	1.1%
37.1	35.5	37.9	40.8	42.4	43.0	43.6
-24.3%	-4.2%	6.8%	7.6%	3.8%	1.4%	1.5%

Washington Forecast Comparison

2024Q2 2024Q3 2024Q4 2025Q1

Real Personal Income (Billions of 2017 Dollars)

September Forecast, Final	525.3	528.6	532.8	538.4
Percent Change	2.3%	2.5%	3.3%	4.2%
June Forecast	524.9	528.9	532.5	537.5
Percent Change	2.6%	3.1%	2.8%	3.8%

Personal Income (Billions of Dollars)

September Forecast, Final	646.9	652.9	661.0	671.3
Percent Change	4.8%	3.8%	5.0%	6.4%
June Forecast	647.1	655.1	663.6	673.7
Percent Change	5.7%	5.1%	5.3%	6.2%

Disposable Personal Income (Billions of Dollars)

September Forecast, Final	564.9	569.7	576.4	585.1
Percent Change	4.4%	3.4%	4.8%	6.2%
June Forecast	566.0	573.1	580.6	589.4
Percent Change	5.6%	5.1%	5.3%	6.2%

Nonfarm Payroll Employment (Thousands)

September Forecast, Final	3637.5	3649.7	3651.4	3670.7
Percent Change	2.3%	1.4%	0.2%	2.1%
June Forecast	3641.0	3650.7	3660.0	3666.9
Percent Change	2.0%	1.1%	1.0%	0.8%

Unemployment Rate (Percent of Labor Force)

September Forecast, Final	4.9	4.9	4.9	5.0
June Forecast	4.9	4.9	4.9	4.9

Manufacturing Employment (Thousands)

September Forecast, Final	277.0	278.9	268.0	277.2
Percent Change	0.6%	2.7%	-14.7%	14.4%
June Forecast	277.7	277.0	275.1	273.2
Percent Change	0.9%	-1.0%	-2.7%	-2.6%

Construction Employment (Thousands)

September Forecast, Final	230.6	232.5	234.6	236.3
Percent Change	3.4%	3.4%	3.7%	2.9%
June Forecast	232.6	235.5	237.9	239.6
Percent Change	3.8%	5.0%	4.1%	3.0%

Housing Permits (Thousands)

September Forecast, Final	33.3	35.1	35.9	36.7
Percent Change	-41.3%	24.4%	9.7%	8.1%
June Forecast	35.5	36.8	37.7	39.0
Percent Change	-24.1%	15.7%	10.7%	14.2%

2023 2024 2025 2026 2027 2028 2029

513.3	527.3	542.9	561.7	582.3	602.0	619.5
2.0%	2.7%	3.0%	3.5%	3.7%	3.4%	2.9%
513.6	527.0	542.9	564.3	582.4	599.6	618.4
2.1%	2.6%	3.0%	3.9%	3.2%	3.0%	3.1%

617.9	650.0	682.7	722.9	764.1	806.6	847.7
5.8%	5.2%	5.0%	5.9%	5.7%	5.6%	5.1%
618.2	651.0	686.9	731.3	771.4	812.1	855.1
5.9%	5.3%	5.5%	6.5%	5.5%	5.3%	5.3%

544.6	567.5	594.9	629.1	663.4	699.2	735.4
8.0%	4.2%	4.8%	5.7%	5.5%	5.4%	5.2%
544.9	569.5	600.6	638.8	671.6	705.7	742.7
8.1%	4.5%	5.5%	6.4%	5.1%	5.1%	5.2%

3593	3639	3680	3711	3738	3771	3805
1.8%	1.3%	1.1%	0.8%	0.7%	0.9%	0.9%
3595	3644	3677	3715	3748	3784	3822
1.9%	1.3%	0.9%	1.0%	0.9%	1.0%	1.0%

4.1	4.8	5.0	5.0	5.0	4.8	4.6
4.1	4.8	4.9	4.9	4.9	4.7	4.5

273.7	275.2	276.3	277.5	278.4	278.8	278.8
1.8%	0.5%	0.4%	0.4%	0.3%	0.2%	0.0%
273.9	276.7	272.0	275.2	275.5	275.3	275.9
1.9%	1.0%	-1.7%	1.2%	0.1%	-0.1%	0.2%

232.0	231.6	238.5	245.1	252.2	259.8	267.4
-0.1%	-0.2%	3.0%	2.8%	2.9%	3.0%	2.9%
232.2	234.1	241.9	249.6	258.3	266.8	275.2
-0.1%	0.8%	3.3%	3.2%	3.5%	3.3%	3.2%

37.1	35.6	37.7	40.5	42.1	43.0	43.4
-24.3%	-4.1%	5.9%	7.4%	4.2%	1.9%	1.1%
37.1	37.0	39.9	42.0	43.6	44.5	45.1
-24.3%	-0.3%	7.9%	5.2%	3.9%	2.1%	1.3%

U.S. Forecast Comparison**Fiscal Years**

	2024	2025	2026	2027	2028	2029
Real GDP						
Billions of 2017 dollars						
September Forecast	22,713	23,165	23,609	24,076	24,551	25,015
<i>Growth</i>	3.0%	2.0%	1.9%	2.0%	2.0%	1.9%
June Forecast	22,695	23,096	23,552	24,015	24,489	24,952
<i>Growth</i>	3.0%	1.8%	2.0%	2.0%	2.0%	1.9%
Difference in level	18	69	57	61	62	63
<i>Difference in growth forecast</i>	0.1%	0.2%	-0.1%	0.0%	0.0%	0.0%

Real Consumption

Billions of 2017 dollars

September Forecast	15,612	15,944	16,256	16,591	16,921	17,263
<i>Growth</i>	2.4%	2.1%	2.0%	2.1%	2.0%	2.0%
June Forecast	15,615	15,921	16,240	16,576	16,904	17,246
<i>Growth</i>	2.5%	2.0%	2.0%	2.1%	2.0%	2.0%
Difference in level	-4	23	16	15	18	17
<i>Difference in growth forecast</i>	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%

PCE Price Index

2017 = 100

September Forecast	121.9	124.4	127.2	130.0	132.5	135.4
<i>Growth</i>	2.8%	2.0%	2.3%	2.2%	2.0%	2.2%
June Forecast	121.9	125.0	128.1	131.0	133.9	136.9
<i>Growth</i>	2.8%	2.5%	2.5%	2.3%	2.2%	2.2%
Difference in level	0.0	-0.6	-0.9	-1.0	-1.4	-1.4
<i>Difference in growth forecast</i>	0.0%	-0.4%	-0.3%	-0.1%	-0.3%	0.0%

Unemployment Rate

Percent of Labor Force

September Forecast	3.8%	4.3%	4.4%	4.5%	4.5%	4.4%
June Forecast	3.8%	4.0%	4.1%	4.4%	4.4%	4.3%
<i>Difference in forecast</i>	0.0%	0.3%	0.3%	0.2%	0.1%	0.1%

30 Year Fixed Mortgage Rate

Annual Average

September Forecast	7.0%	6.0%	5.2%	5.0%	4.9%	4.9%
June Forecast	7.0%	6.2%	5.5%	5.0%	5.1%	4.9%
<i>Difference in forecast</i>	0.0%	-0.2%	-0.2%	-0.1%	-0.1%	0.0%

3 Month T-Bill Rate

Annual Average

September Forecast	5.3%	4.5%	2.8%	2.4%	2.3%	2.4%
June Forecast	5.3%	4.9%	3.4%	2.4%	2.3%	2.4%
<i>Difference in forecast</i>	0.0%	-0.4%	-0.6%	0.0%	0.0%	0.0%

Washington Forecast Comparison
Fiscal Years

	2024	2025	2026	2027	2028	2029
Real Personal Income						
Billions of 2017 dollars						
September Forecast	519.2	535.0	551.9	571.9	592.5	610.9
<i>Growth</i>	2.4%	3.0%	3.2%	3.6%	3.6%	3.1%
June Forecast	519.1	534.9	553.1	573.8	590.4	609.4
<i>Growth</i>	2.4%	3.0%	3.4%	3.7%	2.9%	3.2%
Difference in level	NA	NA	NA	NA	NA	NA
<i>Difference in growth forecast</i>	0.0%	0.0%	-0.3%	-0.1%	0.7%	-0.1%
Nominal Personal Income						
Billions of dollars						
September Forecast	633.0	665.6	702.2	743.4	785.3	827.3
<i>Growth</i>	5.3%	5.2%	5.5%	5.9%	5.6%	5.3%
June Forecast	633.1	668.5	708.7	751.8	790.9	834.0
<i>Growth</i>	5.3%	5.6%	6.0%	6.1%	6.1%	5.5%
Difference in level	-0.1	-2.8	-6.5	-8.4	-5.6	-6.7
<i>Difference in growth forecast</i>	0.0%	-0.4%	-0.5%	-0.2%	-0.4%	-0.1%
Nonfarm Payroll Employment						
Thousands						
September Forecast	3,612.1	3,661.9	3,695.1	3,724.3	3,754.3	3,788.5
<i>Growth</i>	1.0%	1.4%	0.9%	0.8%	0.8%	0.9%
June Forecast	3,616.6	3,662.6	3,694.6	3,731.5	3,765.4	3,803.6
<i>Growth</i>	1.2%	1.3%	0.9%	1.0%	0.9%	1.0%
Difference in level	-4.4	-0.7	0.4	-7.3	-11.1	-15.1
<i>Difference in growth forecast</i>	-0.1%	0.1%	0.0%	-0.2%	-0.1%	-0.1%
Housing Permits						
Units Authorized, Thousands						
September Forecast	35.2	36.2	39.1	41.5	42.6	43.2
<i>Growth</i>	-13.0%	2.9%	8.0%	5.9%	2.8%	1.3%
June Forecast	35.8	38.3	41.0	42.9	44.2	44.8
<i>Growth</i>	-11.7%	7.0%	7.0%	4.7%	2.9%	1.6%
Difference in level	-0.6	-2.1	-1.9	-1.5	-1.5	-1.7
<i>Difference in growth forecast</i>	-1.4%	-4.2%	1.0%	1.3%	-0.1%	-0.3%

Governor's Council of Economic Advisor's Forecast

Calendar Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP						
<i>Growth</i>						
ERFC	2.6	1.8	2.0	2.0	1.9	1.9
GCEA Average	2.4	1.8	1.7	2.0	2.1	2.1
Real Consumption						
<i>Growth</i>						
ERFC	2.4	1.9	2.1	2.0	2.0	2.0
GCEA Average	2.2	1.9	1.8	1.9	2.0	2.1
PCE Price Index						
<i>Growth</i>						
ERFC	2.4	2.0	2.4	2.0	2.1	2.1
GCEA Average	2.5	2.2	2.2	2.2	2.3	2.2
Mortgage Rate						
<i>Percent</i>						
ERFC	6.6	5.5	5.1	4.9	4.9	4.9
GCEA Average	6.6	5.5	4.9	5.0	5.0	5.0
Oil Price (Brent)						
<i>Dollars per barrel</i>						
ERFC	79.9	71.1	70.1	69.5	69.2	69.1
GCEA Average	81.0	77.9	77.3	77.5	75.3	75.7

Washington State

Real Personal Income

<i>Growth</i>						
ERFC	2.7	3.0	3.5	3.7	3.4	2.9
GCEA Average	2.8	3.2	3.4	3.3	3.4	2.9

Wage and Salary Employment

<i>Growth</i>						
ERFC	1.3	1.1	0.8	0.7	0.9	0.9
GCEA Average	1.4	1.1	1.0	1.0	1.1	1.1

Manufacturing Employment

<i>Growth</i>						
ERFC	0.5	0.4	0.4	0.3	0.2	0.0
GCEA Average	1.1	-0.4	0.7	0.4	0.3	0.4

Construction Employment

<i>Growth</i>						
ERFC	-0.2	3.0	2.8	2.9	3.0	2.9
GCEA Average	0.5	3.3	3.1	3.2	3.2	3.2

Housing Permits

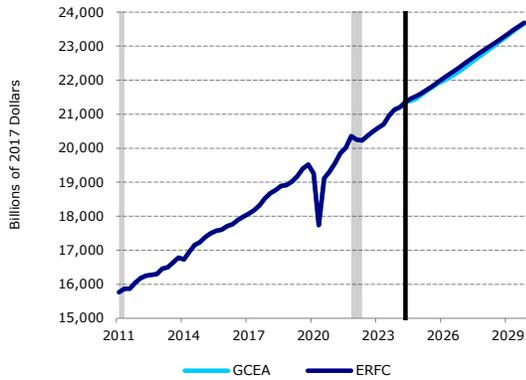
<i>Thousands of authorized units</i>						
ERFC	35.6	37.7	40.5	42.1	43.0	43.4
GCEA Average	36.0	38.9	41.1	42.8	43.7	44.2

Washington Average Annual Wage

<i>Growth</i>						
ERFC	4.7	3.3	4.0	4.7	4.8	4.1
GCEA Average	4.7	4.2	4.5	4.2	4.5	3.9

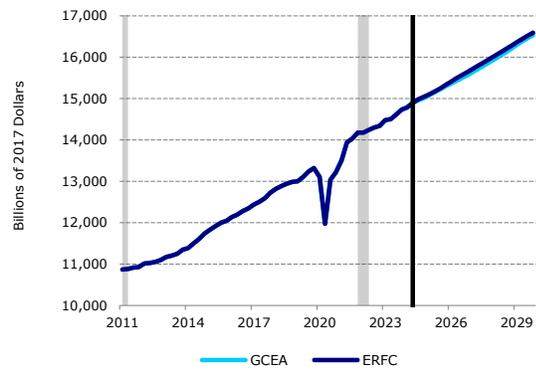
U.S. Forecast Comparison

Real GDP



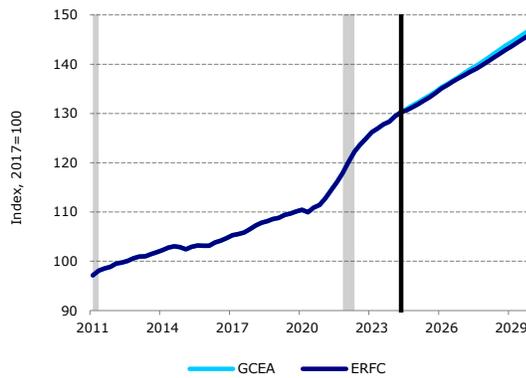
Source: BEA, ERFC, GCEA; data through 2024Q2

Real Consumption



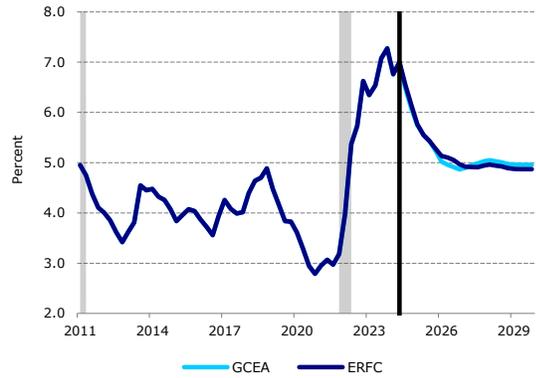
Source: BEA, ERFC, GCEA; data through 2024Q2

PCE Price Index



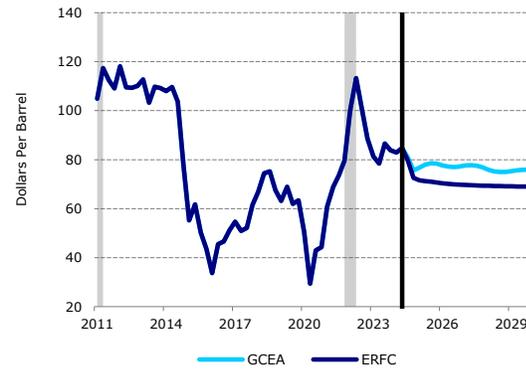
Source: BEA, ERFC, GCEA; data through 2024Q2

Mortgage Rate



Source: Freddie Mac, ERFC, GCEA; data through 2024Q2

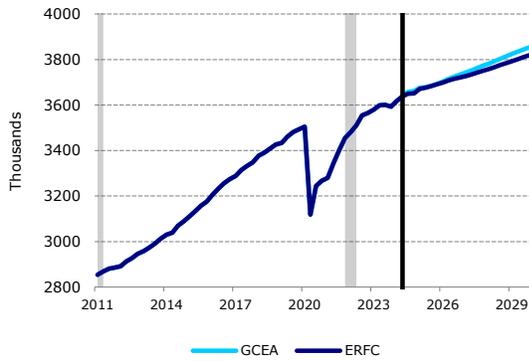
Brent Oil Price



Source: EIA, ERFC, GCEA; data through 2024Q2

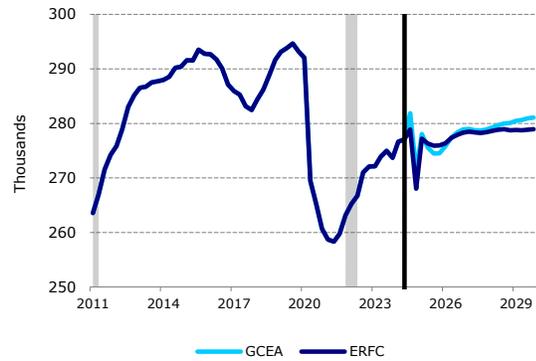
Washington Forecast Comparison

Nonfarm Payroll Employment



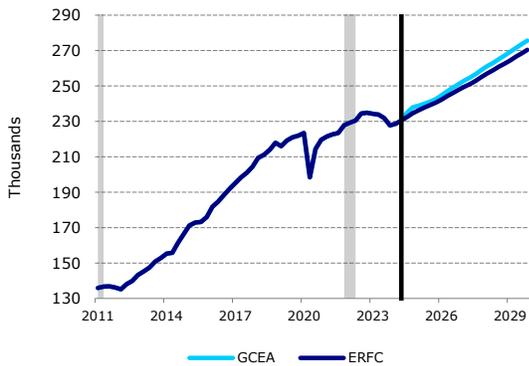
Source: ESD, ERFC, GCEA; data through 2024Q2

Manufacturing Employment



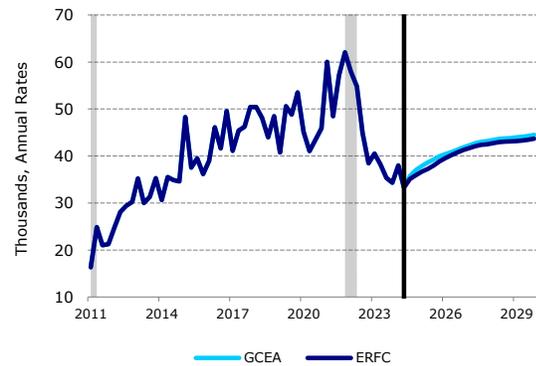
Source: ESD, ERFC, GCEA; data through 2024Q2

Construction Employment



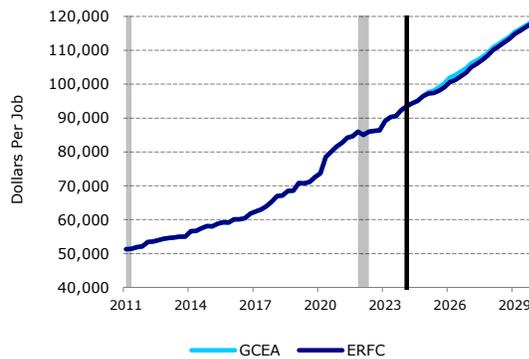
Source: ESD, ERFC, GCEA; data through 2024Q2

Housing Units Authorized



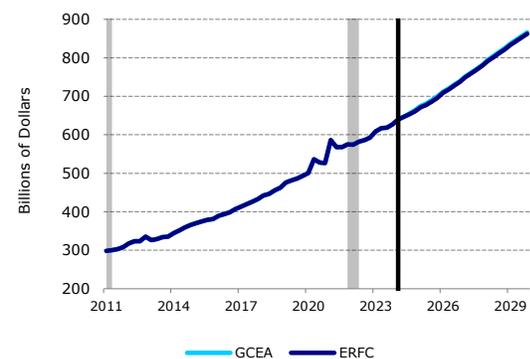
Source: Census, ERFC, GCEA; data through 2024Q2

Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2024Q1

Personal Income



Source: BEA, ERFC, GCEA; data through 2024Q1

2023-25 Enacted Budget Balance Sheet

General Fund-State (GFS), Education Legacy Trust Account (ELTA),
 Washington Opportunity Pathways Account (OPA),
 Workforce Education Investment Account (WEIA), Fair Start for Kids Account (FSKA),
 Budget Stabilization Account (BSA) and Washington Rescue Plan Transition Account (WRPTA)
 Dollars in Millions

	2023-25		
	GFS	ELTA , OPA, WEIA, FSKA ⁽¹⁾	TOTAL
RESOURCES			
Beginning Fund Balance	4,184.7	1,102.4	5,287.0
June 2024 Revenue Forecast	63,296.1	3,232.3	66,528.4
September 2024 Revenue Forecast Change	(130.6)	81.4	(49.2)
Current Revenue Totals	63,165.6	3,313.6	66,479.2
Transfers to Budget Stabilization Account (1% of GSR)	(637.1)	-	(637.1)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Enacted Fund Transfers	2,092.7	-	2,092.7
Actual/Assumed Prior Period Adjustments	40.8	-	40.8
Prior Period Adjustment - Gain Share ⁽³⁾	71.5	-	71.5
Total Resources (Including Beginning Fund Balance)	68,918.1	4,416.0	73,334.1
EXPENDITURES			
Enacted Budgets			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
2024 Supplemental Budget	1,793.2	347.6	2,140.8
Actual/Assumed Reversions ⁽²⁾	(482.7)	-	(482.7)
Total Expenditures	67,565.9	3,896.5	71,462.4
RESERVES			
Projected Ending Balance	1,352.2	519.5	1,871.6
Budget Stabilization Account			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	637.1	-	637.1
Transfers from General Fund (EGSR)	-	-	-
Appropriations	(21.1)	-	(21.1)
Actual/Assumed Biennium - Interest Earnings	59.6	-	59.6
Projected BSA Ending Balance	1,328.0	-	1,328.0
Washington Rescue Plan Transition Account			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(2,100.0)	-	(2,100.0)
Projected WRPTA Ending Balance	-	-	-
Total Reserves Including BSA and WRPTA	2,680.1	519.5	3,199.6

(1) No revenue or expenditures for 25H - FSKA.

(2) Reversion amounts are consistent with the ERFC's adopted enacted budget outlook.

(3) Gain Share amount reflects FY24 actuals.

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account