



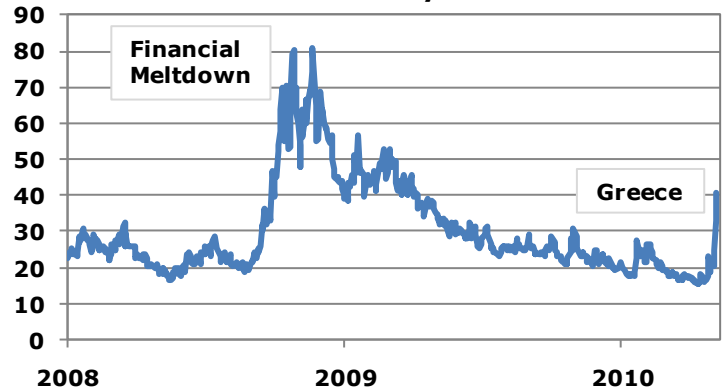
ECONOMIC & REVENUE UPDATE

11 May 2010

U.S.

- The economic recovery appears to be gathering momentum, although the financial sector where the meltdown began remains jittery. First quarter GDP results show continued growth in economic activity for a third consecutive quarter. More importantly, private spending, both by consumers and businesses, is firming up, reducing the risk of a “double-dip” slide into another recession. Jobs that typically lag the recovery are also finally starting to grow again. The national economy has seen net job growth in 5 of the last 6 months. Both manufacturing and services have now returned to solid growth. Only the construction sector, especially commercial real estate is lagging.
- Real GDP grew at a 3.2% seasonally adjusted annualized rate (SAAR) in the first quarter of 2010. Real consumer spending was up 3.6% (SAAR), contributing 2.6 percentage points of the total 3.2 percent growth. Business spending on equipment and software was up 13.4% (SAAR) – its second consecutive quarter of robust double-digit growth. In April, the ISM’s Purchasing Manager’s Index for manufacturing rose to 60.4 while the non-manufacturing index was unchanged at 55.4 – signaling robust growth in both sectors. A reading above 50 implies growth.
- The April jobs report was encouraging, showing that the economy created 290,000 net new jobs in that month. This is the highest gain since the recession began. The prior months’ numbers were also revised up for an additional gain of 121,000 net jobs. Job gains in April were widespread across sectors – manufacturing (44,000); construction (14,000); and private service producing (166,000) which included 45,000 jobs in leisure and hospitality, 80,000 jobs in professional and business services and

The S&P 500 VIX volatility index has spiked recently



12,400 jobs in retail trade. Temporary census workers accounted for just 66,000 new jobs. The manufacturing workweek for all employees increased by 0.2 hours for the second straight month to 40.1 hours, and factory overtime was up by 0.1 hours during the month. Average hourly earnings of employees in the private nonfarm sector increased by 1 cent to \$22.47, bringing the 12-month increase to 1.6%.

- Financial markets remain jittery, indicating the still fragile nature of this recovery. The nervousness in U.S. equity markets as measured by the S&P 500 VIX or volatility index spiked on fears of a “Greek default” ([see figure](#)). Consequently, a “flight to safety” has caused the USD to strengthen against the EUR. Fortunately, this appreciation in the USD as explained in the next section will not have a major impact on Washington exports. As we go to press, a EUR 750 billion rescue package appears to have calmed market fears of contagion from a potential default on sovereign bonds by Greece to other vulnerable countries in Europe - Spain, Portugal and Ireland. Its long-term impact remains to be evaluated.

ECONOMIC & REVENUE UPDATE

WASHINGTON

- Economic data released since the February 2010 forecast release continue to support the view that the state's economy has turned the corner and is expanding at a moderate rate. As expected in the February forecast, employment increased 6,600 during the first three months of 2010. Washington housing permits continued to grow in the first quarter of 2010, exceeding the February forecast by about 12%. Consumer spending appears to be coming back and the outlook for manufacturing remains positive. However, construction employment continues to decline.
- We have three months of new job data since the last forecast. Washington payroll employment surged in January, retrenched in February, and rose modestly in March. Employment growth for the three months as a whole was 6,600, exactly as expected in the February forecast. The private sector added 7,300 during the first quarter of 2010, more than twice the 3,000 expected in the forecast. The strength in private job growth was largely in the trade, transportation, and utilities sector. Government employment declined 700 from December to March. We had expected an increase of 3,700 jobs. The variance was mostly in federal government employment as there were not as many temporary 2010 census workers hired as we had anticipated. The reduction in state and local government employment was also greater than expected in the forecast. The unemployment rate edged up during the first quarter, but this was not a surprise. The unemployment rate typically lags payroll jobs. We believe the state's unemployment rate will peak in the current quarter.
- We remain comfortable with our February forecast. Employment during 2010 will be affected by the hiring of temporary Census workers, which will add thousands of new jobs through May and then subtract thousands through the rest of the year. Excluding the temporary Census jobs, employment growth will rise to over 2% in the second half of 2010, and then to over 3% during 2011.
- The recovery in housing permits in the first quarter also exceeded our expectation. Housing permits came in at 23,900, 20,200, and 19,300 (SAAR) in January, February, and March. The declining trend was due entirely to the volatile multi-family segment that jumped to 7,400 in January and then declined to 3,300 and 1,500 in February and March. The January spike in multi-family housing was clearly unsustainable in the current environment of high vacancy rates and difficult credit conditions. The average number of multi-family units in the first quarter came in at 4,100 units (SAAR), surpassing our forecast of 2,900. We expect multi-family permits to remain very low through the remainder of this year. The single-family segment of the market is showing sustained, albeit modest, growth. Single-family permits declined slightly in January to 16,400 from 16,800 in December but then rose to 16,800 in February and 17,800 in March. March's single-family permits were the highest since May 2008. Much of the recent improvement in single-family activity was likely the result of government incentives. The upcoming expiration of these programs is a threat to the housing recovery. In the longer term, we are optimistic about housing construction. We expect an upturn in population growth, which has been depressed by the recession and housing crisis, and an improving economy will lead to a rise in household formation. Housing construction will not return to the levels reached in the bubble years.
- Despite the turnaround in housing permits, construction employment continues to decline. Employment in residential building and related special trades will begin rising in the second half of 2010. However nonresidential construction employment will continue to

ECONOMIC & REVENUE UPDATE

WASHINGTON...continued

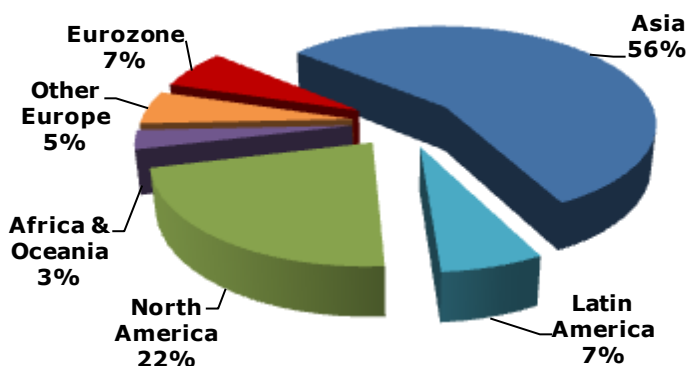
decline well into 2011. We expect overall construction employment to bottom out in the third quarter of this year. Because of the continued drag from nonresidential construction, though, we expect little growth in overall construction employment until the second half of 2011. In spite of a fairly strong recovery in 2012 and 2013, construction employment will still be 36,000 below the previous peak at the end of 2013.

The outlook for manufacturing remains positive. The National Association of Purchasing Managers Western Washington Index rose to 63.2 in April, its highest level since August 2008. The index has now been above 50 for the last nine months (values above 50 indicate expansion while values below 50 indicate

contraction). Boeing is likely to get the contract to build the U.S. Air Force's new tanker refueling aircraft. While Boeing is scheduled to trim its production of the 777 later this year to 5 per month from 7 per month, they now plan to restore the 7-per-month rate next year. They are also considering increasing 737 production in 2011 and 747 production in 2012. Production of the new 787 will also ramp up over the next few years.

- We have long been arguing that Washington's export orientation will benefit us as the global economy recovers. The European Union sovereign debt crisis is a potential threat to Washington export growth. The U.S. dollar is up 13% versus the Euro since the beginning of the year. Fortunately, the Eurozone comprises only 7% of Washington's non-transportation equipment export market ([see figure](#)). (Aircraft are ordered well in advance at negotiated prices so near-term aircraft exports are not affected.) Washington State is much more reliant on exports to emerging markets in Asia and elsewhere and the dollar is virtually unchanged versus emerging market currencies. Therefore, we do not see the EU debt crisis as a major threat to Washington unless it degenerates to the extent that it derails the global recovery.

The Eurozone crisis won't have a large impact on Washington exports



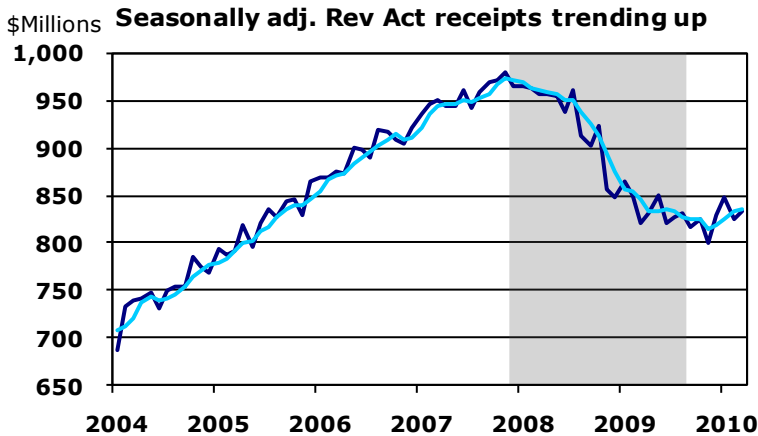
REVENUE COLLECTIONS

Overview

- For the first time since September 2008, Revenue Act receipts showed year-over-year growth after adjustment for legislative changes and non-economic factors. Adjusted receipts from the April 11, 2010 – May 10, 2010 collection period were 2.3% above their year-ago level. Seasonally adjusted Revenue Act collections have been trending upward since November 2009 ([see figure](#)).
- Major General Fund-State revenues for the April 11, 2010 – May 10, 2010 collection period were \$19.5 million (1.8%) lower than our February forecast. During the period, there was a total of \$3.6 million in large one-time payments and refunds that were not included in the forecast. Adjusted for these special factors, the forecast variance for the period is -\$15.8 million (-1.5%).

ECONOMIC & REVENUE UPDATE

Overview...continued



January 2004 through March 2010 preliminary activity, ESSB 5073 definition, adjusted for large payments/refunds

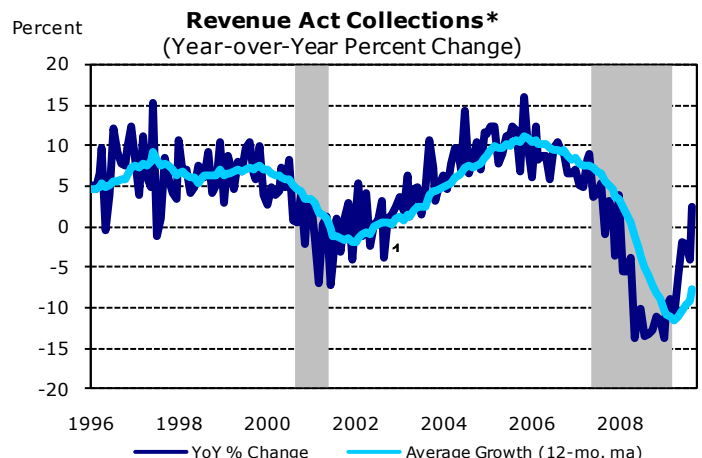
- A shift in the payment patterns of watercraft excise taxes (described below in "Other Revenue") is responsible for \$4.3 million of the shortfall. This revenue is now expected to be received over the next three months instead of in April.
- Combined with the shortfall from the last collection period, the cumulative variance for the February 11 - May 10, 2010 period is now -\$69.3 million (-2.6%). During this period, the forecast variance of expected large one-time payments and refunds combined with unexpected large payments and refunds summed to -\$19.1 million. Adjusted for these factors, the cumulative variance is -\$50.2 million (-1.8%).
- The revenues reported here conform to the new definition of General Fund-State as set forth in Engrossed Substitute Senate Bill 5073 (ESSB 5073), which was passed in the 2009 legislative session. Under the bill, the Health Services (HSA), Water Quality (WQA), Violence Reduction and Drug Enforcement (VRDE), Student Achievement (SAF), and Public Safety and Education (PSEA) Accounts have been consolidated into the General Fund-State effective July 1, 2009. The changes to reported revenues are as follows:
 - The B&O hospital tax, which formerly went to the HSA, has been added to total B&O (Revenue Act) taxes.
 - The tobacco products taxes that formerly went to the HSA and WQA

are added to total tobacco products (Revenue Act) taxes.

- Cigarette and Liquor taxes that formerly went to the HSA, WQA, and VRDE account are added to Department of Revenue cigarette and liquor (non-Revenue Act) taxes.
- Revenue that was formerly transferred from the state property tax levy to the SAF are retained in the property tax (non-Revenue Act).
- The syrup tax that formerly went to the VRDE account is added to "other" Department of Revenue non-Revenue Act taxes.
- Revenue that formerly went to the PSEA is reported under "Administrative Office of the Courts."

Revenue Act

- The revenue collections reported here are for the April 11 - May 10, 2010 collection period. Collections correspond primarily to economic activity in March 2010.
- Collections for this period are \$11.1 million (1.2%) below the February forecast.
- Two large one-time refunds totaling \$3.6 million, which were not included in the forecast, occurred during the collection period. Without these non-economic factors, the forecast variance would have been -\$7.5 million (-0.8%).
- The chart ([below](#)) showing year-over-year Revenue Act growth reflects the



*Growth adjusted for new legislation and unusually large assessment payments, refunds etc.

ECONOMIC & REVENUE UPDATE

Revenue Act...continued

revenues added under ESSB 5073. By this measure, revenues increased 2.3% year-over-year in the current period after adjustments for large one-time payments and refunds, sharp improvement from the 4.0% adjusted decline in the previous period. Unadjusted for definitional changes and one time revenue, revenue increased 7.7% year-over-year as shown in the "Key Revenue Variables" table.

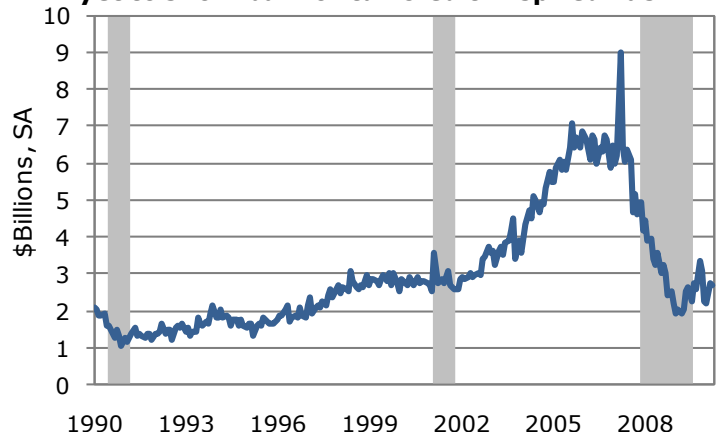
- Preliminary ERFC monthly estimates indicate retail sales tax collections are up 0.4% year-over-year and B&O taxes are up 6.5%.
- Preliminary tax payments from electronic filers who also paid in the April 11 – May 10 collection period of last year were up 5.9% year-over-year. This was the largest year-over-year increase since November 2007. Some details:
 - Payments in the retail trade sector were 13.5% year-over-year, the strongest growth since the electronic filers report began in November 2004. Payments in all twelve major retail trade sectors showed a year-over-year increase.
 - The largest increases in the retail trade sector were in gas stations and convenience stores (+21.1%), building materials and garden equipment (+20.7%), apparel and accessories (+18.3%), electronics and appliances (+17.7%), food and beverage stores (+17.7%) and motor vehicles and parts (+17.6%).
 - Payments in non-retail trade sectors were up 1.6% year-over-year.
 - Payments in the construction sector were down 19.0%, while those in the manufacturing sector were up 36.6% year-over-year due largely to the effects of the year-over-year increase oil prices on the gross receipts of petroleum refiners.
 - Excluding the construction sector, total payments were up 9.8% year-

over-year and payments from non-retail trade sectors were up 7.1%. Excluding both construction and manufacturing, payments from non-retail trade sectors were up 4.0%.

DOR Non-Revenue Act

- April collections were \$4.8 million (3.0%) below the February forecast.
- Most of the negative variance was due to an \$8.8 million (21.2%) shortfall in real estate excise taxes. The February forecast had real estate sales steadily increasing in the months leading up to the April 30th expiration date of Federal tax credits for certain homebuyers, but media accounts indicated that much of the activity was instead concentrated into deals signed in the month of April. Most of the excise tax from the April transactions will be collected in May and June when the deals close, which should reduce the shortfall.

April REET collections from March activity have yet to show bulk of tax credit-inspired rush



- April cigarette taxes came in \$759,000 (3.1%) below the February forecast, and liquor taxes were \$731,000 (4.5%) below.
- Property tax collections from the state school levy were \$4.1 million (6.1%) above the forecasted value.
- "Other" revenues came in \$1.4 million above the forecast due to lower-than-expected refunds of unclaimed property.

ECONOMIC & REVENUE UPDATE

DOR Non-Revenue Act...continued

- Due to the redefinition of GF-S revenue under ESSB 5073, April DOR non-Revenue Act collections are up 57.4% year-over-year. Without the changes, revenue would have been up approximately 10%, due mainly to the 32.2% year-over-year increase in real estate excise tax.

Other Revenue

- Preliminary April Department of Licensing receipts were \$4.3 million (80.5%) below the February forecast due to a change in the traditional pattern of watercraft excise tax payments. Historically, the Department sent out payment reminders in March and subsequently received a large volume of payments in April. Due to budget cutbacks, however, the Department did not send out payment reminders this year, resulting in a much lower volume of payments. As the annual tax is not due until June 30, much of the expected revenue (which totals approximately \$17 million per fiscal year) may now not arrive until the next fiscal year.
- April revenue from the Administrative Office of the Courts was \$708,000 (7.6%) above the forecast.

Key U.S. Economic Variables

	2009		2010				2008	2009
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Real GDP (SAAR)	-	5.6	-	-	3.2	-	0.4	-2.4
Industrial Production (SA, 2002 = 100)	99.6	100.3	101.2	101.5	101.6	-	109.2	98.2
<i>Y/Y % Change</i>	-5.0	-2.1	1.1	2.2	3.9	-	-2.0	-10.0
ISM Manufacturing Index (50+ = growth)	53.7	54.9	58.4	56.5	59.6	60.4	45.5	46.2
ISM Non-Manuf. Index (50+ = growth)	48.4	49.8	50.5	53.0	55.4	55.4	47.3	46.2
Housing Starts (SAAR, 000)	579	573	609	616	626	-	900	553
<i>Y/Y % Change</i>	-11.6	3.1	24.8	7.3	20.2	-	-32.9	-38.6
Light Motor Vehicle Sales (SAAR, mil.)	10.9	11.2	10.8	10.4	11.8	11.2	13.2	10.4
<i>Y/Y % Change</i>	4.9	8.7	12.1	13.2	21.2	21.4	-18.2	-21.6
CPI (SA, 1982-84 = 100)	216.9	217.2	217.6	217.6	217.7	-	215.2	214.5
<i>Y/Y % Change</i>	1.8	2.8	2.7	2.2	2.4	-	3.8	-0.3
Core CPI (SA, 1982-84 = 100)	220.5	220.8	220.5	220.6	220.7	-	215.6	219.2
<i>Y/Y % Change</i>	1.7	1.8	1.5	1.3	1.2	-	2.3	1.7
IPD for Consumption (2000=100)	105.4	105.6	105.7	106.3	106.8	-	105.4	104.7
<i>Y/Y % Change</i>	0.8	1.7	1.2	1.7	2.4	-	-0.2	-0.6
Nonfarm Payroll Empl., e-o-p (SA, mil.)	129.7	129.6	129.6	129.6	129.9	130.2	134.3	129.6
<i>Monthly Change</i>	0.06	-0.11	0.01	0.04	0.23	0.29	-3.62	-4.74
Unemployment Rate (SA, percent)	10.0	10.0	9.7	9.7	9.7	9.9	5.8	9.3
Yield on 10-Year Treasury Note (percent)	3.40	3.59	3.73	3.69	3.73	3.85	3.67	3.26
Yield on 3-Month Treasury Bill (percent)	0.05	0.05	0.06	0.11	0.15	0.16	1.39	0.15
Broad Real USD Index** (Mar. 1973=100)	87.3	87.3	87.5	88.5	88.1	87.9	88.2	91.7
Federal Budget Deficit (\$ bil.)*	120.3	91.4	42.6	220.9	65.4	-	454.8	1,415.7
<i>FYTD sum</i>	296.7	388.1	430.7	651.6	717.0	-	-	-
US Trade Balance (\$ bil.)	-36.1	-39.9	-37.0	-39.7	-	-	-695.9	-378.6
<i>YTD Sum</i>	-338.7	-378.6	-37.0	-76.7	-	-	-	-

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

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

Key Washington Economic Variables

	2009		2010				2008	2009	
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,790.9	2,782.5	2,793.4	2,785.3	2,786.9	-	2,914.2	2,782.5	
Change from Previous Month (000)	-6.5	-8.4	10.9	-8.1	1.6	-	-49.8	-131.7	
Construction	149.2	144.5	146.8	143.3	141.9	-	184.9	144.5	
Change from Previous Month	-4.6	-4.7	2.3	-3.5	-1.4	-	-24.5	-40.4	
Manufacturing	258.8	258.8	259.4	258.4	258.4	-	284.6	258.8	
Change from Previous Month	-0.2	0.0	0.6	-1.0	0.0	-	-11.7	-25.8	
Aerospace	81.1	81.4	82.0	81.1	81.2	-	85.5	81.4	
Change from Previous Month	-0.1	0.3	0.6	-0.9	0.1	-	2.6	-4.1	
Software	50.8	50.8	50.9	51.2	51.2	-	53.0	50.8	
Change from Previous Month	-0.2	0.0	0.1	0.3	0.0	-	4.6	-2.2	
All Other	2,332.1	2,328.4	2,336.3	2,332.4	2,335.4	-	2,391.7	2,328.4	
Change from Previous Month	-1.5	-3.7	7.9	-3.9	3.0	-	-18.2	-63.3	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	225.6	-	226.1	-	-	224.7	226.0	
	-	1.4%	-	0.6%	-	-	4.2%	0.6%	
Housing Permits (SAAR, 000)	16.4	19.9	23.9	20.2	19.3	-	27.4	15.9	
	-15.1%	33.4%	44.8%	59.6%	35.8%	-	-39.5%	-42.1%	
WA Index of Leading Ind. (2004=100)	112.8	113.7	114.8	114.1	115.0	-	116.5	110.0	
	1.0%	1.8%	3.4%	5.2%	8.1%	-	-0.1%	-5.6%	
WA Business Cycle Ind. (Trend=50)	5.1	5.3	4.5	3.1	4.2	-	41.1	8.2	
	-80.9%	-76.2%	-76.0%	-78.2%	-63.8%	-	-33.2%	-80.0%	
Avg. Weekly Hours in Manuf. (SA)	42.1	41.8	40.9	41.2	41.3	-	42.3	42.0	
	-4.2%	-7.3%	-7.9%	-3.7%	2.3%	-	0.8%	-0.7%	
Avg. Hourly Earnings in Manuf.	23.6	24.0	24.0	23.9	23.4	-	21.0	23.4	
	11.1%	6.9%	4.9%	3.8%	-0.9%	-	2.4%	11.4%	
New Vehicle Registrations (SA, 000)	12.7	15.1	15.0	16.7	14.0	16.1	19.0	14.0	
	-15.0%	16.8%	1.8%	18.1%	9.5%	25.5%	-20.5%	-26.5%	
Initial Unemployment Claims (SA, 000)	60.0	60.8	52.1	57.5	56.9	55.2	45.8	69.4	
	3.7%	-3.8%	-16.0%	-21.8%	-20.3%	-20.5%	34.1%	51.4%	
Personal Income (SAAR, \$bil.)	-	279.5	-	-	-	-	280.7	278.2	
	-	-0.6%	-	-	-	-	3.6%	-0.9%	
Median Home Price (\$000)	-	244.0	-	-	-	-	283.4	255.7	
	-	-8.5%	-	-	-	-	-7.5%	-9.8%	

*Percentage Change is Year-over-Year

Key Revenue Variables

	2009					2010					
	Jun 11 - Jul 10	Jul 11 - Aug 10	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10	Nov 11- Dec 10	Dec 11- Jan 10	Jan 11- Feb 10	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10*
Department of Revenue-Total	1,028,278	1,041,295	916,965	893,460	1,065,342	1,498,976	1,002,270	1,142,108	782,676	788,877	1,045,481
	-11.1	-7.4	-6.9	-5.7	-6.2	-4.3	6.3	3.5	1.7	12.1	7.7
Revenue Act	791,144	934,166	828,176	801,901	925,039	769,855	738,003	1,048,036	718,560	687,570	892,259
	-11.1	-11.1	-11.5	-10.5	-9.5	-10.4	-5.6	-1.1	-2.3	3.7	2.1
Retail Sales Tax	536,955	600,362	559,803	536,300	591,854	498,284	479,966	675,459	442,862	442,827	556,686
	-12.4	-13.0	-12.1	-12.0	-12.3	-14.0	-9.0	-1.5	-8.8	0.4	0.4
Business and Occupation Tax	178,945	252,507	195,689	193,883	257,068	201,453	174,957	285,711	190,756	169,039	251,830
	-13.6	-9.0	-10.3	-7.0	-3.8	1.7	-7.3	1.9	9.7	8.2	6.5
Use Tax	34,213	40,621	35,296	33,364	36,620	31,985	30,001	42,638	31,493	32,207	33,599
	4.3	-10.5	-16.9	-20.9	-11.6	-21.8	5.1	-6.6	1.3	-1.2	-4.9
Public Utility Tax	28,498	26,775	25,761	26,399	27,222	25,863	35,188	32,902	36,036	29,597	33,875
	-0.3	-0.3	-0.4	4.3	0.2	-10.7	42.1	-11.5	7.9	-17.2	-6.9
Tobacco Products Tax	1,008	3,033	2,705	4,695	2,764	2,696	2,491	3,020	2,197	2,445	2,648
	5.2	234.1	172.6	464.2	174.9	177.2	189.8	251.7	167.4	146.1	176.1
Penalties and Interest	11,525	10,870	8,922	7,259	9,510	9,575	15,400	8,306	15,217	11,456	13,621
	45.6	4.8	-25.3	-24.5	-7.7	-7.2	40.7	-16.0	38.0	-445.4	33.6
Non-Revenue Act**	237,134	107,128	88,789	91,559	140,303	729,121	264,268	94,073	64,116	101,307	153,222
	-11.0	47.3	81.5	78.1	24.2	3.1	63.9	113.7	90.4	151.4	57.4
Liquor Sales/Liter	13,934	16,203	18,738	16,044	15,534	17,057	15,940	23,070	13,934	14,126	15,366
	-0.5	24.2	31.4	11.2	26.5	23.5	18.4	21.6	14.9	23.8	24.2
Cigarette	3,229	30,015	25,777	25,001	23,475	22,361	25,990	25,758	12,829	23,816	23,570
	-26.4	557.5	511.7	459.3	387.6	541.2	636.8	520.2	266.8	488.1	558.1
Property (State School Levy)	154,043	10,182	6,655	9,186	26,889	611,109	179,586	10,976	6,304	24,533	66,565
	-12.9	NA	NA	NA	185.0	-0.1	60.7	NA	NA	NA	72.6
Real Estate Excise	35,293	36,403	31,242	34,147	33,271	31,545	35,706	20,687	18,792	31,952	32,636
	-23.6	-26.5	-24.3	-22.9	-10.0	-15.1	33.1	7.1	-36.1	61.3	32.2
Timber (state share)	0	0	730	684	0	807	0	0	919	0	0
	NA	NA	-49.8	NA	NA	-46.5	NA	NA	-8.2	NA	NA
Other	30,635	14,326	5,647	6,498	41,135	46,242	7,045	13,582	11,338	6,881	15,085
	23.1	-28.1	0.2	54.8	-16.5	17.8	23.8	-11.0	172.3	622.8	-17.0
Department of Licensing**	6,891	3,136	898	416	282	200	198	168	283	447	1,045
	6.1	5.0	1.9	3.0	-13.1	11.0	-7.2	-30.5	7.9	4.2	-81.5
Lottery**	0	4,728	0	0	0	0	0	0	0	0	0
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Office of the Courts**	0	9,124	8,627	8,575	8,380	9,001	7,681	7,928	6,693	8,189	10,012
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total General Fund-State***	1,035,169	1,058,281	926,489	902,451	1,074,004	1,508,177	1,010,149	1,150,205	789,652	797,513	1,056,538
	-11.5	-6.1	-6.0	-4.8	-5.4	-4.4	7.1	4.2	2.6	13.3	8.2

*Revenue Act components: ERFC preliminary estimates

**Monthly Revenues (month of beginning of collection period)

*** Detail may not add due to rounding. The GFS total in this report includes only collections from larger state agencies: the DOR, Lottery Commission, AOC and DOL. Reflects new definition of GF-S revenue after July 2009.

Note: *Italic figures refer to Year-over-Year percent change.*

Revenue Forecast Variance

Thousands of Dollars

Period/Source	Estimate*	Actual	Difference Amount	Percent
April 11, 2010 - May 10, 2010				
May 10, 2010 Collections Compared to the February 2010 Forecast				
Department of Revenue-Total	\$1,061,352	\$1,045,481	(\$15,872)	-1.5%
Revenue Act** (1)	903,367	892,259	(11,108)	-1.2%
Non-Revenue Act(2)	157,985	153,222	(4,763)	-3.0%
Liquor Sales/Liter	16,097	15,366	(731)	-4.5%
Cigarette	24,329	23,570	(759)	-3.1%
Property (State School Levy)	62,509	66,565	4,056	6.5%
Real Estate Excise	41,400	32,636	(8,764)	-21.2%
Timber (state share)	0	0	0	0.0%
Other	13,651	15,085	1,434	10.5%
Department of Licensing (2)	5,363	1,045	(4,318)	-80.5%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	9,304	10,012	708	7.6%
Total General Fund-State***	\$1,076,019	\$1,056,538	(\$19,481)	-1.8%

Cumulative Variance Since the February Forecast (February 11, 2009 - May 10, 2010)

Department of Revenue-Total	\$2,682,630	2,617,033	(65,596)	-2.4%
Revenue Act** (3)	2,343,545	2,298,388	(45,157)	-1.9%
Non-Revenue Act(4)	339,085	318,645	(20,440)	-6.0%
Liquor Sales/Liter	45,242	43,427	(1,815)	-4.0%
Cigarette	65,162	60,215	(4,947)	-7.6%
Property (State School Levy)	96,193	97,402	1,208	1.3%
Real Estate Excise	106,219	83,379	(22,840)	-21.5%
Timber (state share)	935	919	(17)	-1.8%
Other	25,333	33,303	7,971	31.5%
Department of Licensing (4)	5,946	1,589	(4,357)	-73.3%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	24,252	24,895	643	2.7%
Total General Fund-State***	\$2,712,827	\$2,643,517	(\$69,311)	-2.6%

1 Collections April 11, 2010 - May 10, 2010. Collections primarily reflect March 2010 activity.

2 April 2010 collections.

3 Cumulative collections, estimates and variance since the February 2010 forecast; (February 11, 2009 - May 10, 2010) and revisions to history.

4 Cumulative collections, estimates and variance since the February forecast (February-April 2010) and revisions to history.

5 Lottery transfers to the General Fund

* Based on the February 2010 economic and revenue forecast.

**The Revenue Act consists of the retail sales, B&O, use, public utility, tobacco products taxes, and penalty and interest.

*** Detail may not add due to rounding. The General Fund-State total in this report includes only collections from larger state agencies: the Department of Revenue, Department of Licensing, Lottery Commission and Administrative Office of the Courts.