



Economic and Revenue Forecast Council

EMBARGOED until March 20, 2019, 10:00 am PDT when it will be released at www.erfc.wa.gov

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Revenue forecast adjusted up in March

OLYMPIA, March 20, 2019 –The Near General Fund-State (Near GF-S) revenue forecast for the 2017-19 biennium has increased by \$307 million, and revenue for the 2019-21 biennium has increased by \$553.5 million. The Near GF-S includes the General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account and provides the fullest picture of resources available for budget purposes.

The national economic forecast is similar to the previous forecast, with slightly lower GDP growth than expected in November. Likewise, the state forecast is little changed, with slightly lower personal income and employment than expected in November.

Despite fairly small changes to the economic forecast, stronger-than-expected taxable activity has resulted in increases to forecasted revenue. The enactment of Substitute Senate Bill 5581 on March 14, 2019, capturing sales taxes on online sales by out of state vendors, added \$115 to total revenues in 2019-21. Major threats to the U.S. and Washington economies remain, including international trade concerns, geopolitical risks, and a maturing economic expansion.

Forecast of General Fund-State Forecasts (probabilities in parenthesis): 2017-19

Baseline (70%): \$44.182 billion; \$256 million higher than the previous forecast.

Optimistic (15%): \$44.413 billion; \$231 million more than the baseline forecast.

Pessimistic (15%): \$43.938 billion; \$243 million less than the baseline forecast.

Governor's Council of Economic Advisors: \$44.198 billion; \$17 million more than the baseline forecast.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be on Wednesday, June 25, 2019.

Please see our full report for more information. You can access this report at <http://erfc.wa.gov/sites/default/files/public/documents/forecasts/rev20190320.pdf>

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About the ERFC:

The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.