

**EMBARGOED**

*until September 26, 2023, 10:00 am PDT when it will be published  
at [www.erfc.wa.gov](http://www.erfc.wa.gov)*

Revenue Review

September 26, 2023



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ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE  
**ECONOMIC AND REVENUE FORECAST COUNCIL**

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## AGENDA

### **REVENUE REVIEW**

September 26, 2023  
10:00 a.m.

- Call to order
- Approval of meeting minutes from September 12, 2023
- Economic & Revenue Forecast
  - Adoption of official state economic and revenue forecast and unofficial optimistic and pessimistic alternative forecasts
- Next ERFC meeting: October 6, 10:00 a.m.
  - Special Council Meeting to Appoint Chief Economist
- 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**  
**Economic Review**  
September 12, 2023  
Conference Call

**Economic and Revenue Forecast Council**

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

*Staff*

Steve Lerch, Executive Director

**Call to Order**

Senator Wilson called the meeting to order at 10:02 a.m.

**Approval of the Minutes**

Representative Orcutt moved, seconded by Senator Wilson, to adopt the meeting minutes from July 31, 2023. Motion passed with 9 votes at 10:02 a.m.

**Economic Forecast Presentation**

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

**Adjournment**

With no further business, the meeting adjourned at 10:17 a.m.

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



**Economic & Revenue Review: September 26, 2023**

**Executive Summary**

**United States**

- This forecast is based on a modified version of IHS Markit's September 2023 Control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to match the September 2023 Blue Chip "Consensus" GDP forecast for 2023 and 2024. The forecast for GDP growth in 2023 is now 2.1%, up from 1.2% in the June forecast. For 2024, real GDP growth is 1.0%, up from 0.7% in the June forecast. For 2025 through 2027, we expect growth rates of 2.0%, 2.0%, and 1.9%, unchanged from the June forecast.
- Our oil price forecast reflects the futures markets, primarily the Brent (North Sea) oil price but also the West Texas Intermediate (WTI) benchmark. This forecast was based on the September 15<sup>th</sup> closing prices for Brent and WTI futures. Oil prices are higher than the June forecast but are expected to decline gradually over the forecast period. The latest futures prices indicate that the refiner acquisition price of crude will average \$80 per barrel in 2023, declining to \$68 in 2027. The June forecast expected an average price of \$71 per barrel in 2023, declining to \$61 in 2027.
- National employment in August increased by 187,000 net jobs. Employment in June and July was revised down by a combined 110,000 jobs. Average monthly employment this year through August has increased by 202,000; this compares to an average monthly gain of 399,000 jobs in 2022. Sectors with the largest job gains in August included health care (+71,000), social assistance (+26,000), construction (+22,000), professional, scientific and technical services (+21,000), arts, entertainment and recreation (+17,000) and food services and drinking places (+15,000). Sectors with declining employment in August included truck transportation (-37,000), temporary help services (-19,000), motion picture and sound recording industries (-17,000), local government education (-10,000) and couriers and messengers (-9,000).
- Two key measures of consumer confidence decreased this month after two months of gains. The University of Michigan (UM) consumer sentiment survey decreased 2.1 points to 69.5 in August. Survey results indicated that consumers perceive the rapid improvements in the economy from the past three months have moderated, particularly with inflation, and they are tentative about the outlook ahead. The Conference Board index of consumer confidence decreased 7.9 points to 106.1 in August. Consumers continued to express concerns about rising prices and were less optimistic about labor market conditions.
- Residential construction activity showed signs of slowing in August. August housing starts decreased by 11.3% (SA) compared to July and were 14.8% below their August 2022 level. Housing units authorized by building permits in August were 6.9% (SA) above their July level but 2.7% below their year-

ago level. Existing home sales in August decreased by 0.7% (SA) compared to July and were down 15.3% compared to August 2022. The seasonally adjusted Case-Shiller national home price index for June was 0.7% above its May level. The home price index was 0.1% (SA) below its year-ago level.

- Threats to the U.S. and Washington economies include the impacts of higher interest rates, negative effects of the Russia-Ukraine conflict on grain and oil prices and the potential for a federal government shutdown.

## Washington

- We have three months of new Washington employment data since the June forecast was released. Total seasonally adjusted nonfarm payroll employment increased 16,500 in June, July, and August which was 8,400 more than the increase of 8,100 expected in the forecast. The construction sector added 3,200 jobs and manufacturing employment increased by 2,200 in the three-month period. The health care sector had the largest increase with a gain of 7,100 jobs while the largest decline in the private sector was in administrative and support services with a loss of 3,300 jobs. Government employment dropped by 1,200, although the decline was due to a 6,700 reduction in state government education, which is notorious for seasonal adjustment issues in the summer months.
- Revisions to employment data added 4,800 (0.1%) to the estimated level of total employment in May 2023. The combined effect of the upward revision to historical data and the stronger growth in the last three months is that August employment is 13,200 (0.4%) higher than expected in the June forecast.
- Washington's unemployment rate continues to trend down. The unemployment rate remained steady at 3.6% in August after declining in each of the prior five months from a high of 4.6% in February. The jobless rate is now at a historic all-time low with data going back to 1958.
- After the grounding of the 737 Max and then the pandemic, Washington's aerospace employment declined from 89,600 at end of 2019 to a low of 66,700 in August 2021, a loss of 22,800 jobs. Since August 2021, the industry added back 11,600 jobs, bringing the level to 78,300 in August 2023. We expect aerospace employment to continue to expand in Washington, adding 6,300 jobs from August of 2023 through December of 2027.
- 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 2023. Washington personal income increased from \$599.0 billion (SAAR) in the fourth quarter of 2021 to \$609.1 billion in the first quarter of 2023. The 6.9% increase (SAAR) in Washington personal income was the 18th highest among the states and District of Columbia and led the 5.1% rate of increase for the U.S. as a whole. Growth in transfer payments contributed to most of the outperformance in Washington. Transfer payments grew 16.7% (SAAR) in the first quarter in Washington compared to

- 6.1% growth for the U.S. Excluding transfer payments, Washington personal income grew 5.3% (SAAR) in the first quarter compared to 4.9% growth in the U.S.
- Washington housing construction slowed in the second quarter of 2023. The number of housing units authorized by building permits declined to 39,500 (SAAR) in the second quarter from 41,900 in the first quarter. The slowdown was due to a 7,000 unit drop in multi-family permits from 27,700 (SAAR) to 20,700. Single family permits increased 4,600 from 14,200 (SAAR) to 18,800 in the second quarter. The June forecast expected 37,300 units (SAAR) in the second quarter, consisting of 17,700 single-family units and 19,600 multi-family units. Permits declined by 5,300 units (SAAR) in July to 32,600. Permits consisted of 18,800 single-family units and 13,700 multi-family units. The June forecast expected 40,700 units (SAAR) for the third quarter as a whole consisting of 20,200 single-family units and 20,500 multi-family units.
  - Seattle-area home prices have stopped declining. Home prices increased 1.4% in June, the third straight increase. Prior to this, Seattle home prices had declined for eleven consecutive months. In comparison, the composite-20 index has increased in each of the past four months following eight months of decline. Seattle home prices in June remain down 8.8% over the year while the composite-20 index was down 1.2% over the year.
  - Seattle-area consumer price inflation outpaced the national average in the year ending in August 2023. From August 2022 to August 2023, the seasonally adjusted Seattle CPI rose 5.4% compared to the 3.7% increase in the U.S. City Average index. Energy prices in Seattle were up 6.2% since August 2022 after four consecutive months of year-over-year declines. National energy prices remain 3.7% lower than a year ago. Seasonally adjusted core prices, which exclude food and energy, increased 5.7% in Seattle and 4.4% in the national index. Seattle shelter cost inflation exceeded the national average at 8.0% compared to 7.2%. Seattle inflation excluding shelter also exceeded the national average at 3.9% compared to 2.0%.
  - Washington exports declined 9.1% from the second quarter of 2022 to the second quarter of 2023. The decline was primarily due to a 41.1% drop in exports of agricultural products. However, much of the drop was due to a reduction in soybeans which are not produced in Washington and are instead a passthrough export. Excluding agricultural products, Washington exports increased 1.1% year over year in the second quarter of 2023. Exports of transportation equipment (mostly Boeing planes) increased for a second consecutive quarter, rising 4.8%.
  - Washington car and truck sales have declined in each of the past two months. The seasonally adjusted number of new vehicle registrations fell 1.5% in August to 288,500 (SAAR). The number of registrations remained up 20.8% over the year in August.

- The September forecast calls for a 2.3% increase in Washington employment this year, up from the 2.1% growth rate expected in the June forecast. We expect slower growth during the remainder of the forecast as the U.S. economy slows. We expect employment growth to average 0.7% per year in 2024 through 2027, equal to what was expected in June. Our forecast has the unemployment rate reach a trough of 4.0% this year and then average 4.6% from 2024 through 2027. The June forecast had an unemployment rate trough of 4.3% this year, then averaging 4.7% for the remainder of the forecast.
- The forecast for nominal personal income growth this year is 6.5%, up from 4.8% in the June forecast. We expect nominal personal income growth in 2024 through 2027 to average 5.1% per year, up from the 5.0% rate in the June forecast.

## Revenue

- Cumulative major General Fund-State revenue (GF-S) since the June 2023 forecast came in \$177.2 million (2.7%) higher than forecasted. Most of the surplus was in 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), which came in \$167.0 million (2.9%) higher than forecasted. Real estate excise tax (REET) also came in above the forecast by \$19.1 million (7.3%) while several other sources such as liquor and cigarette taxes came in below the forecast.
- The first month of collections since the June forecast occurred in the 2021-23 biennium, which ended on June 30<sup>th</sup>. Of the surplus tracked collections, \$93.4 million was collected in the 2021-23 biennium and \$83.8 million was collected in the current 2023-25 biennium.
- Since the June forecast, new DOR data on taxable activity in the first two quarters of 2023 have become available. The second quarter data in particular indicated stronger-than-expected taxable activity in many sectors. These data, combined with increases in forecasted personal income, employment and construction activity, have resulted in net increases in forecasted Revenue Act taxes in each biennium. Stronger-than-expected collections also led to moderate increases in the REET forecast.
- The initial tally of GF-S revenue for the 2021-23 biennium is \$61.008 billion, \$111 million higher than forecasted in June. Forecasted GF-S revenue is now \$63.357 billion for the 2023-25 biennium, an increase of \$616 million from the June forecast. Forecasted GF-S revenue is \$67.381 billion for the 2025-27 biennium, an increase of \$400 million.
- The initial tally of Education Legacy Trust Account (ELTA) revenue was \$141 million higher than expected in the 2021-23 biennium due to increased estate tax and REET collections. These sources also contributed to a \$12 million increase in the 2023-25 biennium and a \$7 million increase in the 2025-27 biennium. Estimated ELTA revenue is now \$2.571 billion for the 2021-23 biennium, \$2.136 billion for the 2023-25 biennium and \$2.313 billion for the 2025-27 biennium.

- The initial tally of revenue dedicated to the Opportunity Pathways Account (OPA) was only \$0.3 million lower than expected in the 2021-23 biennium. The forecast was increased by \$7 million in the 2023-25 biennium but decreased by \$0.8 million in the 2025-27 biennium. Estimated OPA revenue is now \$393 million for the 2021-23 biennium, \$361 million for the 2023-25 biennium and \$358 million for the 2025-27 biennium.
- The initial tally of revenue dedicated to the Workforce Education Investment Account (WEIA) in the 2021-23 biennium was \$13 million higher than forecasted. The forecast was increased by \$28 million in the 2023-25 biennium and \$31 million in the 2025-27 biennium. Estimated WEIA revenue is now \$779 million for the 2021-23 biennium, \$838 million for the 2023-25 biennium and \$874 million for the 2025-27 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 increase by \$265 million in the 2021-23 biennium, \$663 million in the 2023-25 biennium and \$437 million in the 2025-27 biennium.
- The initial tally of GF-S, ELTA, OPA and WEIA revenue for the 2021-23 biennium is \$64.752 billion, an increase of 21.9% over 2019-21 biennial revenue. Forecasted total revenue for the 2023-25 biennium is \$66.692 billion, an increase of 3.0% over expected 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$70.927 billion, an increase of 6.3% over expected 2023-25 biennial revenue.

# Revenue Review

Presented to  
Economic and Revenue Forecast Council

Steve Lerch  
Executive Director

September 26, 2023



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## Summary

- WA personal income is higher than in the June forecast
- U.S. GDP growth is slightly stronger in 2023, 2024 compared to June forecast
- The Federal Reserve is expected to raise the federal funds interest rate to a range of 5.5% – 5.75% in November; a decrease in rates is not expected until 2024 Q2
- The forecast of funds subject to the budget outlook is increased by \$265 million for 2021-23 biennium, \$663 million for the 2023-25 biennium and \$437 million for the 2025-27 biennium

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## Since the June forecast...

### Positives:

- U.S. employment has increased by 344,000 jobs
- WA employment has increased by 16,500 jobs
- WA unemployment rate in August remained at an all-time low of 3.6%

### Negatives:

- WA revenue collections growth has slowed
- Inflation continues to trend down but remains above desired levels

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## Forecast risks

### Upside

- Consumer spending, labor productivity are stronger than expected
- Federal Reserve does not raise interest rates in November

### Downside

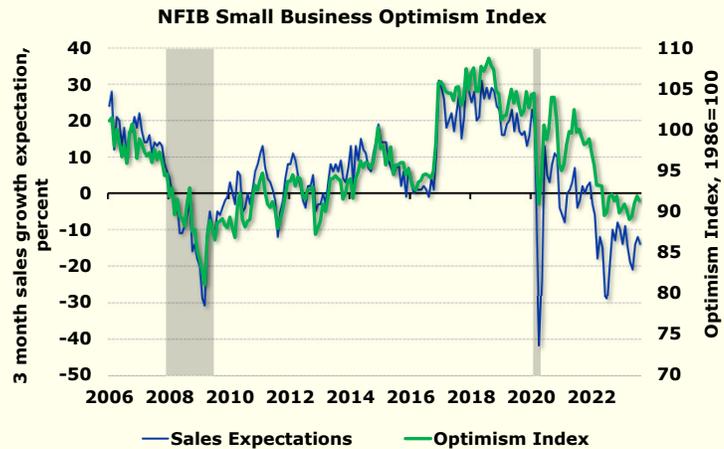
- Rising interest rates, vacancies threaten commercial real estate market, banking system
- Congress unable to pass budget leading to federal government shutdown

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## Inflation, worker shortages lead the list of small business concerns



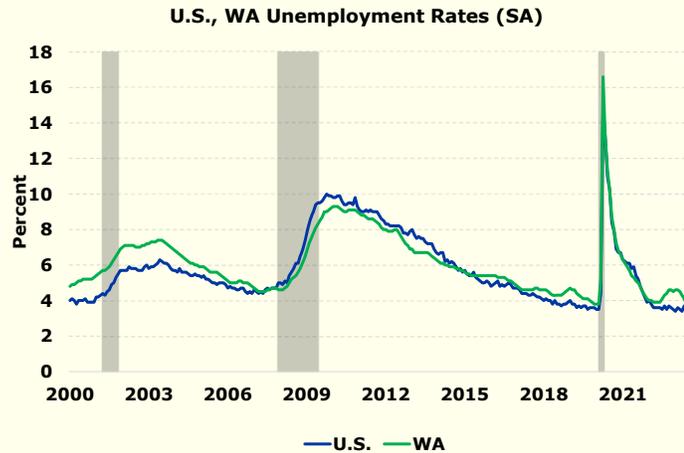
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Source: National Federation of Independent Business; data through August 2023

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## Unemployment rates are at historically low levels



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Source: U.S. Bureau of Labor Statistics, WA Employment Security Dept., ERFC; data through August 2023

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## Inflation over the year continues to trend down but ticked up in August



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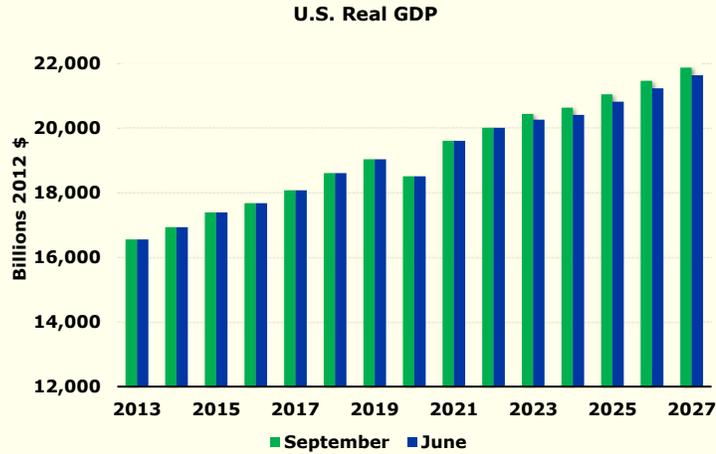
Source: U.S. Bureau of Labor Statistics, U.S. data through August 2023

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## U.S. GDP is about 1% higher compared to the June forecast

GDP growth is slightly stronger in 2023 and 2024 compared to the June forecast



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Source: ERFC September 2023 forecast; historical data through 2022

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## GDP forecast now has only one quarter with negative growth

June forecast expected negative growth in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2023



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Source: IHS Markit, ERFC September 2023 forecast; historical data through 2023 Q2

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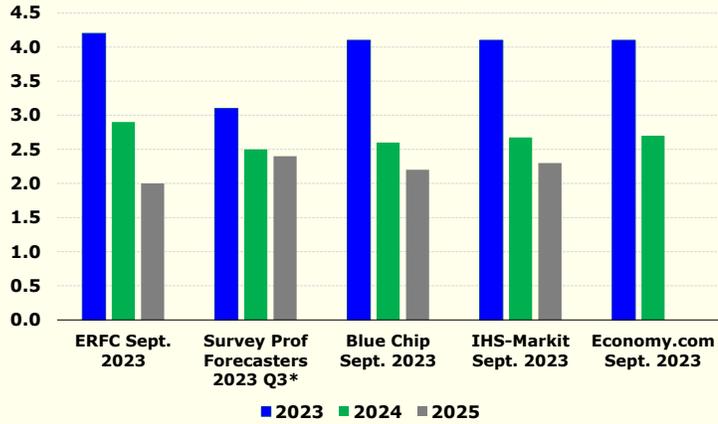
## The 2023 inflation forecast is slightly higher compared to June

The June forecast expected CPI increases of 3.9% in 2023, 2.4% in 2024 and 2.1% in 2025

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### Consumer Price Index, Annual % Change



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

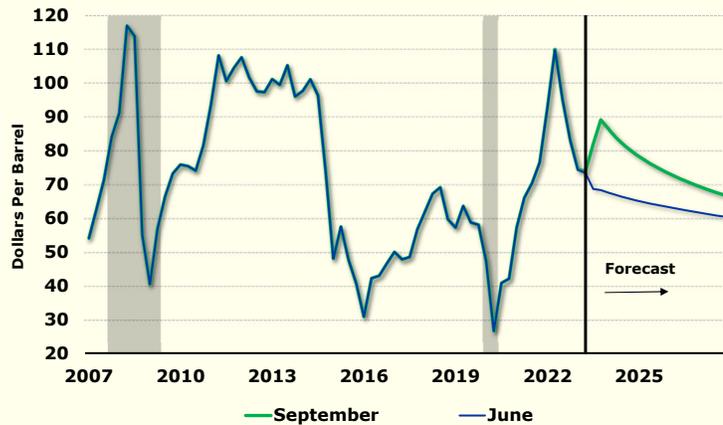
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## Production cuts by OPEC+ have increased oil prices compared to the June forecast

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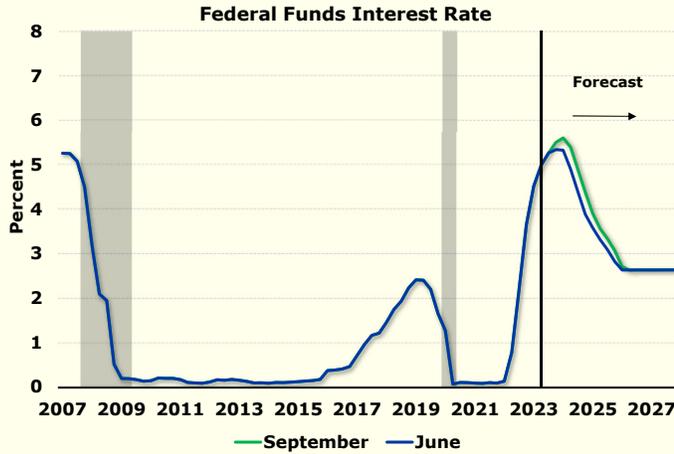
Source: Energy Information Administration, IHS Markit, ERFC; data through Q2 2023  
Note: Vertical black line indicates last actual

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## The Federal Reserve is assumed to raise interest rates 0.25% higher than expected in the June forecast

The Federal Reserve left interest rates unchanged at its September 2023 meeting.



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Source: ERFC September 2023 forecast; historical data through 2023 Q2

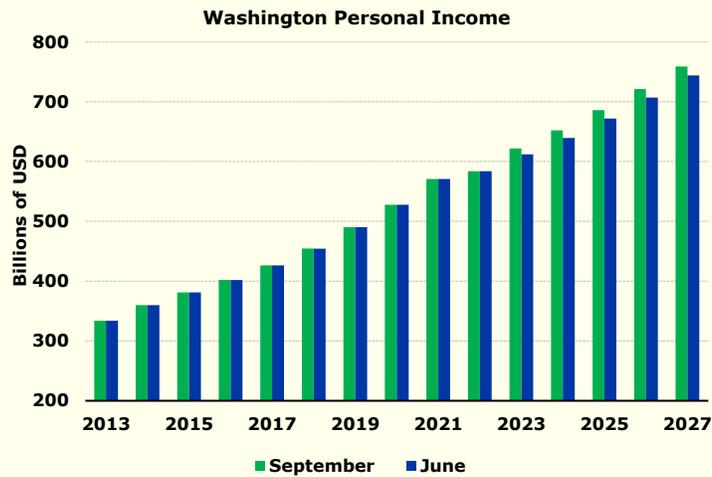
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## WA personal income higher compared to the June forecast largely due to revisions in 2023 Q1 data

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Source: ERFC September 2023 forecast; historical data through 2022

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## WA employment forecast is very similar to the June forecast

Average annual employment growth, 2024 to 2027:

U.S. = 0.2%

WA = 0.7%

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### Washington Nonfarm Payroll Employment



Source: ERFC September 2023 forecast; historical data through Q2 2023

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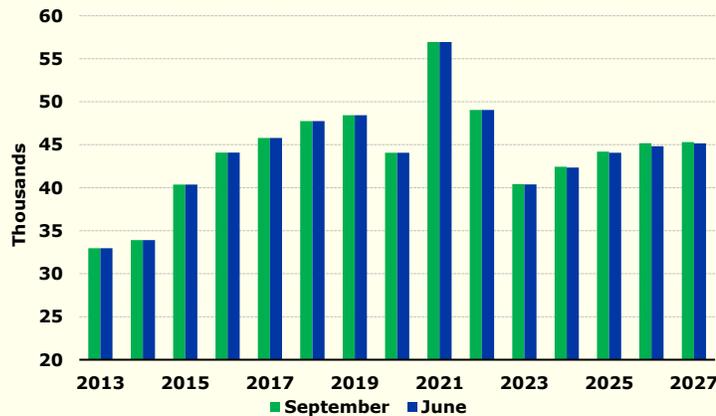


## WA housing permits for 2025 – 2027 slightly higher than the June forecast

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### Washington Housing Permits

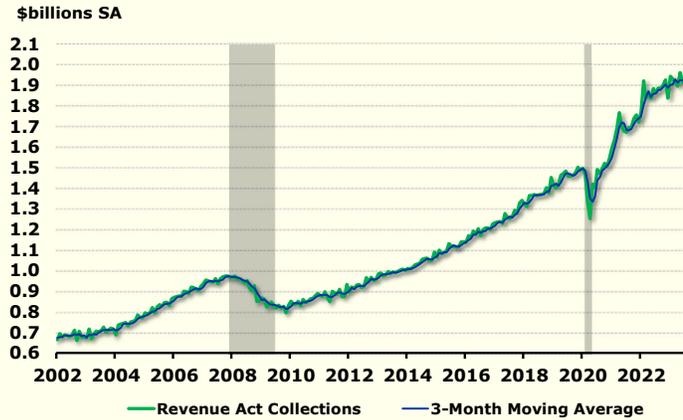


Source: ERFC September 2023 forecast; historical data through 2022

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## After a 2.3% annual growth rate last month, Revenue Act collections increased 0.4% over the year for June activity



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\* 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 2023 activity

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## Seasonally adjusted taxable real estate sales have plateaued; August 2023 activity nearly 31% below August 2022



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Source: ERFC; Monthly data through August 2023 estimate

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## Cannabis excise tax and license fee estimates

Total change since June forecast:

- 2021-23  
-\$0 M
- 2023-25  
-\$9 M
- 2025-27  
-\$10 M

\$Millions

### Cannabis Forecast

	<u>2021-23</u>	<u>2023-25</u>	<u>2025-27</u>
GF-S share of excise tax and license fees	\$319	\$309	\$337
Non-GF	\$683	\$718	\$781
<b>Total</b>	<b>\$1,002</b>	<b>\$1,026</b>	<b>\$1,118</b>

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Detail may not add to total due to rounding  
Source: ERFC September 2023 forecast; historical data through August 2023

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

\$Millions	<u>Jun. 2023 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Sept. 2023 Forecast</u>	<u>Total Change<sup>#</sup></u>
General Fund-State	\$60,897	n/a	\$111	\$61,008	\$111
Education Legacy Trust Account	\$2,431	n/a	\$141	\$2,571	\$141
WA Opportunity Pathways Account	\$394	n/a	(\$0)	\$393	(\$0)
Workforce Education Investment Account	\$766	n/a	\$13	\$779	\$13
<b>Total</b>	<b>\$64,487</b>	<b>n/a</b>	<b>\$265</b>	<b>\$64,752</b>	<b>\$265</b>

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<sup>#</sup> Detail may not add to total due to rounding

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

<b>\$Millions</b>	<u>Jun. 2023 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Sept. 2023 Forecast</u>	<u>Total Change</u> <sup>#</sup>
General Fund-State	\$62,741	n/a	\$616	\$63,357	\$616
Education Legacy Trust Account	\$2,124	n/a	\$12	\$2,136	\$12
WA Opportunity Pathways Account	\$355	n/a	\$7	\$361	\$7
Workforce Education Investment Account	\$809	n/a	\$28	\$838	\$28
<b>Total</b>	<b>\$66,028</b>	<b>n/a</b>	<b>\$663</b>	<b>\$66,692</b>	<b>\$663</b>

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<sup>#</sup> 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

<b>\$Millions</b>	<u>Jun. 2023 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Sept. 2023 Forecast</u>	<u>Total Change</u> <sup>#</sup>
General Fund-State	\$66,982	n/a	\$400	\$67,382	\$400
Education Legacy Trust Account	\$2,306	n/a	\$7	\$2,314	\$7
WA Opportunity Pathways Account	\$358	n/a	(\$1)	\$358	(\$1)
Workforce Education Investment Account	\$844	n/a	\$31	\$874	\$31
<b>Total</b>	<b>\$70,490</b>	<b>n/a</b>	<b>\$437</b>	<b>\$70,927</b>	<b>\$437</b>

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<sup>#</sup> Detail may not add to total due to rounding

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

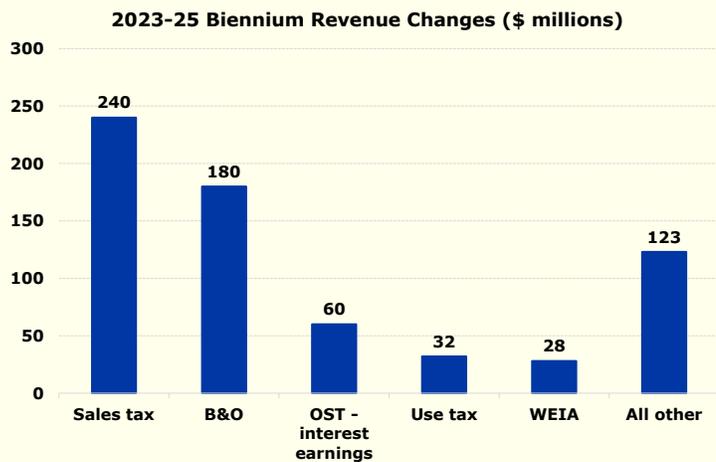
- Final 2<sup>nd</sup> quarter 2023 revenue collections data stronger than expected in June forecast
- WA personal income data stronger than in June forecast, mainly due to data revisions
- Higher interest rates increased OST interest earnings

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



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## 2023-25 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline*
<b>Sept. 2023 Baseline (50%)</b>	<b>\$63,357</b>	
<b>Sept. 2023 Alternative Forecasts</b>		
<b>Optimistic (25%)</b>	<b>\$66,656</b>	<b>\$3,299</b>
<b>Pessimistic (25%)</b>	<b>\$59,361</b>	<b>(\$3,996)</b>
<b>Probability Weighted Average</b>	<b>\$63,183</b>	<b>(\$174)</b>
<b>GCEA*</b>	<b>\$63,215</b>	<b>(\$142)</b>

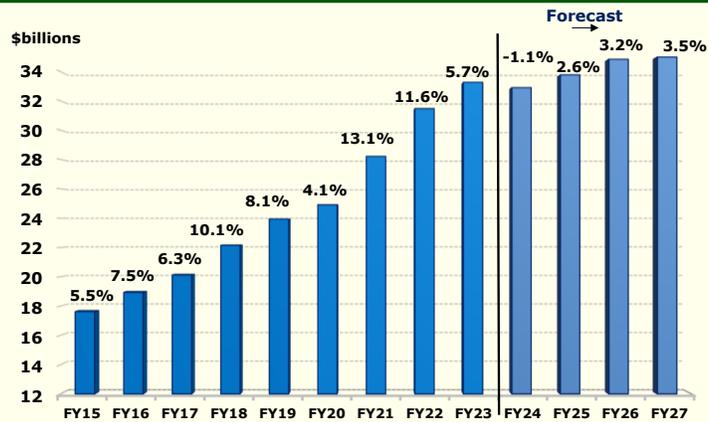
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\*Based on the Governor's Council of Economic Advisors' economic assumptions  
#May not add to total due to rounding

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



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\*Funds subject to the budget outlook process are General Fund-State plus Education Legacy Trust, Washington Opportunities Pathway and Workforce Education Investment Accounts  
Source: ERF forecast, September 2023

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## Conclusion

- Economic forecast stronger than June:
  - WA forecast: personal income higher than June
  - U.S. forecast: GDP in 2023 and 2024 higher compared to June
- Rising interest rates, Ukraine – Russia conflict, potential federal government shutdown pose forecast risks
- Total state revenues are expected to grow 3.0% between the 2021-23 and 2023-25 biennia and 6.3% between the 2023-25 and 2025-27 biennia

Revenue Review  
September 26, 2023

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Questions



Revenue Review  
September 26, 2023

Slide 26

Economic & Revenue Forecast Council  
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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 2023 to the June 2023 Forecast

2021-23 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2023 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>September 2023 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$60,896.8	\$0.0	\$111.3	\$61,008.2	\$111.3
Education Legacy Trust Account	\$2,430.5	\$0.0	\$140.7	\$2,571.2	\$140.7
WA Opportunity Pathways Account	\$393.6	\$0.0	(\$0.3)	\$393.3	(\$0.3)
Workforce Education Investment Account	\$765.7	\$0.0	\$13.3	\$779.0	\$13.3
<b>Total</b>	<b>\$64,486.7</b>	<b>\$0.0</b>	<b>\$265.0</b>	<b>\$64,751.7</b>	<b>\$265.0</b>

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\*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 2023 to the June 2023 Forecast

2023-25 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2023 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>September 2023 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$62,741.0	\$0.0	\$616.1	\$63,357.0	\$616.1
Education Legacy Trust Account	\$2,123.5	\$0.0	\$12.4	\$2,135.9	\$12.4
WA Opportunity Pathways Account	\$354.7	\$0.0	\$6.6	\$361.3	\$6.6
Workforce Education Investment Account	\$809.3	\$0.0	\$28.3	\$837.6	\$28.3
<b>Total</b>	<b>\$66,028.5</b>	<b>\$0.0</b>	<b>\$663.4</b>	<b>\$66,691.9</b>	<b>\$663.4</b>

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\*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 2023 to the June 2023 Forecast

2025-27 Biennium

Cash Forecast; Millions of Dollars

	<u>June 2023 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>September 2023 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$66,981.5	\$0.0	\$400.0	\$67,381.5	\$400.0
Education Legacy Trust Account	\$2,306.1	\$0.0	\$7.3	\$2,313.5	\$7.3
WA Opportunity Pathways Account	\$358.3	\$0.0	(\$0.8)	\$357.5	(\$0.8)
Workforce Education Investment Account	\$843.6	\$0.0	\$30.8	\$874.4	\$30.8
<b>Total</b>	<b>\$70,489.5</b>	<b>\$0.0</b>	<b>\$437.4</b>	<b>\$70,926.8</b>	<b>\$437.4</b>

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\*Details may not add due to rounding

**Track record for the 2021-23 biennial forecast of funds subject to the budget outlook**

February 2018 through September 2023

Cash Basis - Millions of Dollars

<b>Date of Forecast</b>	<b>General Fund-State</b>	<b>Education Legacy Trust Acct.</b>	<b>Washington Opportunity Pathways Acct.</b>	<b>Workforce Education Investment Acct.</b>	<b>Subtotal</b>	<b>Non-economic changes</b>	<b>Total change</b>	<b>Total of funds</b>
<b>February 2018*</b>	\$51,932	\$593	\$266	NA				\$52,790
<b>Changes to Forecast</b>								
June 2018	357	26	4	NA	387	-7 #1	380	53,170
September 2018	249	94	27	NA	369	46 #2	415	53,585
November 2018	201	2	7	NA	209	0	209	53,795
March 2019	369	0	5	NA	374	190 #3	564	54,358
June 2019	64	5	3	NA	73	605 #4	678	55,036
September 2019	-79	21	-5	NA	-63	0	-63	54,973
November 2019	175	-2	8	NA	181	0	181	55,154
February 2020	512	25	-1	NA	536	627 #5	1,163	56,317
June 2020	-4,570	6	8	-56	-4,612	213 #6	-4,399	51,919
September 2020	2,246	149	-5	30	2,419	0	2,419	54,338
November 2020	297	22	6	4	328	0	328	54,666
March 2021	1,894	24	10	21	1,949	0	1,949	56,615
June 2021	1,340	6	18	35	1,399	399 #7	1,798	58,413
September 2021	845	73	1	8	927	0	927	59,341
November 2021	994	-179	5	10	829	69 #8	898	60,238
February 2022	1,400	56	-10	6	1,453	0	1,453	61,691
June 2022	1,392	80	-2	83	1,552	-95 #9	1,457	63,147
September 2022	46	27	18	-19	72	-29 #10	43	63,191
November 2022	545	196	16	5	761	0	761	63,952
March 2023	100	74	22	-3	194	0	194	64,146
June 2023	10	311	-4	17	335	6 #11	341	64,487
September 2023	111	141	0	13	265	0	265	64,752
<b>Total change:</b>								
From February 2018**	8,499	1,156	129	153	9,937	2,024	11,962	
Percent change	16.4	195.1	48.7	24.4	18.8	3.8	22.7	
<b>Change in forecast since initial 2123 biennial budget***</b>								
	<b>6,784</b>	<b>785</b>	<b>64</b>	<b>154</b>	<b>7,787</b>	<b>-49</b>	<b>7,738</b>	
Percent change	12.5	44.0	19.4	24.6	13.7	-0.1	13.6	

\*First official forecast for the 2021-23 biennium

\*\*Change in Workforce Education Investment Account forecast represents change from the initial fiscal note estimate of \$627 million first recorded in February 2020 forecast

\*\*\*Resources for the initial 2021-23 budget include forecasted March 2021 revenue plus legislative revenue changes from 2021 session subsequent to the March forecast

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

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

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

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

#5 Establishment of Workforce Education Investment Account

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

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

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

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

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

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

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

February 2020 through September 2023

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
<b>February 2020*</b>	\$57,930	\$925	\$321	\$667				\$59,843
<b>Changes to Forecast</b>								
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
<b>Total change:</b>								
From February 2020	5,826	183	44	170	6,223	626	6,849	
Percent change	10.1	19.8	13.6	25.5	10.4	1.0	11.4	
<b>Change in forecast since initial 23-25 biennial budget**</b>								
	<b>756</b>	<b>128</b>	<b>13</b>	<b>53</b>	<b>951</b>	<b>0</b>	<b>951</b>	
Percent change	1.2	6.4	3.8	6.8	1.4	0.0	1.4	

\* 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

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**September 2023**Alternative General Fund-State Forecasts  
Millions of Dollars

Cash Basis

**2023-25 Biennium**

	2023-25 <u>Biennium</u>	Difference From the <u>September 2023 Baseline</u>
September 2023 GF-S Baseline (50%)	\$63,357	
September 2023 Alternative GF-S Forecasts		
Optimistic (25%)	\$66,656	\$3,299
Pessimistic (25%)	\$59,361	(\$3,996)
Probability Weighted Average	\$63,183	(\$174)
GCEA*	\$63,215	(\$142)

**2025-27 Biennium**

	2025-27 <u>Biennium</u>	Difference From the <u>September 2023 Baseline</u>
September 2023 GF-S Baseline (50%)	\$67,381	
September 2023 Alternative GF-S Forecasts		
Optimistic (25%)	\$73,854	\$6,472
Pessimistic (25%)	\$60,212	(\$7,170)
Probability Weighted Average	\$67,207	(\$174)
GCEA*	\$67,517	\$136

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\* 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 2023 - 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	\$30,978	3.2%	\$1,681	89.0%	\$204	7.4%	\$410	11.3%	\$33,274	5.7%
Forecast:										
FY 2024	\$31,254	0.9%	\$1,057	-37.2%	\$184	-9.4%	\$415	1.1%	\$32,910	-1.1%
FY 2025	\$32,103	2.7%	\$1,079	2.1%	\$177	-4.1%	\$423	1.9%	\$33,782	2.6%
FY 2026	\$33,115	3.2%	\$1,128	4.6%	\$178	0.7%	\$431	2.0%	\$34,852	3.2%
FY 2027	\$34,267	3.5%	\$1,185	5.0%	\$179	0.7%	\$443	2.9%	\$36,075	3.5%
<b>Biennial Totals</b>										
<b>07-09 Biennium</b>	<b>\$29,817</b>	<b>0.1%</b>	<b>\$437</b>	<b>14.8%</b>	<b>\$0</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$30,254</b>	<b>0.3%</b>
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>	<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>	<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>	<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>	<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>	<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>	<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$61,008</b>	<b>20.1%</b>	<b>\$2,571</b>	<b>56.9%</b>	<b>\$393</b>	<b>16.8%</b>	<b>\$779</b>	<b>121.2%</b>	<b>\$64,752</b>	<b>21.9%</b>
<b>23-25 Biennium</b>	<b>\$63,357</b>	<b>3.9%</b>	<b>\$2,136</b>	<b>-16.9%</b>	<b>\$361</b>	<b>-8.1%</b>	<b>\$838</b>	<b>7.5%</b>	<b>\$66,692</b>	<b>3.0%</b>
<b>25-27 Biennium</b>	<b>\$67,381</b>	<b>6.4%</b>	<b>\$2,313</b>	<b>8.3%</b>	<b>\$358</b>	<b>-1.1%</b>	<b>\$874</b>	<b>4.4%</b>	<b>\$70,927</b>	<b>6.3%</b>

\*Education legacy trust fund excluding FY 14 and FY 15 lottery fund transfers. Includes pension stabilization fund interest in FY 08 and FY 09.

## Lottery Transfers by Fund

(cash basis, millions of dollars)

	<b>Lottery: Total Transfers:*</b>		<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student Achievement Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Development Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>	<b>Gambling Revolving Account</b>
2004	113.3	0.0	4.0	7.3	76.5	25.5			0.0	0.0	0.0	0.0
2005	112.2	4.3	4.2	7.6	0.0	96.2			0.0	0.0	0.0	0.0
2003-05 Biennium	225.6	4.3	8.2	14.9	76.5	121.7			0.0	0.0	0.0	0.0
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	126.4	12.9	5.1	9.2	0.0	95.6	0.3	3.3	0.0	0.0	0.0	0.0
2011	137.2	8.6	5.3	9.6	0.0	9.4	0.3	4.5	99.5	0.0	0.0	0.0
2009-11 Biennium	263.6	21.5	10.4	18.8	0.0	105.0	0.5	7.9	99.5	0.0	0.0	0.0
2012	135.1	0.0	2.7	10.0	0.0	0.0	0.3	3.3	118.5	0.2	0.0	0.0
2013	139.7	0.0	0.0	10.4	0.0	0.0	0.3	3.5	125.5	0.0	0.0	0.0
2011-13 Biennium	274.8	0.0	2.7	20.4	0.0	0.0	0.6	6.9	244.0	0.2	0.0	0.0
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1	0.0
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1	0.0
2013-15 Biennium	291.0	9.9	0.0	22.0	0.0	0.0	0.6	8.4	233.9	0.0	16.1	0.0
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0	1.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0	1.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0	0.0
2021	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	228.9	32.8	0.0	0.0	0.0	0.0	0.4	6.0	189.7	0.0	0.0	0.0
2023	257.3	45.0	0.0	0.0	0.0	0.0	0.5	8.1	203.7	0.0	0.0	0.0
2021-23 Biennium	486.2	77.8	0.0	0.0	0.0	0.0	0.9	14.1	393.3	0.0	0.0	0.0
2024	228.4	38.8	0.0	0.0	0.0	0.0	0.7	4.5	184.5	0.0	0.0	0.0
2025	215.5	32.5	0.0	0.0	0.0	0.0	0.9	5.2	176.9	0.0	0.0	0.0
2023-25 Biennium	443.9	71.3	0.0	0.0	0.0	0.0	1.6	9.7	361.3	0.0	0.0	0.0
2026	216.3	32.0	0.0	0.0	0.0	0.0	0.9	5.2	178.2	0.0	0.0	0.0
2027	218.1	32.6	0.0	0.0	0.0	0.0	0.9	5.2	179.4	0.0	0.0	0.0
2025-27 Biennium	434.4	64.7	0.0	0.0	0.0	0.0	1.8	10.5	357.5	0.0	0.0	0.0

\* Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

Source: Lottery Commission, ERFC

## Lottery Transfers by Fund

(GAAP basis, millions of dollars)

	Lottery: Total Transfers:*		Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account	School Construction Account	Problem Gambling Account	Economic Development Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
2004	113.3	0.0	4.0	7.3	76.5	25.5			0.0	0.0	0.0	0.0
2005	112.2	4.3	4.2	7.6	0.0	96.2			0.0	0.0	0.0	0.0
2003-05 Biennium	225.6	4.3	8.2	14.9	76.5	121.7			0.0	0.0	0.0	0.0
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	129.4	12.9	5.1	9.2	0.0	97.4	0.3	4.6	0.0	0.0	0.0	0.0
2011	138.2	7.0	5.3	9.6	0.0	0.0	0.3	3.7	112.3	0.0	0.0	0.0
2009-11 Biennium	267.6	19.9	10.4	18.8	0.0	97.4	0.5	8.3	112.3	0.0	0.0	0.0
2012	138.0	0.0	2.7	10.0	0.0	0.0	0.3	3.0	121.8	0.2	0.0	0.0
2013	139.2	9.3	0.0	10.4	0.0	0.0	0.3	3.6	115.5	0.0	0.0	0.0
2011-13 Biennium	277.2	9.3	2.7	20.4	0.0	0.0	0.6	6.6	237.4	0.2	0.0	0.0
2014	147.7	0.6	0.0	10.8	0.0	0.0	0.3	4.0	121.9	0.0	10.1	0.0
2015	141.3	0.0	0.0	11.2	0.0	0.0	0.3	4.7	119.0	0.0	6.1	0.0
2013-15 Biennium	288.9	0.6	0.0	22.0	0.0	0.0	0.6	8.7	240.9	0.0	16.1	0.0
2016	175.5	31.9	0.0	11.7	0.0	0.0	0.3	2.8	128.7	0.0	0.0	0.0
2017	161.9	16.8	0.0	12.2	0.0	0.0	0.3	4.9	126.8	0.0	0.0	1.0
2015-17 Biennium	337.4	48.7	0.0	23.8	0.0	0.0	0.7	7.7	255.5	0.0	0.0	1.0
2018	183.0	31.2	0.0	12.6	0.0	0.0	0.4	4.6	134.2	0.0	0.0	0.0
2019	215.8	30.9	0.0	13.1	0.0	0.0	0.4	4.6	166.7	0.0	0.0	0.0
2017-19 Biennium	398.8	62.1	0.0	25.8	0.0	0.0	0.8	9.2	300.9	0.0	0.0	0.0
2020	180.9	16.2	0.0	13.7	0.0	0.0	0.4	3.4	147.3	0.0	0.0	0.0
2021	229.0	23.9	0.0	14.2	0.0	0.0	0.5	4.7	185.7	0.0	0.0	0.0
2019-21 Biennium	410.0	40.1	0.0	27.9	0.0	0.0	0.8	8.1	333.1	0.0	0.0	0.0
2022	216.8	33.6	0.0	0.0	0.0	0.0	0.4	6.2	176.6	0.0	0.0	0.0
2023	253.1	45.5	0.0	0.0	0.0	0.0	0.5	7.3	199.9	0.0	0.0	0.0
2021-23 Biennium	470.0	79.1	0.0	0.0	0.0	0.0	0.9	13.5	376.4	0.0	0.0	0.0
2024	228.1	39.1	0.0	0.0	0.0	0.0	0.7	5.2	183.0	0.0	0.0	0.0
2025	214.3	31.9	0.0	0.0	0.0	0.0	0.9	5.2	176.3	0.0	0.0	0.0
2023-25 Biennium	442.4	71.0	0.0	0.0	0.0	0.0	1.6	10.5	359.3	0.0	0.0	0.0
2026	216.5	32.0	0.0	0.0	0.0	0.0	0.9	5.2	178.3	0.0	0.0	0.0
2027	218.2	32.3	0.0	0.0	0.0	0.0	0.9	5.2	179.8	0.0	0.0	0.0
2025-27 Biennium	434.8	64.3	0.0	0.0	0.0	0.0	1.8	10.5	358.1	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 2023 and June 2023 forecasts  
2021-23 Biennium  
(Amounts in Millions)

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,587.3	\$0.0	\$13.8	\$1,601.1	\$13.8
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$674.3	\$0.0	\$0.3	\$674.6	\$0.3
Lottery Commission Lottery Revenue	\$77.8	\$0.0	(\$0.0)	\$77.8	(\$0.0)
State Treasurer Interest Earnings	\$234.3	\$0.0	(\$0.5)	\$233.8	(\$0.5)
Office of Financial Management Other Agencies	\$99.7	\$0.0	\$4.4	\$104.0	\$4.4
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$86.2	\$0.0	(\$1.0)	\$85.2	(\$1.0)
<b>Total General Fund-State</b>	<b>\$2,759.6</b>	<b>\$0.0</b>	<b>\$16.9</b>	<b>\$2,776.6</b>	<b>\$16.9</b>

**General Fund-State GAAP Estimates - Other Agencies**  
Comparison of the September 2023 and June 2023 forecasts  
2021-23 Biennium  
(Amounts in Millions)

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,587.3	\$0.0	\$13.8	\$1,601.1	\$13.8
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$674.3	\$0.0	\$0.3	\$674.6	\$0.3
Lottery Commission Lottery Revenue	\$76.8	\$0.0	\$2.3	\$79.1	\$2.3
State Treasurer Interest Earnings	\$256.7	\$0.0	\$2.9	\$259.5	\$2.9
Office of Financial Management Other Agencies	\$99.7	\$0.0	\$4.4	\$104.1	\$4.4
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$86.2	\$0.0	(\$1.0)	\$85.2	(\$1.0)
<b>Total General Fund-State</b>	<b>\$2,781.0</b>	<b>\$0.0</b>	<b>\$22.6</b>	<b>\$2,803.6</b>	<b>\$22.6</b>

\* Detail may not total due to rounding.

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

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,696.1	\$0.0	\$33.7	\$1,729.8	\$33.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$625.2	\$0.0	\$14.0	\$639.2	\$14.0
Lottery Commission Lottery Revenue	\$60.8	\$0.0	\$10.5	\$71.3	\$10.5
State Treasurer Interest Earnings	\$538.8	\$0.0	\$59.9	\$598.7	\$59.9
Office of Financial Management Other Agencies	\$7.6	\$0.0	\$4.6	\$12.2	\$4.6
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$76.9	\$0.0	\$1.2	\$78.0	\$1.2
<b>Total General Fund-State</b>	<b>\$3,005.3</b>	<b>\$0.0</b>	<b>\$123.8</b>	<b>\$3,129.1</b>	<b>\$123.8</b>

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

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,696.1	\$0.0	\$33.7	\$1,729.8	\$33.7
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$625.2	\$0.0	\$14.0	\$639.2	\$14.0
Lottery Commission Lottery Revenue	\$62.7	\$0.0	\$8.3	\$71.0	\$8.3
State Treasurer Interest Earnings	\$542.6	\$0.0	\$49.9	\$592.5	\$49.9
Office of Financial Management Other Agencies	\$7.6	\$0.0	\$4.6	\$12.2	\$4.6
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$76.9	\$0.0	\$1.2	\$78.0	\$1.2
<b>Total General Fund-State</b>	<b>\$3,011.1</b>	<b>\$0.0</b>	<b>\$111.6</b>	<b>\$3,122.7</b>	<b>\$111.6</b>

\* Detail may not total due to rounding.

**General Fund-State Cash Estimates - Other Agencies**  
Comparison of the September 2023 and June 2023 forecasts  
2025-27 Biennium  
(Amounts in Millions)

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,778.6	\$0.0	\$39.0	\$1,817.5	\$39.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$660.0	\$0.0	\$28.9	\$688.8	\$28.9
Lottery Commission Lottery Revenue	\$64.1	\$0.0	\$0.6	\$64.7	\$0.6
State Treasurer Interest Earnings	\$432.9	\$0.0	(\$30.6)	\$402.3	(\$30.6)
Office of Financial Management Other Agencies	(\$95.7)	\$0.0	\$2.9	(\$92.8)	\$2.9
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$73.1	\$0.0	\$5.0	\$78.1	\$5.0
<b>Total General Fund-State</b>	<b>\$2,912.9</b>	<b>\$0.0</b>	<b>\$45.8</b>	<b>\$2,958.7</b>	<b>\$45.8</b>

**General Fund-State GAAP Estimates - Other Agencies**  
Comparison of the September 2025 and June 2027 forecasts  
2023-25 Biennium  
(Amounts in Millions)

Source/Agency	June 2023 Baseline	Non-Economic Changes	Economic Changes	September 2023 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,778.6	\$0.0	\$39.0	\$1,817.5	\$39.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$660.0	\$0.0	\$28.9	\$688.8	\$28.9
Lottery Commission Lottery Revenue	\$63.7	\$0.0	\$0.6	\$64.3	\$0.6
State Treasurer Interest Earnings	\$427.2	\$0.0	(\$32.6)	\$394.6	(\$32.6)
Office of Financial Management Other Agencies	(\$95.7)	\$0.0	\$2.9	(\$92.8)	\$2.9
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$73.1	\$0.0	\$5.0	\$78.1	\$5.0
<b>Total General Fund-State</b>	<b>\$2,906.9</b>	<b>\$0.0</b>	<b>\$43.8</b>	<b>\$2,950.7</b>	<b>\$43.8</b>

\* Detail may not total due to rounding.

## U.S. Forecast Comparison

	2023Q1	2023Q2	2023Q3	2023Q4
<b>Real GDP (Billions of 2012 Dollars)</b>				
September Forecast, Final	20,283	20,386	20,538	20,561
Percent Change	2.0%	2.1%	3.0%	0.5%
September Forecast, Preliminary	20,283	20,404	20,481	20,487
Percent Change	2.0%	2.4%	1.5%	0.1%
<b>Real Consumption (Billions of 2012 Dollars)</b>				
September Forecast, Final	14,360	14,420	14,515	14,538
Percent Change	4.2%	1.7%	2.7%	0.6%
September Forecast, Preliminary	14,360	14,419	14,465	14,477
Percent Change	4.2%	1.6%	1.3%	0.3%
<b>PCE Price Index (2012=100)</b>				
September Forecast, Final	126.2	127.0	128.0	128.9
Percent Change	4.1%	2.5%	3.4%	3.0%
September Forecast, Preliminary	126.2	127.0	127.9	128.8
Percent Change	4.1%	2.6%	2.9%	2.7%
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
September Forecast, Final	17,849	17,921	17,926	17,959
Percent Change	0.9%	1.6%	0.1%	0.7%
September Forecast, Preliminary	17,849	17,919	17,971	18,017
Percent Change	0.9%	1.6%	1.2%	1.0%
<b>Nonfarm Payroll Employment (Millions)</b>				
September Forecast, Final	155.2	155.9	156.4	156.4
Percent Change	2.5%	1.7%	1.2%	0.1%
September Forecast, Preliminary	155.2	155.9	156.4	156.5
Percent Change	2.5%	1.8%	1.2%	0.2%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Final	3.5	3.5	3.7	3.8
September Forecast, Preliminary	3.5	3.5	3.6	3.7
<b>Oil Price, Refiner's Acquisition</b>				
September Forecast, Final	74.5	73.9	81.9	89.1
September Forecast, Preliminary	74.5	74.8	78.9	79.2
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
September Forecast, Final	6.4	6.5	7.1	7.0
September Forecast, Preliminary	6.4	6.5	7.0	6.9
<b>3 Month T-Bill Rate (Percent, average)</b>				
September Forecast, Final	4.6	5.1	5.3	5.5
September Forecast, Preliminary	4.6	5.1	5.4	5.5

	2021	2022	2023	2024	2025	2026	2027
September Forecast, Final	19,610	20,014	20,442	20,637	21,049	21,470	21,878
Percent Change	5.9%	2.1%	2.1%	1.0%	2.0%	2.0%	1.9%
September Forecast, Preliminary	19,610	20,014	20,414	20,579	20,991	21,411	21,818
Percent Change	5.9%	2.1%	2.0%	0.8%	2.0%	2.0%	1.9%
September Forecast, Final	13,754	14,130	14,458	14,606	14,913	15,226	15,531
Percent Change	8.3%	2.7%	2.3%	1.0%	2.1%	2.1%	2.0%
September Forecast, Preliminary	13,754	14,130	14,430	14,560	14,865	15,177	15,481
Percent Change	8.3%	2.7%	2.1%	0.9%	2.1%	2.1%	2.0%
September Forecast, Final	115.6	122.9	127.5	130.9	133.6	136.2	138.9
Percent Change	4.0%	6.3%	3.8%	2.7%	2.0%	2.0%	1.9%
September Forecast, Preliminary	115.6	122.9	127.5	130.6	133.3	135.8	138.5
Percent Change	4.0%	6.3%	3.7%	2.5%	2.0%	1.9%	2.0%
September Forecast, Final	18,427	17,725	17,914	18,219	18,685	19,156	19,671
Percent Change	3.3%	-3.8%	1.1%	1.7%	2.6%	2.5%	2.7%
September Forecast, Preliminary	18,427	17,725	17,939	18,234	18,735	19,264	19,780
Percent Change	3.3%	-3.8%	1.2%	1.6%	2.7%	2.8%	2.7%
September Forecast, Final	146.3	152.6	156.0	155.9	156.0	156.6	157.3
Percent Change	2.9%	4.3%	2.2%	-0.1%	0.1%	0.4%	0.4%
September Forecast, Preliminary	146.3	152.6	156.0	155.9	156.1	156.8	157.4
Percent Change	2.9%	4.3%	2.2%	-0.1%	0.1%	0.4%	0.4%
September Forecast, Final	5.4	3.6	3.6	4.2	4.3	4.2	4.1
September Forecast, Preliminary	5.4	3.6	3.6	4.2	4.3	4.2	4.1
September Forecast, Final	67.5	95.2	79.8	82.9	76.2	71.6	68.1
September Forecast, Preliminary	67.5	95.2	76.8	76.7	73.0	69.9	67.1
September Forecast, Final	3.0	5.4	6.7	6.3	5.4	5.1	4.9
September Forecast, Preliminary	3.0	5.4	6.7	6.3	5.4	5.0	4.9
September Forecast, Final	0.0	2.0	5.1	4.8	3.2	2.4	2.4
September Forecast, Preliminary	0.0	2.0	5.1	4.8	3.3	2.4	2.4

## U.S. Forecast Comparison

	2023Q1	2023Q2	2023Q3	2023Q4
<b>Real GDP (Billions of 2012 Dollars)</b>				
September Forecast	20,283	20,386	20,538	20,561
Percent Change	2.0%	2.1%	3.0%	0.5%
June Forecast	20,246	20,286	20,266	20,258
Percent Change	1.3%	0.8%	-0.4%	-0.2%
<b>Real Consumption (Billions of 2012 Dollars)</b>				
September Forecast	14,360	14,420	14,515	14,538
Percent Change	4.2%	1.7%	2.7%	0.6%
June Forecast	14,347	14,387	14,386	14,387
Percent Change	3.8%	1.1%	0.0%	0.0%
<b>PCE Price Index (2012=100)</b>				
September Forecast	126.2	127.0	128.0	128.9
Percent Change	4.1%	2.5%	3.4%	3.0%
June Forecast	126.2	127.0	127.8	128.6
Percent Change	4.2%	2.6%	2.5%	2.7%
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
September Forecast	17,849	17,921	17,926	17,959
Percent Change	0.9%	1.6%	0.1%	0.7%
June Forecast	17,825	17,904	17,986	18,016
Percent Change	0.4%	1.8%	1.9%	0.7%
<b>Nonfarm Payroll Employment (Millions)</b>				
September Forecast	155.2	155.9	156.4	156.4
Percent Change	2.5%	1.7%	1.2%	0.1%
June Forecast	155.2	156.1	156.4	156.2
Percent Change	2.5%	2.2%	0.8%	-0.4%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast	3.5	3.5	3.7	3.8
June Forecast	3.5	3.5	3.6	3.8
<b>Oil Price, Refiner's Acquisition</b>				
September Forecast	74.5	73.9	81.9	89.1
June Forecast	74.3	73.3	68.6	68.3
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
September Forecast	6.4	6.5	7.1	7.0
June Forecast	6.4	6.5	6.6	6.3
<b>3 Month T-Bill Rate (Percent, average)</b>				
September Forecast	4.6	5.1	5.3	5.5
June Forecast	4.6	5.0	5.1	5.0

	2021	2022	2023	2024	2025	2026	2027
September Forecast	19,610	20,014	20,442	20,637	21,049	21,470	21,878
Percent Change	5.9%	2.1%	2.1%	1.0%	2.0%	2.0%	1.9%
June Forecast	19,610	20,014	20,264	20,412	20,820	21,237	21,640
Percent Change	5.9%	2.1%	1.2%	0.7%	2.0%	2.0%	1.9%
September Forecast	13,754	14,130	14,458	14,606	14,913	15,226	15,531
Percent Change	8.3%	2.7%	2.3%	1.0%	2.1%	2.1%	2.0%
June Forecast	13,754	14,130	14,377	14,486	14,791	15,101	15,403
Percent Change	8.3%	2.7%	1.7%	0.8%	2.1%	2.1%	2.0%
September Forecast	115.6	122.9	127.5	130.9	133.6	136.2	138.9
Percent Change	4.0%	6.3%	3.8%	2.7%	2.0%	2.0%	1.9%
June Forecast	115.6	122.9	127.4	130.5	133.0	135.6	138.3
Percent Change	4.0%	6.3%	3.7%	2.4%	2.0%	1.9%	2.0%
September Forecast	18,427	17,725	17,914	18,219	18,685	19,156	19,671
Percent Change	3.3%	-3.8%	1.1%	1.7%	2.6%	2.5%	2.7%
June Forecast	18,427	17,725	17,933	18,200	18,666	19,176	19,680
Percent Change	3.3%	-3.8%	1.2%	1.5%	2.6%	2.7%	2.6%
September Forecast	146.3	152.6	156.0	155.9	156.0	156.6	157.3
Percent Change	2.9%	4.3%	2.2%	-0.1%	0.1%	0.4%	0.4%
June Forecast	146.3	152.6	156.0	155.7	156.0	156.6	157.3
Percent Change	2.9%	4.3%	2.2%	-0.2%	0.2%	0.4%	0.4%
September Forecast	5.4	3.6	3.6	4.2	4.3	4.2	4.1
June Forecast	5.4	3.6	3.6	4.3	4.4	4.2	4.1
September Forecast	67.5	95.2	79.8	82.9	76.2	71.6	68.1
June Forecast	67.5	95.1	71.1	66.5	64.3	62.6	61.0
September Forecast	3.0	5.4	6.7	6.3	5.4	5.1	4.9
June Forecast	3.0	5.4	6.4	5.8	5.1	4.9	4.9
September Forecast	0.0	2.0	5.1	4.8	3.2	2.4	2.4
June Forecast	0.0	2.0	4.9	4.1	2.5	1.8	1.8

**Washington Forecast Comparison**

	2023Q1	2023Q2	2023Q3	2023Q4
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
September Forecast, Final	485.5	487.7	488.2	489.8
Percent Change	8.8%	1.9%	0.4%	1.3%
September Forecast, Preliminary	485.5	486.0	485.9	486.5
Percent Change	8.9%	0.4%	-0.1%	0.5%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast, Final	612.3	619.0	624.9	631.2
Percent Change	13.3%	4.5%	3.8%	4.1%
September Forecast, Preliminary	612.4	617.0	621.5	626.7
Percent Change	13.3%	3.1%	3.0%	3.4%
<b>Disposable Personal Income (Billions of Dollars)</b>				
September Forecast, Final	532.7	539.2	545.1	552.9
Percent Change	20.2%	5.0%	4.4%	5.9%
September Forecast, Preliminary	532.8	537.7	543.3	549.9
Percent Change	20.2%	3.8%	4.2%	5.0%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast, Final	3591	3608	3621	3623
Percent Change	3.4%	1.9%	1.5%	0.2%
September Forecast, Preliminary	3588	3604	3615	3620
Percent Change	3.4%	1.9%	1.2%	0.5%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast, Final	4.5	4.1	3.6	4.0
September Forecast, Preliminary	4.5	4.1	3.7	4.0
<b>Manufacturing Employment (Thousands)</b>				
September Forecast, Final	272.5	273.6	276.1	277.6
Percent Change	0.7%	1.6%	3.8%	2.0%
September Forecast, Preliminary	272.5	273.7	275.4	275.8
Percent Change	0.7%	1.8%	2.5%	0.6%
<b>Construction Employment (Thousands)</b>				
September Forecast, Final	237.4	239.9	242.4	240.3
Percent Change	5.4%	4.3%	4.2%	-3.5%
September Forecast, Preliminary	237.4	239.8	240.4	239.9
Percent Change	5.4%	4.1%	1.0%	-0.9%
<b>Housing Permits (Thousands)</b>				
September Forecast, Final	41.9	39.5	38.3	42.0
Percent Change	48.5%	-21.3%	-11.7%	45.7%
September Forecast, Preliminary	41.9	39.5	40.9	41.9
Percent Change	48.5%	-21.3%	15.5%	9.9%

	2021	2022	2023	2024	2025	2026	2027
September Forecast, Final	494.1	475.4	487.8	498.3	513.7	529.5	546.5
Percent Change	4.1%	-3.8%	2.6%	2.1%	3.1%	3.1%	3.2%
September Forecast, Preliminary	494.1	475.4	486.0	493.9	510.2	527.5	544.6
Percent Change	4.1%	-3.8%	2.2%	1.6%	3.3%	3.4%	3.2%
September Forecast, Final	570.9	583.9	621.9	652.2	686.1	721.1	758.9
Percent Change	8.2%	2.3%	6.5%	4.9%	5.2%	5.1%	5.2%
September Forecast, Preliminary	570.9	583.9	619.4	645.5	680.3	716.6	754.6
Percent Change	8.2%	2.3%	6.1%	4.2%	5.4%	5.3%	5.3%
September Forecast, Final	504.4	499.2	542.5	576.4	607.5	636.0	666.8
Percent Change	6.5%	-1.0%	8.7%	6.2%	5.4%	4.7%	4.8%
September Forecast, Preliminary	504.4	499.2	540.9	571.3	603.1	632.7	664.1
Percent Change	6.5%	-1.0%	8.3%	5.6%	5.6%	4.9%	4.9%
September Forecast, Final	3370	3528	3611	3620	3643	3679	3716
Percent Change	2.6%	4.7%	2.3%	0.3%	0.6%	1.0%	1.0%
September Forecast, Preliminary	3370	3527	3607	3616	3640	3678	3713
Percent Change	2.6%	4.7%	2.3%	0.3%	0.7%	1.0%	1.0%
September Forecast, Final	5.2	4.2	4.0	4.5	4.7	4.6	4.5
September Forecast, Preliminary	5.2	4.2	4.1	4.6	4.7	4.6	4.5
September Forecast, Final	260.0	268.9	274.9	274.3	270.3	272.1	273.6
Percent Change	-4.4%	3.4%	2.3%	-0.2%	-1.5%	0.7%	0.6%
September Forecast, Preliminary	260.0	268.9	274.4	272.8	270.9	273.4	274.6
Percent Change	-4.4%	3.4%	2.0%	-0.6%	-0.7%	0.9%	0.4%
September Forecast, Final	223.9	232.5	240.0	237.7	238.1	243.1	248.6
Percent Change	4.7%	3.8%	3.2%	-1.0%	0.1%	2.1%	2.3%
September Forecast, Preliminary	223.9	232.5	239.4	238.2	238.3	243.1	248.2
Percent Change	4.7%	3.8%	3.0%	-0.5%	0.0%	2.0%	2.1%
September Forecast, Final	56.9	49.0	40.4	42.4	44.2	45.2	45.3
Percent Change	29.8%	-13.9%	-17.6%	5.0%	4.1%	2.2%	0.3%
September Forecast, Preliminary	56.9	49.0	41.1	42.5	43.9	45.1	45.3
Percent Change	29.8%	-13.9%	-16.3%	3.4%	3.5%	2.6%	0.4%

**Washington Forecast Comparison**

	2023Q1	2023Q2	2023Q3	2023Q4
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
September Forecast	485.5	487.7	488.2	489.8
Percent Change	8.8%	1.9%	0.4%	1.3%
June Forecast	476.2	479.6	482.1	483.7
Percent Change	1.2%	2.8%	2.1%	1.4%
<b>Personal Income (Billions of Dollars)</b>				
September Forecast	612.3	619.0	624.9	631.2
Percent Change	13.3%	4.5%	3.8%	4.1%
June Forecast	600.8	609.0	616.0	622.3
Percent Change	5.4%	5.6%	4.6%	4.1%
<b>Disposable Personal Income (Billions of Dollars)</b>				
September Forecast	532.7	539.2	545.1	552.9
Percent Change	20.2%	5.0%	4.4%	5.9%
June Forecast	524.2	534.9	542.7	549.2
Percent Change	13.0%	8.4%	6.0%	4.9%
<b>Nonfarm Payroll Employment (Thousands)</b>				
September Forecast	3591	3608	3621	3623
Percent Change	3.4%	1.9%	1.5%	0.2%
June Forecast	3588	3602	3608	3611
Percent Change	2.5%	1.6%	0.6%	0.3%
<b>Unemployment Rate (Percent of Labor Force)</b>				
September Forecast	4.5	4.1	3.6	4.0
June Forecast	4.5	4.1	4.3	4.4
<b>Manufacturing Employment (Thousands)</b>				
September Forecast	272.5	273.6	276.1	277.6
Percent Change	0.7%	1.6%	3.8%	2.0%
June Forecast	275.0	276.9	276.2	274.0
Percent Change	4.1%	2.8%	-1.1%	-3.1%
<b>Construction Employment (Thousands)</b>				
September Forecast	237.4	239.9	242.4	240.3
Percent Change	5.4%	4.3%	4.2%	-3.5%
June Forecast	236.4	238.5	235.4	235.9
Percent Change	3.0%	3.7%	-5.2%	0.9%
<b>Housing Permits (Thousands)</b>				
September Forecast	41.9	39.5	38.3	42.0
Percent Change	48.5%	-21.3%	-11.7%	45.7%
June Forecast	41.9	37.3	40.7	41.6
Percent Change	48.5%	-37.1%	41.2%	9.5%

	2021	2022	2023	2024	2025	2026	2027
September Forecast	494.1	475.4	487.8	498.3	513.7	529.5	546.5
Percent Change	4.1%	-3.8%	2.6%	2.1%	3.1%	3.1%	3.2%
June Forecast	494.1	475.3	480.4	490.3	505.0	521.4	537.8
Percent Change	4.1%	-3.8%	1.1%	2.1%	3.0%	3.2%	3.2%
September Forecast	570.9	583.9	621.9	652.2	686.1	721.1	758.9
Percent Change	8.2%	2.3%	6.5%	4.9%	5.2%	5.1%	5.2%
June Forecast	570.9	583.8	612.0	639.6	671.9	707.0	744.1
Percent Change	8.2%	2.3%	4.8%	4.5%	5.0%	5.2%	5.3%
September Forecast	504.4	499.2	542.5	576.4	607.5	636.0	666.8
Percent Change	6.5%	-1.0%	8.7%	6.2%	5.4%	4.7%	4.8%
June Forecast	504.4	499.2	537.7	567.4	597.2	626.8	657.8
Percent Change	6.5%	-1.0%	7.7%	5.5%	5.3%	5.0%	5.0%
September Forecast	3370	3528	3611	3620	3643	3679	3716
Percent Change	2.6%	4.7%	2.3%	0.3%	0.6%	1.0%	1.0%
June Forecast	3370	3529	3602	3610	3636	3672	3709
Percent Change	2.6%	4.7%	2.1%	0.2%	0.7%	1.0%	1.0%
September Forecast	5.2	4.2	4.0	4.5	4.7	4.6	4.5
June Forecast	5.2	4.2	4.3	4.9	4.8	4.7	4.5
September Forecast	260.0	268.9	274.9	274.3	270.3	272.1	273.6
Percent Change	-4.4%	3.4%	2.3%	-0.2%	-1.5%	0.7%	0.6%
June Forecast	260.0	268.9	275.5	269.1	267.3	269.1	270.6
Percent Change	-4.4%	3.4%	2.5%	-2.3%	-0.7%	0.7%	0.5%
September Forecast	223.9	232.5	240.0	237.7	238.1	243.1	248.6
Percent Change	4.7%	3.8%	3.2%	-1.0%	0.1%	2.1%	2.3%
June Forecast	223.9	232.6	236.5	234.6	234.7	239.1	243.3
Percent Change	4.7%	3.9%	1.7%	-0.8%	0.1%	1.8%	1.8%
September Forecast	56.9	49.0	40.4	42.4	44.2	45.2	45.3
Percent Change	29.8%	-13.9%	-17.6%	5.0%	4.1%	2.2%	0.3%
June Forecast	56.9	49.0	40.4	42.3	44.1	44.8	45.2
Percent Change	29.8%	-13.9%	-17.6%	4.8%	4.0%	1.7%	0.7%

U.S. Forecast Comparison	Fiscal Years					
	2022	2023	2024	2025	2026	2027
<b>Real GDP</b>						
Billions of 2012 dollars						
September Forecast	19,875	20,227	20,555	20,826	21,263	21,673
<i>Growth</i>	4.0%	1.8%	1.6%	1.3%	2.1%	1.9%
June Forecast	19,875	20,192	20,290	20,612	21,030	21,438
<i>Growth</i>	4.0%	1.6%	0.5%	1.6%	2.0%	1.9%
Difference in level	0	34	266	214	233	235
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.2%</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>Real Consumption</b>						
Billions of 2012 dollars						
September Forecast	13,996	14,293	14,538	14,747	15,073	15,377
<i>Growth</i>	5.4%	2.1%	1.7%	1.4%	2.2%	2.0%
June Forecast	13,996	14,282	14,404	14,631	14,947	15,252
<i>Growth</i>	5.4%	2.0%	0.9%	1.6%	2.2%	2.0%
Difference in level	0	12	134	116	126	125
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.9%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>PCE Price Index</b>						
2012 = 100						
September Forecast	119.3	125.4	129.3	132.4	134.9	137.6
<i>Growth</i>	5.8%	5.1%	3.1%	2.4%	1.9%	2.0%
June Forecast	119.3	125.5	129.0	131.8	134.3	137.0
<i>Growth</i>	5.8%	5.1%	2.8%	2.2%	1.9%	2.0%
Difference in level	0.0	0.0	0.3	0.6	0.6	0.6
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Unemployment Rate</b>						
Percent of Labor Force						
September Forecast	4.2%	3.5%	3.9%	4.4%	4.3%	4.2%
June Forecast	4.2%	3.5%	4.0%	4.5%	4.3%	4.1%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>30 Year Fixed Mortgage Rate</b>						
Annual Average						
September Forecast	3.8%	6.3%	6.8%	5.8%	5.2%	5.0%
June Forecast	3.8%	6.3%	6.2%	5.4%	5.0%	4.9%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>3 Month T-Bill Rate</b>						
Annual Average						
September Forecast	0.4%	4.1%	5.3%	3.9%	2.7%	2.4%
June Forecast	0.4%	4.1%	4.8%	3.2%	2.0%	1.8%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>0.6%</b>

## Washington Forecast Comparison

Fiscal Years

	2022	2023	2024	2025	2026	2027
<b>Real Personal Income</b>						
Billions of 2012 dollars						
September Forecast	479.8	480.9	492.1	505.6	521.6	537.7
<i>Growth</i>	-2.0%	0.2%	2.3%	2.7%	3.1%	3.1%
June Forecast	479.9	476.4	485.2	497.0	513.3	529.5
<i>Growth</i>	-1.9%	-0.7%	1.8%	2.4%	3.3%	3.2%
Difference in level	-0.1	4.5	6.9	8.7	8.3	8.2
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Nominal Personal Income</b>						
Billions of dollars						
September Forecast	572.3	603.2	636.1	669.0	703.4	739.5
<i>Growth</i>	3.7%	5.4%	5.5%	5.2%	5.1%	5.1%
June Forecast	572.4	597.6	625.9	654.9	689.3	725.2
<i>Growth</i>	3.7%	4.4%	4.7%	4.6%	5.3%	5.2%
Difference in level	-0.1	5.6	10.3	14.1	14.1	14.3
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Nonfarm Payroll Employment</b>						
Thousands						
September Forecast	3,461.8	3,578.1	3,621.1	3,627.0	3,661.0	3,697.3
<i>Growth</i>	5.4%	3.4%	1.2%	0.2%	0.9%	1.0%
June Forecast	3,461.8	3,577.3	3,609.3	3,618.2	3,654.2	3,690.7
<i>Growth</i>	5.4%	3.3%	0.9%	0.2%	1.0%	1.0%
Difference in level	0.0	0.8	11.8	8.8	6.8	6.6
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>
<b>Housing Permits</b>						
Units Authorized, Thousands						
September Forecast	58.0	41.0	41.2	43.2	44.9	45.2
<i>Growth</i>	17.1%	-29.3%	0.6%	4.6%	4.1%	0.7%
June Forecast	58.0	40.5	41.6	43.1	44.6	45.0
<i>Growth</i>	17.1%	-30.2%	2.9%	3.6%	3.4%	0.8%
Difference in level	0.0	0.5	-0.4	0.0	0.3	0.2
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>0.9%</b>	<b>-2.3%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>-0.1%</b>

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

**Calendar Years**

	2023	2024	2025	2026	2027
<b>U.S.</b>					
<b>Real GDP</b>					
<i>Growth</i>					
ERFC	2.1	1.0	2.0	2.0	1.9
GCEA Average	1.9	1.0	2.1	2.1	2.2
<b>Real Consumption</b>					
<i>Growth</i>					
ERFC	2.3	1.0	2.1	2.1	2.0
GCEA Average	2.0	0.6	1.8	2.3	2.1
<b>PCE Price Index</b>					
<i>Growth</i>					
ERFC	3.8	2.7	2.0	2.0	1.9
GCEA Average	3.6	2.6	2.4	2.3	2.4
<b>Mortgage Rate</b>					
<i>Percent</i>					
ERFC	6.7	6.3	5.4	5.1	4.9
GCEA Average	6.7	6.3	5.6	5.5	5.1
<b>Oil Price (Brent)</b>					
<i>Dollars per barrel</i>					
ERFC	84.9	87.6	80.9	76.4	72.9
GCEA Average	82.1	83.9	83.6	80.5	79.2

**Washington State**

**Real Personal Income**

<i>Growth</i>					
ERFC	2.6	2.1	3.1	3.1	3.2
GCEA Average	2.2	1.9	3.1	3.3	3.2

**Wage and Salary Employment**

<i>Growth</i>					
ERFC	2.3	0.3	0.6	1.0	1.0
GCEA Average	2.2	0.9	1.0	1.1	1.2

**Manufacturing Employment**

<i>Growth</i>					
ERFC	2.3	-0.2	-1.5	0.7	0.6
GCEA Average	1.9	0.0	0.2	0.8	0.7

**Construction Employment**

<i>Growth</i>					
ERFC	3.2	-1.0	0.1	2.1	2.3
GCEA Average	2.9	-0.1	0.6	1.4	1.5

**Housing Permits**

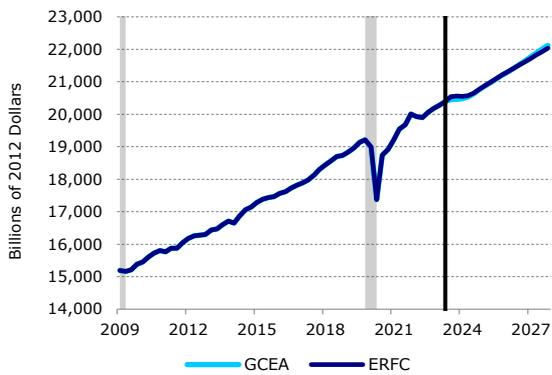
<i>Thousands of authorized units</i>					
ERFC	40.4	42.4	44.2	45.2	45.3
GCEA Average	40.4	43.2	44.9	45.7	45.9

**Washington Average Annual Wage**

<i>Growth</i>					
ERFC	4.8	4.2	4.4	4.2	4.5
GCEA Average	4.2	3.7	4.4	4.4	4.3

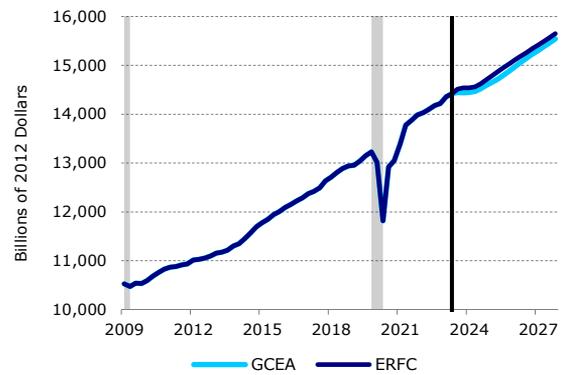
# U.S. Forecast Comparison

### Real GDP



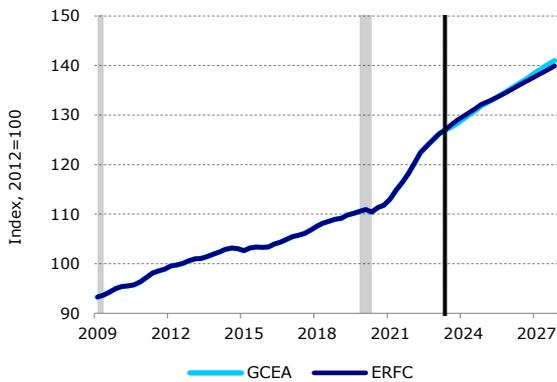
Source: BEA, ERFC, GCEA; data through 2023 Q2

### Real Consumption



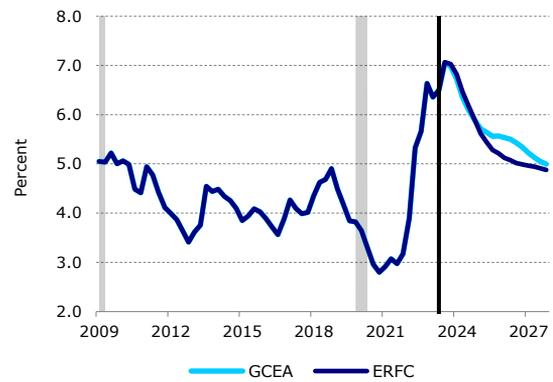
Source: BEA, ERFC, GCEA; data through 2023 Q2

### PCE Price Index



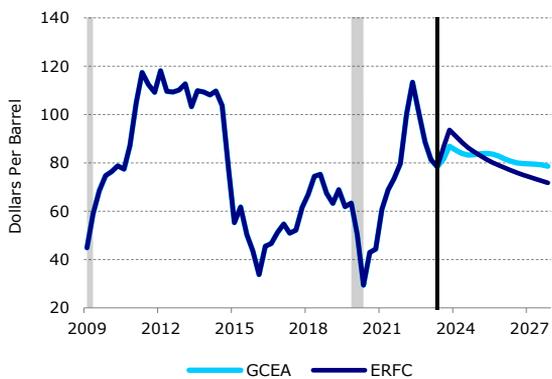
Source: BEA, ERFC, GCEA; data through 2023 Q2

### Mortgage Rate



Source: Freddie Mac, ERFC, GCEA; data through 2023 Q2

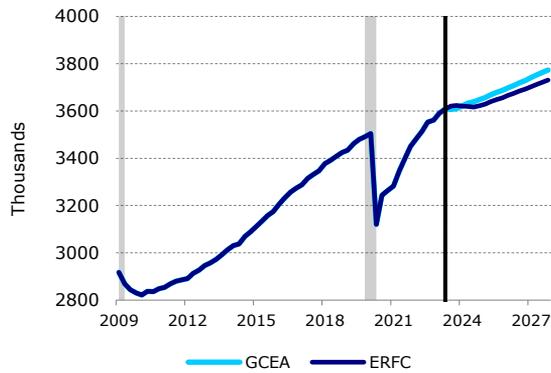
### Brent Oil Price



Source: EIA, ERFC, GCEA; data through 2023 Q2

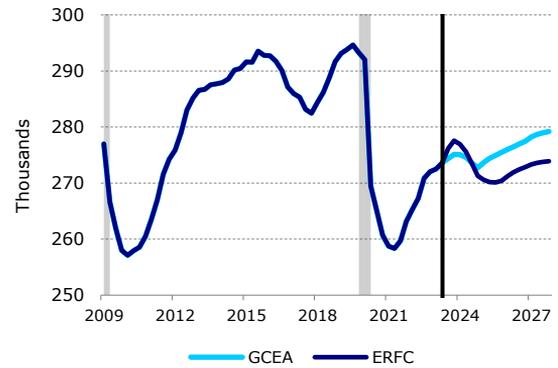
# Washington Forecast Comparison

### Nonfarm Payroll Employment



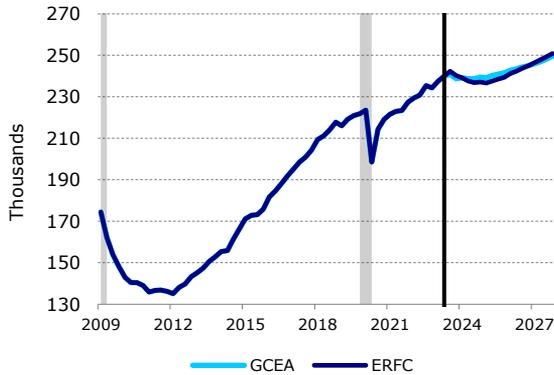
Source: ESD, ERFC, GCEA; data through 2023 Q2

### Manufacturing Employment



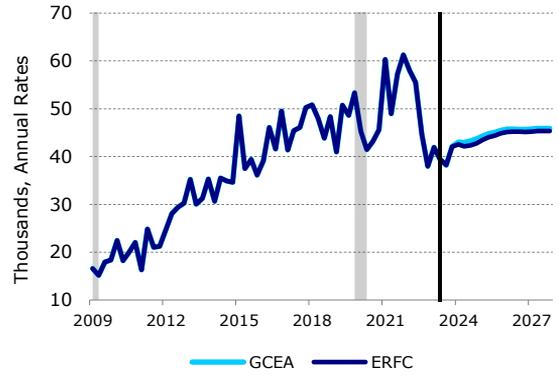
Source: ESD, ERFC, GCEA; data through 2023 Q2

### Construction Employment



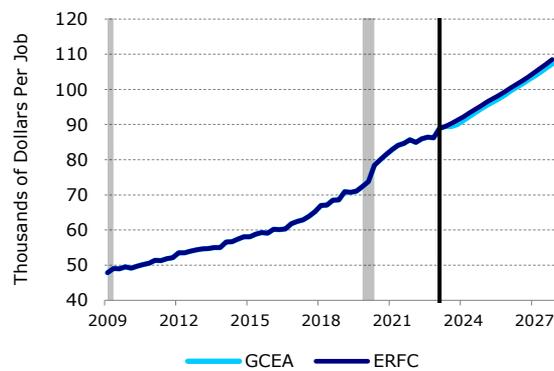
Source: ESD, ERFC, GCEA; data through 2023 Q2

### Housing Units Authorized



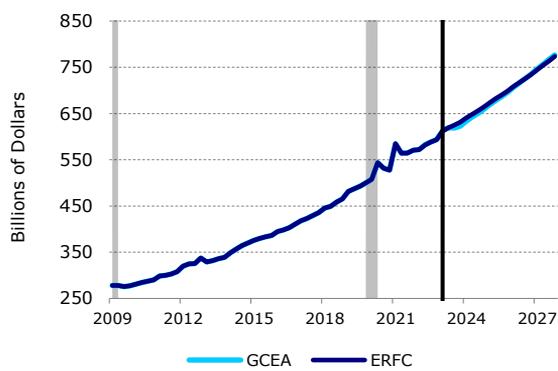
Source: Census, ERFC, GCEA; data through 2023 Q2

### Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2023 Q2

### Personal Income



Source: BEA, ERFC, GCEA; data through 2023 Q2

## 2021-23 and 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

	2021-23			2023-25		
	GFS	ELTA, OPA, WEIA, FSKA <sup>(1)</sup>	TOTAL	GFS	ELTA, OPA, WEIA, FSKA <sup>(1)</sup>	TOTAL
<b>RESOURCES</b>						
<b>Beginning Fund Balance</b>	3,673.7	487.0	4,160.7	3,729.7	1,038.3	4,768.0
June 2023 Revenue Forecast	60,896.8	3,589.9	64,486.7	62,741.0	3,287.5	66,028.5
September 2023 Revenue Forecast Change	111.3	153.7	265.0	616.1	47.4	663.4
<b>Current Revenue Totals</b>	<b>61,008.2</b>	<b>3,743.6</b>	<b>64,751.7</b>	<b>63,357.0</b>	<b>3,334.9</b>	<b>66,691.9</b>
Transfer to Budget Stabilization Account (1% of GSR)	(610.3)		(610.3)	(631.9)	-	(631.9)
Transfer to Budget Stabilization Account (EGSR) <sup>(2)</sup>	-		-	-	-	-
Enacted Fund Transfers	(1,275.6)	-	(1,275.6)	50.7	-	50.7
WRPTA Fund Transfer				1,302.0	-	1,302.0
ACFR Adjustments	9.4	2.6	12.1			-
ACFR Beginning Balance Adjustments	220.1	(36.3)	183.8			-
Actual/Assumed Prior Period Adjustments <sup>(3)</sup>	163.8	0.2	164.0	40.8	-	40.8
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>63,189.4</b>	<b>4,197.0</b>	<b>67,386.4</b>	<b>67,848.3</b>	<b>4,373.1</b>	<b>72,221.4</b>
<b>EXPENDITURES</b>						
<b>Enacted Budgets</b>						
2021-23 Biennium	60,187.7	3,158.7	63,346.5			
2023-25 Biennium				66,255.5	3,548.9	69,804.4
Actual/Assumed Reversions <sup>(4)</sup>	(728.1)	-	(728.1)	(493.3)	-	(493.3)
Emergency Drought Response Acct Conditional Transfer <sup>(5)</sup>				3.0		3.0
<b>Total Expenditures</b>	<b>59,459.7</b>	<b>3,158.7</b>	<b>62,618.4</b>	<b>65,765.2</b>	<b>3,548.9</b>	<b>69,314.0</b>
<b>RESERVES</b>						
<b>Projected Ending Balance</b>	<b>3,729.7</b>	<b>1,038.3</b>	<b>4,768.0</b>	<b>2,083.2</b>	<b>824.2</b>	<b>2,907.4</b>
<b>Budget Stabilization Account</b>						
BSA Beginning Balance	19.2		19.2	652.3		652.3
Transfers from General Fund (1% of GSR)	610.3		610.3	631.9		631.9
Transfers from General Fund (EGSR) <sup>(2)</sup>	-		-	-		-
Transfers from Disaster Response Acct (05H) - FY 22	4.8		4.8			-
Prior Period Adjustments - Actual FY 22	10.3		10.3			-
Actual/Assumed Biennium - Interest Earnings	7.8		7.8	57.2		57.2
<b>Projected BSA Ending Balance</b>	<b>652.3</b>		<b>652.3</b>	<b>1,341.4</b>		<b>1,341.4</b>
<b>Washington Rescue Plan Transition Account</b>						
Beginning Balance	1,000.0		1,000.0	2,100.0		2,100.0
Transfer from General Fund	1,100.0		1,100.0			
Transfer to General Fund				(1,302.0)		(1,302.0)
<b>Projected WRPTA Ending Balance</b>	<b>2,100.0</b>		<b>2,100.0</b>	<b>798.0</b>		<b>798.0</b>
<b>Total Reserves Including BSA and WRPTA</b>	<b>6,482.0</b>	<b>1,038.3</b>	<b>7,520.3</b>	<b>4,222.6</b>	<b>824.2</b>	<b>5,046.8</b>

(1) No revenue or expenditures for 25H-Fair Start for Kids Account (FSKA).

(2) Based on the state constitution, no transfer of extraordinary revenue will occur in the 21-23 biennium because annual average state employment growth averaged less than one percent per fiscal year in the 19-21 biennium.

(3) The 2021-23 amount includes \$84 million for Gain Share.

(4) Reversion amounts are consistent with the ERF's adopted budget outlook.

(5) SHB 1138 | Conditional transfer to bring 28E-1 to \$3 million balance, activated by Department of Ecology issuing drought emergency order.

**Acronyms**

ACFR - Annual Comprehensive Financial Report  
BSA - Budget Stabilization Account  
GSR - General State Revenues  
EGSR - Extraordinary General State Revenues  
WRPTA - Washington Rescue Plan Transition Account