

EMBARGOED

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Revenue Review

March 18, 2025



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

AGENDA

REVENUE REVIEW

March 18, 2025
2:00 p.m.

- Call to order
- Approval of meeting minutes from February 27, 2025
- Economic & Revenue Forecast
 - Adoption of official state economic and revenue forecast and unofficial optimistic and pessimistic alternative forecasts
- Adjournment

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STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 • Olympia, Washington 98504-0912 • (360) 534-1560

Meeting Minutes
Economic Review
February 27, 2025
Conference Call

Economic and Revenue Forecast Council

June Robinson, Senate, Chair
April Berg, House of Representatives
Travis Couture, House of Representatives
Chris Gildon, Senate
Timm Ormsby, House of Representatives
Ed Orcutt, House of Representatives
Nikki Torres, Senate
Yasmin Trudeau, Senate
Mike Pellicciotti, Treasurer
Katherine Chapman-See, Office of Financial
Management

Staff

Dave Reich, Executive Director

Call to Order

Senator Robinson called the meeting to order at 8:00 a.m.

Approval of the Minutes

Representative Orcutt moved, seconded by Senator Robinson, to adopt the meeting minutes from January 27, 2025. Motion passed at 8:01 a.m.

Economic Forecast Presentation

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

Adjournment

With no further business, the meeting adjourned at 8:29 a.m.

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



Revenue Review: March 18, 2025

Executive Summary

United States

- This forecast is based on a modified version of S&P Global Market Intelligence's February 2025 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the February 2025 Blue Chip "Consensus" GDP forecast for 2025 and 2026. We expect real GDP to increase 2.2% in 2025 and 2.0% in 2026, compared with the 2.0% and 2.1% growth rates assumed in the November forecast. Our forecast for real GDP growth in 2027-29 is based on the bottom 10 long-term forecast from Blue Chip which was released in October 2024. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029 down 0.1 percentage point each year from the November forecast.
- Our oil price forecast reflects futures market prices for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmark. This forecast was based on the Wednesday, March 5, 2025 closing prices for Brent and WTI futures. Oil prices are unchanged compared with the November forecast for the first quarter of 2025 and then lower afterwards. As in November, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$71 per barrel in the first quarter of 2025, unchanged compared to the November forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$63 per barrel, down \$1 compared with the \$64 per barrel in the November forecast.
- National employment in February increased by 151,000 net jobs but employment levels for December and January were revised down due to additional data and updated seasonal factors by a combined 2,000 jobs. Sectors with the largest job gains in February included healthcare (+52,000), financial activities (+21,000), and construction (+19,000). Sectors with declining employment in February included accommodation and food service (-23,800), food and beverage retailers (-15,000) and temporary help services (-12,300).
- Two key measures of consumer confidence decreased in February. The University of Michigan (UM) consumer sentiment survey decreased by 7.0 points to 64.7 in February after decreasing by 2.3 points in January. The Conference Board index of consumer confidence decreased by 7.0 points in February to 98.3. Survey results indicated increased pessimism about current and future labor markets, income, and business conditions.
- Consumer prices increased 0.2% (SA) in February following a 0.5% increase in January. Compared to February 2024, prices are up 2.8%. Core prices, which exclude food and energy, rose by 3.1% compared to February 2024.

- Initial claims for unemployment insurance decreased by 2,000 to 220,000 (SA) in the week ending March 8th. The four-week moving average of initial claims increased by 1,500 to 226,000.
- Industrial production increased by 0.5% in January following a 1.0% increase in December. Industrial production was up 2.0% compared with its January 2024 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.8% (SA) in January following a 0.2% increase in December according to U.S. Census Bureau data. New orders for core capital goods were 2.2% above their January 2024 level.
- Residential construction activity was mixed in January compared with December, and new and existing home sales were down. January housing starts decreased by 9.8% (SA) compared to December and were 0.7% below their January 2024 level. Housing units authorized by building permits in January were 0.1% (SA) above their December level but 1.7% below their year-ago level. New home sales in January decreased by 10.5% (SA) compared to December and were 1.1% below their year-ago level. Existing home sales in January decreased by 4.9% (SA) compared to December but were up 2.0% compared to January 2024. The seasonally adjusted Case-Shiller national home price index for December was 0.5% above its November level and 4.0% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of elevated prices, high interest rates and geopolitical conflict along with trade policy and changes in employment and spending by the federal government.

Washington

- Washington job growth has been stronger than expected compared to the November forecast. Total seasonally adjusted nonfarm payroll employment increased 48,200 in November and December which was 9,100 more than the increase of 39,200 expected in the forecast. The recently resolved Boeing strike raised employment in November by approximately 33,000 as striking workers returned to payrolls. The construction sector increased by 600 jobs while manufacturing employment increased by 31,500 in the two months since the forecast. Leisure and hospitality had the largest increase in the private service sector, gaining 4,300 jobs over the two months. The largest decline was in non air, water, and truck transportation and warehousing with a loss of 1,800 jobs. Government employment increased by 4,600, with a decline of 600 jobs in federal government partially offsetting a 5,200 job gain in state and local government.
- In March, the Bureau of Labor Statistics released preliminary Washington labor forecast estimates for January 2025 and revised earlier estimates. The revised estimates show that the Washington unemployment rate didn't rise as much as previously believed. The 2024 peak in the unemployment rate is now 4.6%, down from the 4.9% peak prior to the revision. In January, the Washington unemployment rate decreased to 4.3% (SA) from a revised 4.4% in December.

- The March forecast calls for a 1.0% increase in Washington employment this year, up from 0.9% in the November forecast. We expect slightly slower growth during the remainder of the forecast as the U.S. economy slows. The forecast has employment growth average 0.8% per year in 2026 through 2029, down from 0.9% in the previous forecast. We assume the 4.2% unemployment rate in 2023 was the trough. Going forward, we expect the unemployment rate to increase to 4.7% in 2026 and 2027, then decline to 4.4% in 2029.
- Washington's aerospace employment increased 17,100 jobs since reaching a trough of 66,700 in August 2021, bringing the level to 83,900 in September 2024. The March economic forecast incorporates the announced layoffs by Boeing following the resolution of the machinists strike in November. The forecast calls for aerospace employment to reach a trough in the second quarter of 2025 of 79,600 jobs. Going forward, we expect aerospace employment to increase through the forecast period and reach 88,100 jobs by the fourth quarter of 2029.
- In December, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the third quarter of 2024. Washington personal income increased from \$667.8 billion (SAAR) in the second quarter of 2024 to \$669.0 billion in the third quarter. The 0.7% increase (SAAR) in Washington personal income was the 2nd lowest among the states and trailed the 3.2% rate of increase for the U.S. as a whole. Washington net earnings increased 0.4% (SAAR) compared to a 3.8% increase for the national average rate. Transfer receipts increased at a 4.2% annual rate in Washington compared to a 5.2% increase for the nation. Property income (dividends, interest, and rent) declined 0.7% (SAAR) in both Washington and the nation in the third quarter. Some of the weakness in Washington can be attributed to seasonal adjustment issues relating to reclassification of major Washington companies into new industries.
- The forecast for nominal personal income growth this year is 4.7%, up from 4.6% in the November forecast. We expect nominal personal income growth to average 5.4% from 2026 to 2029, up slightly from 5.3% in the November forecast. The combination of small downward revisions to historical data and slightly stronger growth in 2025 through 2029, results in Washington nominal personal income being \$1.9 billion (0.2%) lower in 2029 than assumed in the previous forecast.
- Seattle-area home prices are increasing. Home prices increased 0.5% (SA) in December after increasing 0.1% in November. Home prices in Seattle remain up 5.6% since last year. In comparison, the composite-20 index grew 0.5% in December as well and was up 4.5% year-over-year in December.
- Seattle-area consumer price inflation is declining, and for the second consecutive time after over three years, Seattle-area consumer price inflation was lower than the U.S. City average. From February 2024 to February 2025, the Seattle CPI rose 2.5% compared to the 2.8% increase in the U.S. City average index. Inflation has come down sharply since reaching a peak in

June of 2023 at 10.1% for Seattle and 9.1% for the U.S. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 4.5% and 4.2% respectively. Core inflation (excluding food and energy) is close to its desired level of 2% for Seattle but remains elevated for the U.S. Seattle core CPI rose 2.3% year-over-year in February compared to 3.1% for the U.S. City average.

- Washington exports fell sharply in the fourth quarter, declining 18.5% from a year ago. Some of the drop was due to a 42.5% year-over-year decline in transportation equipment exports which were delayed due to the Boeing strike. Excluding transportation equipment exports, total exports declined 6.5% over the year with each of the top five export sectors declining.
- Washington new car and truck sales declined sharply in February. The seasonally adjusted number of new vehicle registrations fell 17.9% over the month in February to 252,700 (SAAR). Passenger car registrations declined 17.4% while light truck registrations declined 21.3%. The reason for the drop in new car registrations was due to the Department of Licensing closing for a week to update their computer system. The number of total registrations were down 7.7% over the year in February.
- Washington housing construction continued to improve in the first quarter of 2025. A total of 40,200 units (SAAR) were permitted in January, up from a revised 39,700 units (SAAR) in the fourth quarter. Permits in January consisted of 17,700 single-family units and 22,400 multi-family units. The November forecast assumed 36,500 units for the first quarter as a whole, consisting of 20,300 single-family units and 16,200 multi-family units.
- We expect 2025 to be the trough in housing permits with 37,000 units. The forecast calls for growth in housing permits through 2029, reaching 42,100 units. The previous forecast called for total housing permits to grow to 43,800 units in 2029 from a trough of 36,000 units in 2024.

Revenue

- Cumulative major General Fund-State revenue (GF-S) since the November 2024 forecast came in \$55.8 million (0.5%) higher than forecasted. Collections of Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation (B&O), public utility and non-cigarette tobacco products) came in \$63.8 million (0.8%) higher than forecasted. Collections of all other DOR revenue sources were \$8.3 million (0.3%) lower than forecasted.
- The March state economic forecast projects lower housing permits, construction employment and personal income than expected in November. These factors have resulted in decreases in forecasted Revenue Act taxes. Forecasted Revenue Act collections have been decreased \$48.4 million for the current biennium, \$439.0 million in the 2025-27 biennium and \$415.6 million in the 2027-29 biennium.

- Real estate excise tax collections since November were \$39.6 million (12.9%) higher than forecasted. Due to the higher-than expected baseline taxable activity, forecasted receipts have increased by \$8.1 million and \$6.9 million respectively in the 2025-27 and 2027-29 biennia. In the current biennium, however, forecasted receipts increased by \$94.8 million due to the surplus collections, several large transactions completed after the close of the February collection period and one large transaction expected to occur before the end of the fiscal year.
- Forecasted GF-S revenue is now \$63.072 billion for the 2023-25 biennium, a decrease of \$0.5 million from the November 2024 forecast. Forecasted GF-S revenue is \$67.159 billion for the 2025-27 biennium, a decrease of \$665.0 million, and \$72.329 billion for the 2027-29 biennium, a decrease of \$578.8 million.
- Forecasted Education Legacy Trust Account (ELTA) revenue has increased due to increases in forecasted capital gains, estate, and real estate excise taxes. The ELTA forecast has been increased by \$29.9 million in the current biennium, \$181.3 million in the 2025-27 biennium and \$166.7 million in the 2027-29 biennium. Forecasted ELTA revenue is now \$2.118 billion for the 2023-25 biennium, \$2.483 billion for the 2025-27 biennium and \$2.707 billion for the 2027-29 biennium.
- The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was decreased by \$7.8 million in the current biennium, increased \$6.9 million in the 2025-27 biennium and decreased \$3.7 million in the 2027-29 biennium. Estimated OPA revenue is now \$340.7 million for the 2023-25 biennium, \$366.3 million for the 2025-27 biennium and \$374.6 million for the 2027-29 biennium.
- The forecast of revenue dedicated to the Workforce Education Investment Account (WEIA) has been increased by \$32.9 million in the current biennium due to a large one-time payment. The forecast for the next two biennia, however, has been lowered slightly due to lower forecasted personal income. The decreases were \$2.1 and \$4.5 million in the next two biennia respectively. Estimated WEIA revenue is now \$914.6 million for the 2023-25 biennium, \$942.6 million for the 2025-27 biennium and \$1.014 billion for the 2027-29 biennium.
- Summing the changes to the GF-S, ELTA, OPA and WEIA forecasts, total state revenue subject to the budget outlook process is expected to increase by \$54.4 million in the 2023-25 biennium but decrease by \$479.0 million in the 2025-27 biennium and \$420.2 million in the 2027-29 biennium.
- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$66.445 billion, an increase of 2.6% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$70.952 billion, an increase of 6.8% over the prior biennium, and forecasted total revenue for the 2027-29 biennium is \$76.425 billion, an increase of 7.7% over the prior biennium.

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Revenue Review

Presented to the
Economic and Revenue Forecast Council

Dave Reich
Executive Director

March 18, 2025



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ECONOMIC AND REVENUE FORECAST COUNCIL



Overview

U.S. Economy

- The U.S. economic forecast for output is slightly stronger in the near-term, but inflation/interest rates are higher
- There is an elevated level of risk to the forecast due to recent changes in trade policy and the federal gov't.

Washington

- WA employment/permit levels are lower after 2025 compared with November
- Personal income levels are lower

Revenue

- The forecast of funds subject to the budget outlook is decreased by \$425 million (0.3%) for 2023-27 period

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Since the November forecast...

The economic forecast incorporates WA employment data through December 2024 and U.S. employment through January 2025

Positives:

- U.S. employment has increased by 709,000 jobs
- Real GDP grew 2.3% in 4Q, (2.8% yoy in 2024)
- Inflation slowed (Seattle CPI up 2.5%, Feb.25)
- WA employment up 1.6% in 4Q

Negatives:

- Recent tariff increases and retaliation
- Recent federal changes in employment and spending
- WA revenue collections growth continues to be slow

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Forecast risks

Upside

- Inflation falls faster, stronger consumer spending, faster interest rate cuts
- Quicker resolution of Russia – Ukraine, Middle East conflicts leads to lower commodity prices
- Tariffs are avoided or lower

Downside

- Inflation stays higher longer and elevated interest rates slow the economy
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy
- Trade policy (higher U.S. tariffs and retaliation)
- Larger federal employment/spending reductions

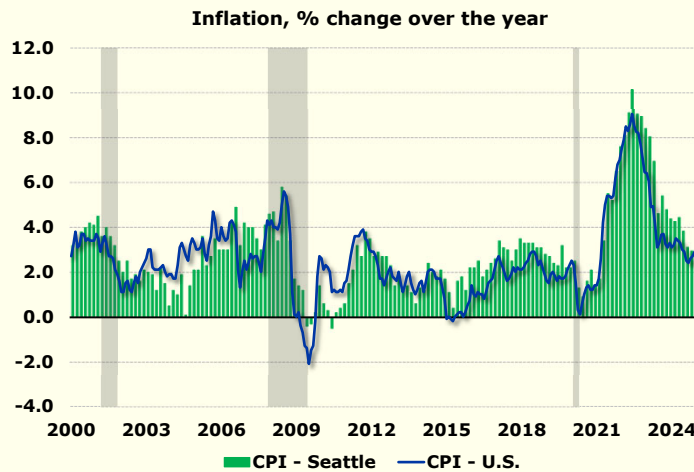
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Inflation has slowed significantly, but tariffs may delay the return to the target rate



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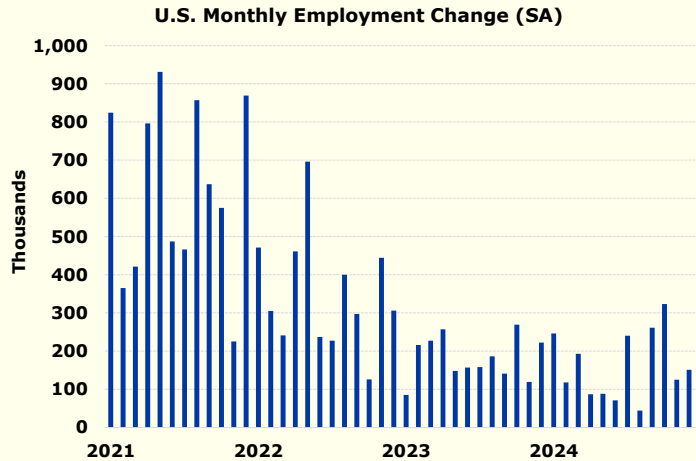
Slide 4

Source: U.S. Bureau of Labor Statistics, data through February 2025

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U.S. employment growth solid; allows Federal Reserve to hold rates until economic policy/impacts are clearer



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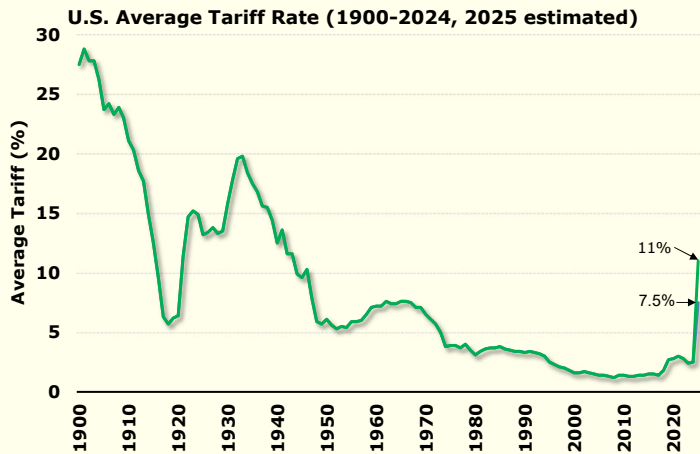
Source: U.S. Bureau of Labor Statistics; data through February 2025

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Tariffs rates have decreased over time, but recent proposals would increase them significantly



25% tariffs on Canada and Mexico and the additional 10% on Chinese goods would raise the average tariff rate:

~11% (EY)
~7.5% (Tax Policy Center)

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Source: Tax Policy Center & EY analysis

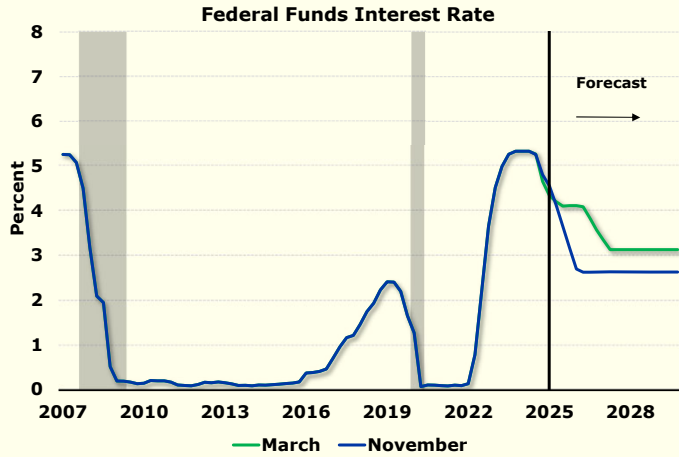
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The Federal Reserve rate forecast has been revised to reflect recent changes in economic policy

The Federal Reserve reduced interest rates by one percentage point in 2024 and the current rate range is 4.25%-4.5%.



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Source: ERFC March 2025 forecast; historical data through 2024 Q4

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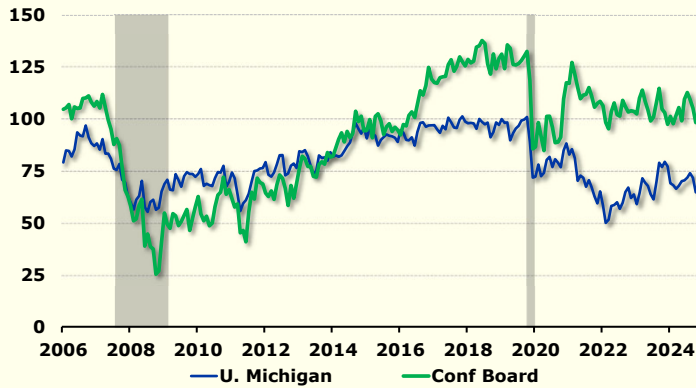
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Consumer sentiment improved near the end of 2024, but fell in January and February

The preliminary March U of M reading came out on 3/14 and was 57.9, down 6.8 points from February

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



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Sources: ERFC March 2025 forecast. Data through February 2025

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GDP forecast continues to call for growth in 2025 and beyond

Growth in the fourth quarter of 2024 was 2.3% SAAR (2nd estimate)

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Source: IHS Markit, ERFC March 2025 forecast; historical data through 2024 Q4

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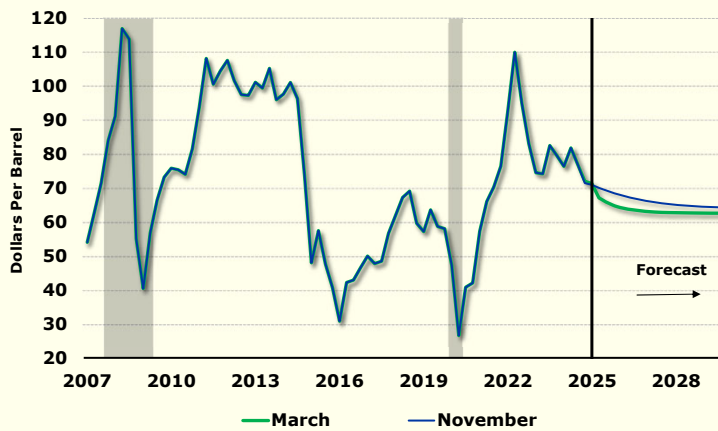


Oil prices are lower than in the November forecast

Oil prices in the fourth quarter of 2024 were slightly higher than expected in the November forecast

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Source: Energy Information Administration, IHS Markit, ERFC; data through 2024 Q4
Note: Vertical black line indicates last actual

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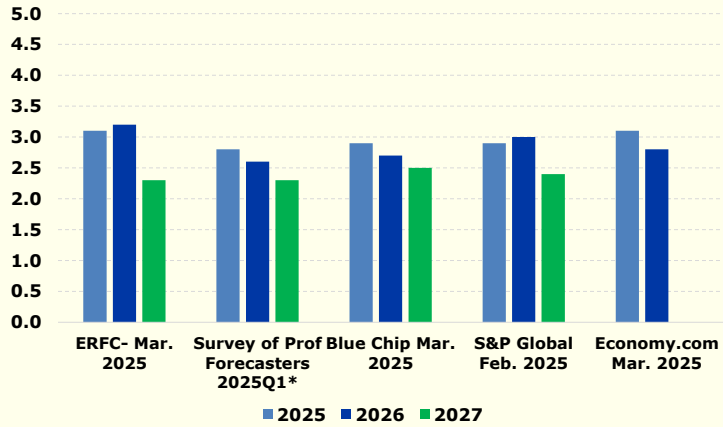
Inflation moderation will likely be delayed by tariffs

The Consumer Price Index increased by 3.0% in 2024

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Consumer Price Index, Annual % Change



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

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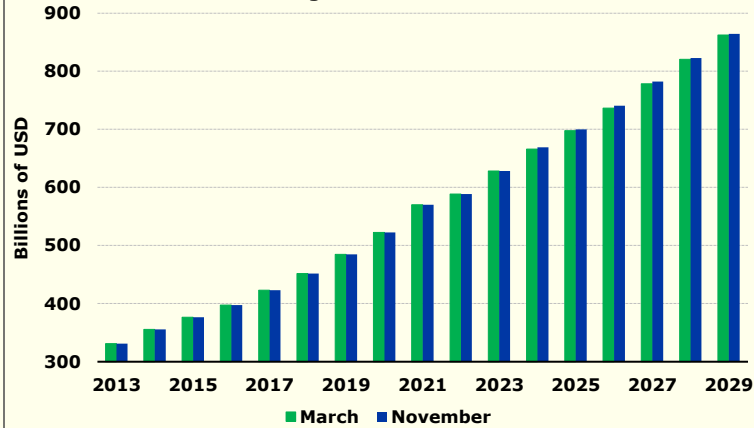
WA personal income forecast averages 5.4% annual growth from 2025-2029, levels lower than Nov.

In December, BEA released 2024:3Q personal income and WA was up 0.7% (SAAR)

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Washington Personal Income



Source: ERFC March 2025 forecast; historical data through 2024 3Q

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WA employment growth forecast is slightly lower over the forecast period

Average annual employment growth, 2025 to 2029:

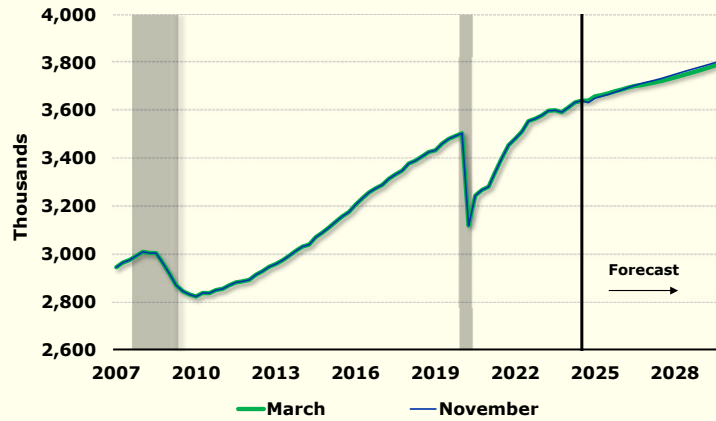
U.S. = 0.3%

WA = 0.8%

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Washington Nonfarm Payroll Employment



Source: ERFC March 2025 forecast; historical data through 2024 Q4

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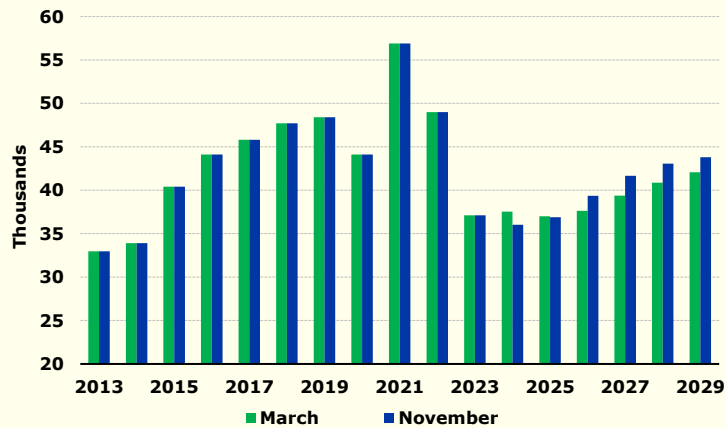


WA housing permit forecast; lower after 2025

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Washington Housing Permits



Source: ERFC March 2025 forecast; historical data through 2024

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Revenue Forecast Notes

Economic

- U.S. model includes assumptions for tariffs, federal employment, tax cuts, debt ceiling
- WA model includes assumptions for federal employment reductions, no additional tariff impacts

Revenues

- Slow revenue growth still with us
- Likely Covid related-consumption pulled forward, inflation, deflation of goods prices, interest rates, commercial office-impacts sales/B&O/REET
- When do we normalize?
- Recent policy changes cloud the picture

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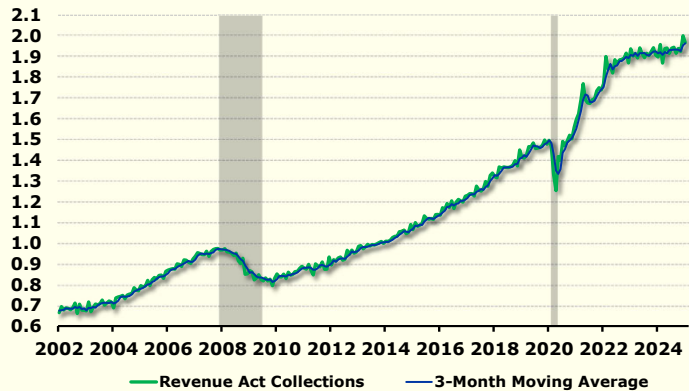
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Revenue Act collections growth; January activity was up 3.7% (SA) compared with January 2024

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

\$billions SA



* 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 January 2025 activity

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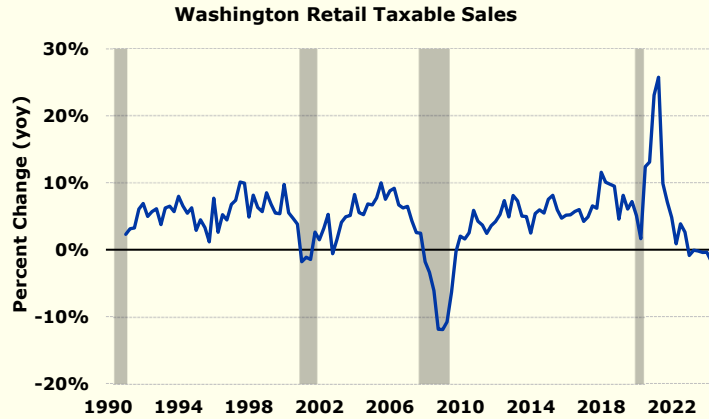
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WA taxable sales in retail trade have contracted for seven quarters through third quarter of 2024

Retail taxable sales made up 41.3% of taxable sales in FY 2024



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Source: ERFC analysis of DOR data through 2024 Q3. NAICS 44 & 45 indicated, SIC data re-classified to match NAICS classifications prior to 2005.

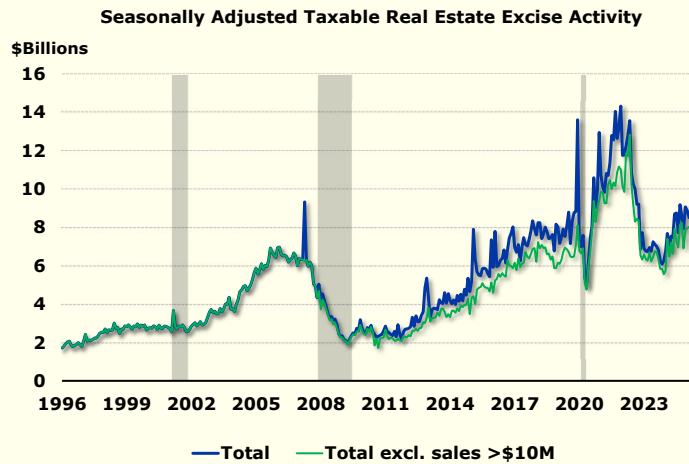
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Taxable real estate activity increased in 2024 and so far in 2025

Transactions of \$10 million or more were about \$490M in February 2025



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Source: ERFC; Monthly data through February 2025 estimate

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

The forecast increase represents 0.1% of biennial revenue

\$Millions	<u>Nov. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Mar. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$63,072	n/a	(\$1)	\$63,072	(\$1)
Education Legacy Trust Account	\$2,088	n/a	\$30	\$2,118	\$30
WA Opportunity Pathways Account	\$349	n/a	(\$8)	\$341	(\$8)
Workforce Education Investment Account	\$882	n/a	\$33	\$915	\$33
Total	\$66,390	n/a	\$54	\$66,445	\$54

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

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

The forecast decrease represents 0.7% of biennial revenue

\$Millions	<u>Nov. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Mar. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$67,824	n/a	(\$665)	\$67,159	(\$665)
Education Legacy Trust Account	\$2,302	n/a	\$181	\$2,483	\$181
WA Opportunity Pathways Account	\$359	n/a	\$7	\$366	\$7
Workforce Education Investment Account	\$945	n/a	(\$2)	\$943	(\$2)
Total	\$71,431	n/a	(\$479)	\$70,952	(\$479)

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

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Forecast changes, all funds: 2027-29 biennium, cash basis

The forecast decrease represents 0.5% of biennial revenue

\$Millions	<u>Nov. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Mar. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$72,907	n/a	(\$579)	\$72,329	(\$579)
Education Legacy Trust Account	\$2,541	n/a	\$167	\$2,707	\$167
WA Opportunity Pathways Account	\$378	n/a	(\$4)	\$375	(\$4)
Workforce Education Investment Account	\$1,019	n/a	(\$4)	\$1,015	(\$4)
Total	\$76,845	n/a	(\$420)	\$76,425	(\$420)

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

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

- GF-S affected by lower forecasted sales and B&O taxes, interest revenue
- ELTA increased on higher estate tax and capital gains forecasts
- Small changes for WOPA & WEIA
- Forecast adjustments
 - +0.1% for the 2023-25 biennium
 - -0.7% for the 2025-27 biennium
 - -0.5% for the 2027-29 biennium

Revenue Review
March 18, 2025

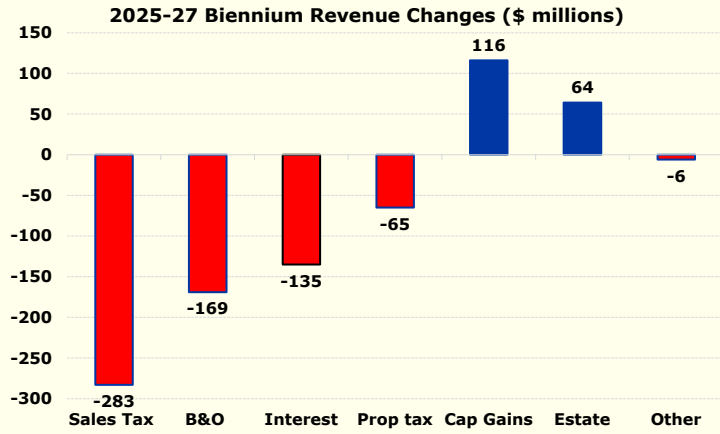
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Majority of 2025-27 revenue change due to sales & B&O taxes and interest revenue

Sales taxes are impacted by lower actuals and forecasts, especially construction activity



Revenue Review
March 18, 2025

Detail may not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline#
March 2025 Baseline (50%)	\$66,445	
March 2025 Alternative Forecasts		
Optimistic (20%)	\$67,251	\$806
Pessimistic (30%)	\$65,561	(\$884)
Probability Weighted Average	\$66,341	(\$104)
GCEA*	\$66,465	\$20

Revenue Review
March 18, 2025

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

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
March 2025 Baseline (50%)	\$70,952	
March 2025 Alternative Forecasts		
Optimistic (20%)	\$75,325	\$4,374
Pessimistic (30%)	\$66,179	(\$4,772)
Probability Weighted Average	\$70,395	(\$557)
GCEA*	\$71,040	\$89

Revenue Review
March 18, 2025

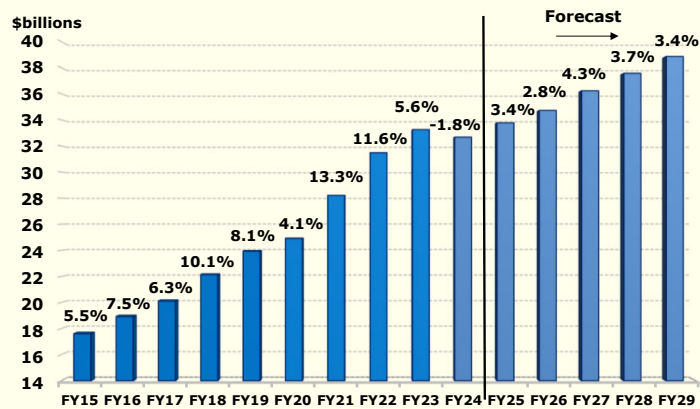
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*Based on the Governor's Council of Economic Advisors' economic assumptions
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



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



Revenue Review
March 18, 2025

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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: ERFC forecast, March 2025

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. & WA economies OK in 2024, but they are slowing, and future risk is elevated due to current policy changes
- Impacts of lower spending & higher inflation /interest rates, geopolitical conflict, tariffs and federal employment/funding pose risks to the forecast
- Revenues are down \$425M for the 2023-2027 period on lower sales/B&O taxes and interest revenues
- Total state revenues are expected to grow 2.6% between the 2021-23 and 2023-25 biennia and 6.8% between the 2023-25 and 2025-27 biennia

Revenue Review
March 18, 2025

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Questions?



Revenue Review
March 18, 2025

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Economic & Revenue Forecast Council
PO BOX 40912
Olympia WA 98504-0912
www.ercf.wa.gov
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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 March 2025 to the November 2024 Forecast
2023-25 Biennium
Cash Forecast; Millions of Dollars

	<u>November 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>March 2025 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,072.4	\$0.0	(\$0.5)	\$63,071.9	(\$0.5)
Education Legacy Trust Account	\$2,087.6	\$0.0	\$29.9	\$2,117.5	\$29.9
WA Opportunity Pathways Account	\$348.6	\$0.0	(\$7.8)	\$340.7	(\$7.8)
Workforce Education Investment Account	\$881.8	\$0.0	\$32.9	\$914.6	\$32.9
Total	\$66,390.4	\$0.0	\$54.4	\$66,444.8	\$54.4

**Total Changes to General Fund-State, Education Legacy Trust Account,
Washington Opportunity Pathways Account and Workforce Education Investment Account Forecasts**
Comparison of the March 2025 to the November 2024 Forecast
2025-27 Biennium
Cash Forecast; Millions of Dollars

	<u>November 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>March 2025 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$67,824.3	\$0.0	(\$665.0)	\$67,159.3	(\$665.0)
Education Legacy Trust Account	\$2,302.1	\$0.0	\$181.3	\$2,483.4	\$181.3
WA Opportunity Pathways Account	\$359.4	\$0.0	\$6.9	\$366.3	\$6.9
Workforce Education Investment Account	\$944.7	\$0.0	(\$2.1)	\$942.6	(\$2.1)
Total	\$71,430.6	\$0.0	(\$479.0)	\$70,951.6	(\$479.0)

*Details may not add due to rounding

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

February 2020 through March 2025

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>
February 2020*	\$57,930	\$925	\$321	\$667				\$59,843
Changes to Forecast								
June 2020	(4,682)	(9)	8	(3)	(4,685)	209 #1	(4,476)	55,367
September 2020	2,460	125	(7)	35	2,612	0	2,612	57,979
November 2020	16	14	2	(4)	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	(6)	16	7	1,436	810 #2	2,246	62,151
September 2021	891	31	(1)	9	931	0	931	63,082
November 2021	828	(44)	5	11	800	165 #3	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	(1)	55	1,112	(480) #4	632	65,999
September 2022	(332)	(18)	(8)	(21)	(378)	(117) #5	(495)	65,504
November 2022	684	(2)	(6)	6	681	0	681	66,185
March 2023	(407)	(77)	10	(9)	(483)	0	(483)	65,702
June 2023	140	115	7	25	287	39 #6	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
November 2023	172	6	9	5	191	0	191	66,883
February 2024	53	31	24	13	122	0	122	67,005
June 2024	(252)	(188)	(27)	24	(443)	(34) #7	(477)	66,528
September 2024	(146)	54	21	6	(64)	15 #8	(49)	66,479
November 2024	(93)	48	(40)	(4)	(89)	0	(89)	66,390
March 2025	(1)	30	(8)	33	54	0	54	66,445
Total change:								
From February 2020	5,559	165	23	247	5,995	607	6,602	
Percent change	9.6	17.8	7.2	37.0	10.0	1.0	11.0	
Change in forecast since initial 23-25 biennial budget**								
	490	109	(7)	131	722	(19)	703	
Percent change	0.8	5.5	(2.1)	16.7	1.1	(0.0)	1.1	

* First official forecast for the 2023-25 biennium.

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

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

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

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

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

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

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

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

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

Track Record for the 2025-27 Forecast of Funds Subject to the Budget Outlook

February 2022 through March 2025

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>
February 2022***	\$66,533	\$2,305	\$357	\$831				\$70,025
Changes to Forecast								
June 2022	759	19	0	17	795	(619) #1	176	70,202
September 2022	4	8	(7)	(18)	(13)	(53) #2	(66)	70,136
November 2022	687	55	(4)	10	747	0	747	70,883
March 2023	(442)	(97)	9	(11)	(540)	0	(540)	70,342
June 2023	38	18	6	11	72	75 #3	147	70,489
September 2023	400	7	(1)	31	437	0	437	70,927
November 2023	507	59	8	4	579	0	579	71,506
February 2024	169	6	10	31	215	0	215	71,721
June 2024	(37)	(119)	(31)	35	(152)	(37) #4	(189)	71,532
September 2024	(116)	97	27	9	16	63 #5	79	71,611
November 2024	(107)	(54)	(12)	(8)	(181)	0	(181)	71,431
March 2025	(665)	181	7	(2)	(479)	0	(479)	70,952
Total change:								
From February 2022	1,197	179	12	110	1,497	(571)	926	
Percent change	1.8	7.8	3.3	13.2	2.1	(0.8)	1.3	

* First official forecast for the 2025-27 biennium.

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

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

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

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

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

March 2025Alternative forecasts of funds subject to the budget outlook
Millions of Dollars

Cash Basis

2023-25 Biennium

	2024-25 <u>Biennium</u>	Difference From the <u>March 2025 Baseline</u>
March 2025 Baseline (50%)	\$66,445	
March 2025 Alternative Forecasts		
Optimistic (20%)	\$67,251	\$806
Pessimistic (30%)	\$65,561	(\$884)
Probability Weighted Average	\$66,341	(\$104)
GCEA*	\$66,465	\$20

2025-27 Biennium

	2025-27 <u>Biennium</u>	Difference From the <u>March 2025 Baseline</u>
March 2025 Baseline (50%)	\$70,952	
March 2025 Alternative Forecasts		
Optimistic (20%)	\$75,325	\$4,374
Pessimistic (30%)	\$66,179	(\$4,772)
Probability Weighted Average	\$70,395	(\$557)
GCEA*	\$71,040	\$89

* 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)

March 2025 - Millions of Dollars

	General Fund-State (GF-S) (current definition)		Education Legacy Trust Fund* (ELTA)		WA Opportunity Pathways Account (OPA)		Workforce Ed. Investment Acct. (WEIA)		Total GF-S, ELTA, OPA and WEIA		
	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	Level	% Chg.	
History:											
FY 2005	\$13,036	5.5%								\$13,036	5.5%
FY 2006	\$14,318	9.8%	\$115							\$14,432	10.7%
FY 2007	\$15,467	8.0%	\$266	132.2%						\$15,734	9.0%
FY 2008	\$15,659	1.2%	\$213	-20.1%						\$15,872	0.9%
FY 2009	\$14,158	-9.6%	\$224	5.4%						\$14,382	-9.4%
FY 2010	\$13,571	-4.1%	\$157	-29.9%						\$13,728	-4.6%
FY 2011	\$14,648	7.9%	\$112	-29.0%	\$99					\$14,859	8.2%
FY 2012	\$14,874	1.5%	\$114	2.3%	\$118	19.1%				\$15,107	1.7%
FY 2013	\$15,783	6.1%	\$101	-11.5%	\$126	5.9%				\$16,009	6.0%
FY 2014	\$16,383	3.8%	\$197	95.3%	\$114	-9.4%				\$16,694	4.3%
FY 2015	\$17,283	5.5%	\$207	5.0%	\$120	5.7%				\$17,611	5.5%
FY 2016	\$18,579	7.5%	\$215	3.6%	\$139	15.7%				\$18,933	7.5%
FY 2017	\$19,739	6.2%	\$252	17.5%	\$127	-9.0%				\$20,118	6.3%
FY 2018	\$21,712	10.0%	\$302	19.6%	\$129	1.5%				\$22,143	10.1%
FY 2019	\$22,430	3.3%	\$1,352	348.1%	\$156	21.1%				\$23,938	8.1%
FY 2020	\$23,817	6.2%	\$913	-32.5%	\$153	-2.0%	\$32			\$24,915	4.1%
FY 2021	\$26,986	13.3%	\$726	-20.5%	\$184	20.9%	\$320	905.5%		\$28,217	13.3%
FY 2022	\$30,030	11.3%	\$890	22.6%	\$190	2.9%	\$369	15.1%		\$31,478	11.6%
FY 2023	\$30,972	3.1%	\$1,685	89.4%	\$188	-0.7%	\$410	11.3%		\$33,256	5.6%
FY 2024	\$31,094	0.4%	\$966	-42.7%	\$177	-6.2%	\$435	6.1%		\$32,672	-1.8%
Forecast:											
FY 2025	\$31,978	2.8%	\$1,151	19.2%	\$164	-7.1%	\$479	10.1%		\$33,773	3.4%
FY 2026	\$32,863	2.8%	\$1,216	5.6%	\$182	11.2%	\$463	-3.5%		\$34,724	2.8%
FY 2027	\$34,296	4.4%	\$1,268	4.3%	\$184	0.8%	\$480	3.7%		\$36,228	4.3%
FY 2028	\$35,558	3.7%	\$1,325	4.5%	\$186	1.1%	\$498	3.7%		\$37,567	3.7%
FY 2029	\$36,770	3.4%	\$1,382	4.4%	\$189	1.5%	\$517	3.9%		\$38,858	3.4%
Biennial Totals											
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$0	NA	\$0	NA		\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA		\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA		\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA		\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA		\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA		\$46,081	18.0%
19-21 Biennium	\$50,803	15.1%	\$1,639	-0.9%	\$337	18.5%	\$352	NA		\$53,132	15.3%
21-23 Biennium	\$61,002	20.1%	\$2,575	57.1%	\$378	12.2%	\$779	121.2%		\$64,734	21.8%
23-25 Biennium	\$63,072	3.4%	\$2,117	-17.8%	\$341	-9.9%	\$915	17.4%		\$66,445	2.6%
25-27 Biennium	\$67,159	6.5%	\$2,483	17.3%	\$366	7.5%	\$943	3.1%		\$70,952	6.8%
27-29 Biennium	\$72,329	7.7%	\$2,707	9.0%	\$375	2.3%	\$1,014	7.6%		\$76,425	7.7%

*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

March 2025 forecast

(cash basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student ACHV Account	School Construction Account	Problem Gambling Account	Economic Develop. Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	126.4	12.9	5.1	9.2	0.0	95.6	0.3	3.3	0.0	0.0	0.0	0.0
2011	137.2	8.6	5.3	9.6	0.0	9.4	0.3	4.5	99.5	0.0	0.0	0.0
2009-11 Biennium	263.6	21.5	10.4	18.8	0.0	105.0	0.5	7.9	99.5	0.0	0.0	0.0
2012	135.1	0.0	2.7	10.0	0.0	0.0	0.3	3.3	118.5	0.2	0.0	0.0
2013	139.7	0.0	0.0	10.4	0.0	0.0	0.3	3.5	125.5	0.0	0.0	0.0
2011-13 Biennium	274.8	0.0	2.7	20.4	0.0	0.0	0.6	6.9	244.0	0.2	0.0	0.0
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1	0.0
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1	0.0
2013-15 Biennium	291.0	9.9	0.0	22.0	0.0	0.0	0.6	8.4	233.9	0.0	16.1	0.0
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	0.0	0.0	0.0
2017	159.7	14.8	0.0	12.2	0.0	0.0	0.3	4.8	126.6	0.0	0.0	1.0
2015-17 Biennium	331.2	31.9	0.0	23.8	0.0	0.0	0.7	8.0	265.7	0.0	0.0	1.0
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	0.0	0.0	0.0
2019	213.8	38.7	0.0	13.1	0.0	0.0	0.4	5.8	155.7	0.0	0.0	0.0
2017-19 Biennium	397.3	77.3	0.0	25.8	0.0	0.0	0.8	9.3	284.2	0.0	0.0	0.0
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	0.0	0.0	0.0
2021	231.6	27.7	0.0	14.2	0.0	0.0	0.5	4.8	184.4	0.0	0.0	0.0
2019-21 Biennium	418.0	44.4	0.0	27.9	0.0	0.0	0.8	8.0	336.9	0.0	0.0	0.0
2022	228.7	32.6	0.0	0.0	0.0	0.0	0.4	6.0	189.7	0.0	0.0	0.0
2023	244.7	48.1	0.0	0.0	0.0	0.0	0.5	7.7	188.4	0.0	0.0	0.0
2021-23 Biennium	473.4	80.7	0.0	0.0	0.0	0.0	0.9	13.7	378.1	0.0	0.0	0.0
2024	245.0	61.2	0.0	0.0	0.0	0.0	0.8	6.4	176.7	0.0	0.0	0.0
2025	206.7	36.0	0.0	0.0	0.0	0.0	0.9	5.8	164.1	0.0	0.0	0.0
2023-25 Biennium	451.7	97.2	0.0	0.0	0.0	0.0	1.7	12.1	340.7	0.0	0.0	0.0
2026	218.3	28.9	0.0	0.0	0.0	0.0	1.0	6.0	182.4	0.0	0.0	0.0
2027	224.3	33.6	0.0	0.0	0.0	0.0	1.0	5.9	183.8	0.0	0.0	0.0
2025-27 Biennium	442.6	62.5	0.0	0.0	0.0	0.0	1.9	11.9	366.3	0.0	0.0	0.0
2028	226.2	33.5	0.0	0.0	0.0	0.0	1.0	5.9	185.9	0.0	0.0	0.0
2029	228.9	33.3	0.0	0.0	0.0	0.0	1.0	5.9	188.7	0.0	0.0	0.0
2027-29 Biennium	455.1	66.8	0.0	0.0	0.0	0.0	1.9	11.8	374.6	0.0	0.0	0.0

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

Source: Lottery Commission, ERFC

Lottery transfers by fund

March 2025 forecast

(gaap basis, millions of dollars)

	Lottery: Total Transfers:*	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student ACHV Account	School Construction Account	Problem Gambling Account	Economic Develop. Account	Opportunity Pathways Account	Veteran's VIP Account	Education Legacy Trust Account	Gambling Revolving Account
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	0.0	0.0	0.0	0.0
2007	120.6	7.6	4.5	8.2	0.0	97.0	0.3	3.0	0.0	0.0	0.0	0.0
2005-07 Biennium	245.7	9.5	8.9	16.1	0.0	204.8	0.4	6.0	0.0	0.0	0.0	0.0
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	0.0	0.0	0.0	0.0
2009	122.2	11.1	4.9	8.9	0.0	94.4	0.2	2.7	0.0	0.0	0.0	0.0
2007-09 Biennium	246.4	11.1	9.6	17.4	0.0	201.3	0.5	6.4	0.0	0.0	0.0	0.0
2010	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	473.4	80.7	0.0	0.0	0.0	0.0	0.9	13.7	378.1	0.0	0.0	0.0
2024	242.8	58.2	0.0	0.0	0.0	0.0	0.8	6.7	177.1	0.0	0.0	0.0
2025	208.3	28.9	0.0	0.0	0.0	0.0	0.9	5.9	172.6	0.0	0.0	0.0
2023-25 Biennium	451.1	87.1	0.0	0.0	0.0	0.0	1.7	12.6	349.7	0.0	0.0	0.0
2026	222.5	33.6	0.0	0.0	0.0	0.0	1.0	5.9	182.0	0.0	0.0	0.0
2027	224.5	33.5	0.0	0.0	0.0	0.0	1.0	5.9	184.2	0.0	0.0	0.0
2025-27 Biennium	447.0	67.1	0.0	0.0	0.0	0.0	1.9	11.8	366.1	0.0	0.0	0.0
2028	226.4	33.3	0.0	0.0	0.0	0.0	1.0	5.9	186.2	0.0	0.0	0.0
2029	229.1	33.8	0.0	0.0	0.0	0.0	1.0	5.9	188.5	0.0	0.0	0.0
2027-29 Biennium	455.5	67.1	0.0	0.0	0.0	0.0	1.9	11.8	374.7	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 March 2025 and November 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.7	\$0.0	\$0.0	\$1,734.8	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$564.9	\$0.0	\$9.0	\$573.9	\$9.0
Lottery Commission Lottery Revenue	\$97.2	\$0.0	\$0.0	\$97.2	\$0.0
State Treasurer Interest Earnings	\$587.5	\$0.0	(\$14.0)	\$573.5	(\$14.0)
Office of Financial Management Other Agencies	(\$14.2)	\$0.0	\$5.9	(\$8.3)	\$5.9
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.3	\$0.0	\$0.6	\$107.9	\$0.6
Total General Fund-State	\$3,077.5	\$0.0	\$1.5	\$3,079.0	\$1.5

General Fund-State GAAP Estimates - Other Agencies
Comparison of the March 2025 and November 2024 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.7	\$0.0	\$0.0	\$1,734.8	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$564.9	\$0.0	\$13.1	\$578.0	\$13.1
Lottery Commission Lottery Revenue	\$89.3	\$0.0	(\$2.3)	\$87.1	(\$2.3)
State Treasurer Interest Earnings	\$601.6	\$0.0	(\$19.7)	\$581.8	(\$19.7)
Office of Financial Management Other Agencies	(\$14.2)	\$0.0	\$5.9	(\$8.3)	\$5.9
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.3	\$0.0	\$0.6	\$107.9	\$0.6
Total General Fund-State	\$3,083.7	\$0.0	(\$2.3)	\$3,081.3	(\$2.3)

* Detail may not total due to rounding.

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

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,819.0	\$0.0	\$0.0	\$1,819.0	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$670.2	\$0.0	\$5.7	\$675.9	\$5.7
Lottery Commission Lottery Revenue	\$64.4	\$0.0	(\$1.8)	\$62.5	(\$1.8)
State Treasurer Interest Earnings	\$423.6	\$0.0	(\$135.1)	\$288.5	(\$135.1)
Office of Financial Management Other Agencies	(\$37.4)	\$0.0	(\$4.7)	(\$42.1)	(\$4.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$115.2	\$0.0	\$3.1	\$118.3	\$3.1
Total General Fund-State	\$3,054.9	\$0.0	(\$132.8)	\$2,922.2	(\$132.8)

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

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,819.0	\$0.0	\$0.0	\$1,819.0	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$670.2	\$0.0	\$5.7	\$675.9	\$5.7
Lottery Commission Lottery Revenue	\$66.7	\$0.0	\$0.5	\$67.1	\$0.5
State Treasurer Interest Earnings	\$420.0	\$0.0	(\$140.5)	\$279.5	(\$140.5)
Office of Financial Management Other Agencies	(\$37.4)	\$0.0	(\$4.7)	(\$42.1)	(\$4.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$115.2	\$0.0	\$3.1	\$118.3	\$3.1
Total General Fund-State	\$3,053.6	\$0.0	(\$135.9)	\$2,917.7	(\$135.9)

* Detail may not total due to rounding.

General Fund-State Cash Estimates - Other Agencies
Comparison of the March 2025 and November 2024 forecasts
2027-29 Biennium
(Amounts in Millions)

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,890.3	\$0.0	\$0.0	\$1,890.3	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$717.3	\$0.0	\$7.1	\$724.4	\$7.1
Lottery Commission Lottery Revenue	\$66.7	\$0.0	\$0.1	\$66.8	\$0.1
State Treasurer Interest Earnings	\$342.5	\$0.0	(\$93.0)	\$249.5	(\$93.0)
Office of Financial Management Other Agencies	(\$63.1)	\$0.0	\$2.7	(\$60.4)	\$2.7
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$119.8	\$0.0	\$1.5	\$121.3	\$1.5
Total General Fund-State	\$3,073.5	\$0.0	(\$81.6)	\$2,992.0	(\$81.6)

General Fund-State GAAP Estimates - Other Agencies
Comparison of the March 2025 and November 2024 forecasts
2027-29 Biennium
(Amounts in Millions)

Source/Agency	November 2024 Baseline	Non-Economic Changes	Economic Changes	March 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,890.3	\$0.0	\$0.0	\$1,890.3	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$717.3	\$0.0	\$7.1	\$724.4	\$7.1
Lottery Commission Lottery Revenue	\$66.6	\$0.0	\$0.5	\$67.1	\$0.5
State Treasurer Interest Earnings	\$339.5	\$0.0	(\$89.7)	\$249.8	(\$89.7)
Office of Financial Management Other Agencies	(\$63.1)	\$0.0	\$2.7	(\$60.4)	\$2.7
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$119.8	\$0.0	\$1.5	\$121.3	\$1.5
Total General Fund-State	\$3,070.4	\$0.0	(\$77.9)	\$2,992.5	(\$77.9)

U.S. Forecast Comparison

	2025Q1	2025Q2	2025Q3	2025Q4
Real GDP (Billions of 2017 Dollars)				
March Forecast, Final	23,661	23,771	23,879	23,986
Percent Change	2.2%	1.9%	1.8%	1.8%
March Forecast, Preliminary	23,661	23,771	23,879	23,985
Percent Change	2.2%	1.9%	1.8%	1.8%
Real Consumption (Billions of 2017 Dollars)				
March Forecast, Final	16,366	16,445	16,520	16,600
Percent Change	2.1%	1.9%	1.8%	2.0%
March Forecast, Preliminary	16,366	16,445	16,520	16,599
Percent Change	2.1%	1.9%	1.8%	1.9%
PCE Price Index (2017=100)				
March Forecast, Final	125.3	126.3	127.3	128.2
Percent Change	2.9%	3.1%	3.1%	2.9%
March Forecast, Preliminary	125.4	126.4	127.4	128.3
Percent Change	3.0%	3.3%	3.1%	2.9%
Real Personal Income (Billions of 2017 Dollars)				
March Forecast, Final	20,264	20,361	20,518	20,659
Percent Change	2.1%	1.9%	3.1%	2.8%
March Forecast, Preliminary	20,257	20,346	20,506	20,652
Percent Change	2.0%	1.8%	3.2%	2.9%
Nonfarm Payroll Employment (Millions)				
March Forecast, Final	159.1	159.5	159.8	160.0
Percent Change	1.1%	1.0%	0.9%	0.5%
March Forecast, Preliminary	159.2	159.7	159.9	160.1
Percent Change	1.5%	1.1%	0.7%	0.4%
Unemployment Rate (Percent of Labor Force)				
March Forecast, Final	4.1	4.2	4.2	4.3
March Forecast, Preliminary	4.1	4.2	4.2	4.3
Oil Price, Refiner's Acquisition				
March Forecast, Final	71.3	67.1	65.9	64.9
March Forecast, Preliminary	73.5	72.4	71.1	69.7
30 Year Fixed Mortgage Rate (Percent, average)				
March Forecast, Final	7.0	6.7	6.6	6.5
March Forecast, Preliminary	7.0	6.7	6.6	6.5
3 Month T-Bill Rate (Percent, average)				
March Forecast, Final	4.2	4.0	3.9	3.9
March Forecast, Preliminary	4.2	4.0	3.9	3.9

	2024	2025	2026	2027	2028	2029
23,302	23,824	24,290	24,751	25,221	25,675	
2.8%	2.2%	2.0%	1.9%	1.9%	1.8%	
23,302	23,824	24,290	24,775	25,271	25,751	
2.8%	2.2%	2.0%	2.0%	2.0%	1.9%	
16,054	16,483	16,811	17,147	17,473	17,805	
2.8%	2.7%	2.0%	2.0%	1.9%	1.9%	
16,054	16,483	16,811	17,164	17,508	17,858	
2.8%	2.7%	2.0%	2.1%	2.0%	2.0%	
123.5	126.8	130.4	133.1	135.6	138.4	
2.5%	2.6%	2.9%	2.1%	1.9%	2.0%	
123.5	126.8	130.5	133.2	135.7	138.5	
2.5%	2.7%	2.9%	2.1%	1.9%	2.1%	
19,994	20,451	21,004	21,663	22,315	22,882	
2.9%	2.3%	2.7%	3.1%	3.0%	2.5%	
19,994	20,440	20,997	21,661	22,340	22,929	
2.9%	2.2%	2.7%	3.2%	3.1%	2.6%	
158.0	159.6	160.2	160.4	160.7	161.3	
1.3%	1.0%	0.4%	0.1%	0.2%	0.4%	
158.0	159.7	160.3	160.5	160.9	161.6	
1.3%	1.1%	0.3%	0.1%	0.2%	0.4%	
4.0	4.2	4.4	4.5	4.4	4.3	
4.0	4.2	4.4	4.5	4.4	4.3	
76.7	67.3	63.7	62.9	62.7	62.6	
76.7	71.7	67.7	65.8	64.8	64.2	
6.7	6.7	6.2	5.8	5.7	5.6	
6.7	6.7	6.2	5.8	5.7	5.6	
5.0	4.0	3.6	2.9	2.8	2.8	
5.0	4.0	3.6	2.9	2.8	2.8	

U.S. Forecast Comparison

	2025Q1	2025Q2	2025Q3	2025Q4
Real GDP (Billions of 2017 Dollars)				
March Forecast, Final	23,661	23,771	23,879	23,986
Percent Change	2.2%	1.9%	1.8%	1.8%
November Forecast	23,570	23,680	23,798	23,922
Percent Change	1.7%	1.9%	2.0%	2.1%
Real Consumption (Billions of 2017 Dollars)				
March Forecast, Final	16,366	16,445	16,520	16,600
Percent Change	2.1%	1.9%	1.8%	2.0%
November Forecast	16,271	16,329	16,397	16,476
Percent Change	1.3%	1.4%	1.7%	1.9%
PCE Price Index (2017=100)				
March Forecast, Final	125.3	126.3	127.3	128.2
Percent Change	2.9%	3.1%	3.1%	2.9%
November Forecast	124.9	125.7	126.3	127.0
Percent Change	2.1%	2.5%	2.0%	2.0%
Real Personal Income (Billions of 2017 Dollars)				
March Forecast, Final	20,264	20,361	20,518	20,659
Percent Change	2.1%	1.9%	3.1%	2.8%
November Forecast	20,383	20,524	20,676	20,827
Percent Change	3.0%	2.8%	3.0%	3.0%
Nonfarm Payroll Employment (Millions)				
March Forecast, Final	159.1	159.5	159.8	160.0
Percent Change	1.1%	1.0%	0.9%	0.5%
November Forecast	159.5	159.8	160.0	160.2
Percent Change	1.0%	0.8%	0.5%	0.3%
Unemployment Rate (Percent of Labor Force)				
March Forecast, Final	4.1	4.2	4.2	4.3
November Forecast	4.4	4.4	4.4	4.5
Oil Price, Refiner's Acquisition				
March Forecast, Final	71.3	67.1	65.9	64.9
November Forecast	70.9	70.1	69.4	68.6
30 Year Fixed Mortgage Rate (Percent, average)				
March Forecast, Final	7.0	6.7	6.6	6.5
November Forecast	6.2	5.9	5.7	5.6
3 Month T-Bill Rate (Percent, average)				
March Forecast, Final	4.2	4.0	3.9	3.9
November Forecast	4.2	3.9	3.5	3.0

	2024	2025	2026	2027	2028	2029
23,302	23,824	24,290	24,751	25,221	25,675	
2.8%	2.2%	2.0%	1.9%	1.9%	1.8%	
23,284	23,743	24,241	24,726	25,221	25,700	
2.7%	2.0%	2.1%	2.0%	2.0%	1.9%	
16,054	16,483	16,811	17,147	17,473	17,805	
2.8%	2.7%	2.0%	2.0%	1.9%	1.9%	
16,038	16,368	16,712	17,063	17,404	17,752	
2.7%	2.1%	2.1%	2.1%	2.0%	2.0%	
123.5	126.8	130.4	133.1	135.6	138.4	
2.5%	2.6%	2.9%	2.1%	1.9%	2.0%	
123.5	126.0	128.8	131.4	134.0	136.8	
2.5%	2.1%	2.2%	2.0%	1.9%	2.1%	
19,994	20,451	21,004	21,663	22,315	22,882	
2.9%	2.3%	2.7%	3.1%	3.0%	2.5%	
20,054	20,602	21,197	21,824	22,419	22,977	
3.3%	2.7%	2.9%	3.0%	2.7%	2.5%	
158.0	159.6	160.2	160.4	160.7	161.3	
1.3%	1.0%	0.4%	0.1%	0.2%	0.4%	
158.5	159.9	160.4	160.8	161.3	162.0	
1.6%	0.9%	0.3%	0.3%	0.3%	0.4%	
4.0	4.2	4.4	4.5	4.4	4.3	
4.0	4.4	4.5	4.6	4.5	4.4	
76.7	67.3	63.7	62.9	62.7	62.6	
76.6	69.8	67.2	65.7	64.8	64.3	
6.7	6.7	6.2	5.8	5.7	5.6	
6.7	5.8	5.3	5.0	5.0	4.9	
5.0	4.0	3.6	2.9	2.8	2.8	
5.0	3.7	2.5	2.4	2.4	2.4	

Washington Forecast Comparison

	2025Q1	2025Q2	2025Q3	2025Q4
Real Personal Income (Billions of 2017 Dollars)				
March Forecast, Final	546.3	548.3	551.5	554.8
Percent Change	2.6%	1.5%	2.3%	2.4%
March Forecast, Preliminary	546.2	548.1	551.4	554.6
Percent Change	2.5%	1.4%	2.4%	2.4%
Personal Income (Billions of Dollars)				
March Forecast, Final	684.7	692.4	701.8	711.1
Percent Change	5.6%	4.6%	5.5%	5.4%
March Forecast, Preliminary	684.8	692.8	702.2	711.4
Percent Change	5.6%	4.8%	5.6%	5.4%
Disposable Personal Income (Billions of Dollars)				
March Forecast, Final	600.8	607.7	623.6	631.7
Percent Change	5.4%	4.7%	10.9%	5.3%
March Forecast, Preliminary	601.0	608.0	624.0	632.1
Percent Change	5.4%	4.7%	10.9%	5.3%
Nonfarm Payroll Employment (Thousands)				
March Forecast, Final	3658.7	3664.4	3671.9	3680.6
Percent Change	2.0%	0.6%	0.8%	1.0%
March Forecast, Preliminary	3662.1	3668.9	3675.2	3681.5
Percent Change	2.4%	0.7%	0.7%	0.7%
Unemployment Rate (Percent of Labor Force)				
March Forecast, Final	4.3	4.4	4.5	4.6
March Forecast, Preliminary	4.5	4.5	4.6	4.7
Manufacturing Employment (Thousands)				
March Forecast, Final	273.8	274.2	275.0	275.4
Percent Change	10.6%	0.6%	1.1%	0.6%
March Forecast, Preliminary	274.5	275.2	276.2	276.5
Percent Change	11.7%	1.0%	1.5%	0.5%
Construction Employment (Thousands)				
March Forecast, Final	229.3	230.5	231.6	232.8
Percent Change	-1.1%	2.2%	1.9%	2.1%
March Forecast, Preliminary	230.7	231.7	232.7	233.8
Percent Change	1.3%	1.8%	1.8%	1.9%
Housing Permits (Thousands)				
March Forecast, Final	39.9	35.4	36.0	36.6
Percent Change	2.6%	-38.5%	7.6%	6.8%
March Forecast, Preliminary	39.3	36.7	37.0	37.3
Percent Change	-3.7%	-23.7%	3.4%	2.7%

	2024	2025	2026	2027	2028	2029
539.3	550.2	564.7	584.6	605.0	623.2	
3.4%	2.0%	2.6%	3.5%	3.5%	3.0%	
539.3	550.1	564.6	584.6	605.7	624.4	
3.4%	2.0%	2.6%	3.5%	3.6%	3.1%	
666.0	697.5	736.4	778.4	820.5	862.4	
6.0%	4.7%	5.6%	5.7%	5.4%	5.1%	
666.0	697.8	736.9	778.9	822.2	865.0	
6.0%	4.8%	5.6%	5.7%	5.6%	5.2%	
584.9	616.0	654.1	690.8	726.3	762.2	
5.9%	5.3%	6.2%	5.6%	5.1%	4.9%	
585.1	616.3	654.6	691.2	727.7	763.9	
5.9%	5.3%	6.2%	5.6%	5.3%	5.0%	
3632	3669	3698	3721	3750	3783	
1.1%	1.0%	0.8%	0.6%	0.8%	0.9%	
3632	3672	3698	3722	3753	3788	
1.1%	1.1%	0.7%	0.6%	0.8%	0.9%	
4.5	4.5	4.7	4.7	4.6	4.4	
4.8	4.6	4.8	4.8	4.7	4.5	
275.1	274.6	275.6	276.3	276.8	277.0	
0.5%	-0.2%	0.4%	0.2%	0.2%	0.1%	
275.1	275.6	276.5	277.0	277.8	278.4	
0.5%	0.2%	0.3%	0.2%	0.3%	0.2%	
228.7	231.1	235.8	240.7	246.0	251.8	
-1.4%	1.1%	2.1%	2.1%	2.2%	2.4%	
228.7	232.2	236.8	241.8	247.2	253.1	
-1.4%	1.6%	2.0%	2.1%	2.3%	2.4%	
37.5	37.0	37.6	39.4	40.9	42.1	
1.2%	-1.5%	1.7%	4.7%	3.8%	2.9%	
37.5	37.6	38.1	39.9	41.4	42.6	
1.2%	0.1%	1.4%	4.7%	3.8%	2.9%	

Washington Forecast Comparison

	2025Q1	2025Q2	2025Q3	2025Q4
Real Personal Income (Billions of 2017 Dollars)				
March Forecast, Final	546.3	548.3	551.5	554.8
Percent Change	2.6%	1.5%	2.3%	2.4%
November Forecast	548.9	552.9	557.4	562.4
Percent Change	1.1%	2.9%	3.3%	3.6%
Personal Income (Billions of Dollars)				
March Forecast, Final	684.7	692.4	701.8	711.1
Percent Change	5.6%	4.6%	5.5%	5.4%
November Forecast	685.8	695.0	704.2	714.0
Percent Change	3.3%	5.4%	5.4%	5.7%
Disposable Personal Income (Billions of Dollars)				
March Forecast, Final	600.8	607.7	623.6	631.7
Percent Change	5.4%	4.7%	10.9%	5.3%
November Forecast	601.5	609.3	617.1	625.4
Percent Change	3.5%	5.3%	5.2%	5.5%
Nonfarm Payroll Employment (Thousands)				
March Forecast, Final	3658.7	3664.4	3671.9	3680.6
Percent Change	2.0%	0.6%	0.8%	1.0%
November Forecast	3651.9	3659.4	3667.3	3676.2
Percent Change	2.1%	0.8%	0.9%	1.0%
Unemployment Rate (Percent of Labor Force)				
March Forecast, Final	4.3	4.4	4.5	4.6
November Forecast	4.8	4.9	4.9	4.9
Manufacturing Employment (Thousands)				
March Forecast, Final	273.8	274.2	275.0	275.4
Percent Change	10.6%	0.6%	1.1%	0.6%
November Forecast	276.1	276.1	277.2	277.2
Percent Change	14.4%	0.1%	1.5%	0.0%
Construction Employment (Thousands)				
March Forecast, Final	229.3	230.5	231.6	232.8
Percent Change	-1.1%	2.2%	1.9%	2.1%
November Forecast	233.3	235.3	236.9	238.4
Percent Change	4.8%	3.6%	2.7%	2.5%
Housing Permits (Thousands)				
March Forecast, Final	39.9	35.4	36.0	36.6
Percent Change	2.6%	-38.5%	7.6%	6.8%
November Forecast	36.5	36.6	36.9	37.6
Percent Change	-4.2%	1.5%	2.9%	7.9%

	2024	2025	2026	2027	2028	2029
March Forecast, Final	539.3	550.2	564.7	584.6	605.0	623.2
Percent Change	3.4%	2.0%	2.6%	3.5%	3.5%	3.0%
November Forecast	541.8	555.4	574.9	595.0	614.1	631.9
Percent Change	3.9%	2.5%	3.5%	3.5%	3.2%	2.9%
March Forecast, Final	666.0	697.5	736.4	778.4	820.5	862.4
Percent Change	6.0%	4.7%	5.6%	5.7%	5.4%	5.1%
November Forecast	668.8	699.7	740.6	782.1	822.8	864.4
Percent Change	6.5%	4.6%	5.8%	5.6%	5.2%	5.0%
March Forecast, Final	584.9	616.0	654.1	690.8	726.3	762.2
Percent Change	5.9%	5.3%	6.2%	5.6%	5.1%	4.9%
November Forecast	586.8	613.3	648.1	683.9	718.7	754.6
Percent Change	6.2%	4.5%	5.7%	5.5%	5.1%	5.0%
March Forecast, Final	3632	3669	3698	3721	3750	3783
Percent Change	1.1%	1.0%	0.8%	0.6%	0.8%	0.9%
November Forecast	3630	3664	3700	3730	3763	3796
Percent Change	1.0%	0.9%	1.0%	0.8%	0.9%	0.9%
March Forecast, Final	4.5	4.5	4.7	4.7	4.6	4.4
November Forecast	4.8	4.9	5.0	4.9	4.8	4.6
March Forecast, Final	275.1	274.6	275.6	276.3	276.8	277.0
Percent Change	0.5%	-0.2%	0.4%	0.2%	0.2%	0.1%
November Forecast	275.1	276.7	278.7	280.7	280.1	279.7
Percent Change	0.5%	0.6%	0.7%	0.7%	-0.2%	-0.1%
March Forecast, Final	228.7	231.1	235.8	240.7	246.0	251.8
Percent Change	-1.4%	1.1%	2.1%	2.1%	2.2%	2.4%
November Forecast	228.8	236.0	242.9	250.1	257.5	263.6
Percent Change	-1.4%	3.1%	3.0%	3.0%	2.9%	2.4%
March Forecast, Final	37.5	37.0	37.6	39.4	40.9	42.1
Percent Change	1.2%	-1.5%	1.7%	4.7%	3.8%	2.9%
November Forecast	36.0	36.9	39.4	41.7	43.1	43.8
Percent Change	-2.9%	2.4%	6.7%	5.8%	3.4%	1.7%

U.S. Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
Real GDP						
Billions of 2017 dollars						
March Forecast	23,005	23,591	24,051	24,523	24,984	25,454
<i>Growth</i>	3.1%	2.5%	1.9%	2.0%	1.9%	1.9%
November Forecast	23,005	23,527	23,989	24,484	24,972	25,465
<i>Growth</i>	3.1%	2.3%	2.0%	2.1%	2.0%	2.0%
Difference in level	0	64	61	40	12	-12
<i>Difference in growth forecast</i>	0.0%	0.3%	0.0%	-0.1%	-0.1%	-0.1%
Real Consumption						
Billions of 2017 dollars						
March Forecast	15,813	16,301	16,644	16,979	17,310	17,640
<i>Growth</i>	2.6%	3.1%	2.1%	2.0%	1.9%	1.9%
November Forecast	15,813	16,232	16,528	16,889	17,234	17,578
<i>Growth</i>	2.6%	2.7%	1.8%	2.2%	2.0%	2.0%
Difference in level	0	69	116	90	76	62
<i>Difference in growth forecast</i>	0.0%	0.4%	0.3%	-0.2%	-0.1%	-0.1%
PCE Price Index						
2017 = 100						
March Forecast	122.1	124.9	128.7	131.9	134.3	137.0
<i>Growth</i>	2.9%	2.4%	3.0%	2.5%	1.9%	2.0%
November Forecast	122.1	124.7	127.4	130.2	132.6	135.4
<i>Growth</i>	2.9%	2.1%	2.2%	2.2%	1.8%	2.1%
Difference in level	0.0	0.3	1.3	1.7	1.7	1.6
<i>Difference in growth forecast</i>	0.0%	0.2%	0.8%	0.3%	0.0%	-0.1%
Unemployment Rate						
Percent of Labor Force						
March Forecast	3.8%	4.1%	4.3%	4.5%	4.5%	4.4%
November Forecast	3.8%	4.3%	4.5%	4.6%	4.6%	4.4%
<i>Difference in forecast</i>	0.0%	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%
30 Year Fixed Mortgage Rate						
Annual Average						
March Forecast	7.0%	6.7%	6.5%	6.0%	5.7%	5.6%
November Forecast	7.0%	6.2%	5.5%	5.1%	5.0%	5.0%
<i>Difference in forecast</i>	0.0%	0.5%	1.0%	0.9%	0.7%	0.6%
3 Month T-Bill Rate						
Annual Average						
March Forecast	5.3%	4.4%	3.8%	3.2%	2.9%	2.8%
November Forecast	5.3%	4.4%	2.9%	2.5%	2.4%	2.4%
<i>Difference in forecast</i>	0.0%	0.0%	1.0%	0.7%	0.5%	0.5%

Washington Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
Real Personal Income						
Billions of 2017 dollars						
March Forecast	530.7	544.3	556.7	574.2	595.1	614.2
<i>Growth</i>	3.4%	2.6%	2.3%	3.1%	3.6%	3.2%
November Forecast	530.7	548.4	565.1	584.6	604.9	623.1
<i>Growth</i>	3.4%	3.3%	3.0%	3.5%	3.5%	3.0%
Difference in level	NA	NA	NA	NA	NA	NA
<i>Difference in growth forecast</i>	0.0%	-0.8%	-0.8%	-0.3%	0.2%	0.2%
Nominal Personal Income						
Billions of dollars						
March Forecast	647.8	680.1	716.5	757.3	799.3	841.5
<i>Growth</i>	6.3%	5.0%	5.3%	5.7%	5.5%	5.3%
November Forecast	647.8	683.7	719.9	761.3	802.3	843.6
<i>Growth</i>	6.3%	5.5%	5.3%	5.8%	5.8%	5.2%
Difference in level	0.0	-3.6	-3.4	-4.0	-3.0	-2.2
<i>Difference in growth forecast</i>	0.0%	-0.6%	0.1%	0.0%	-0.2%	0.1%
Nonfarm Payroll Employment						
Thousands						
March Forecast	3,610.1	3,651.3	3,683.9	3,709.4	3,734.4	3,765.9
<i>Growth</i>	1.0%	1.1%	0.9%	0.7%	0.7%	0.8%
November Forecast	3,610.1	3,646.3	3,681.5	3,716.3	3,746.4	3,779.4
<i>Growth</i>	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%
Difference in level	0.0	5.0	2.4	-6.9	-12.0	-13.5
<i>Difference in growth forecast</i>	0.0%	0.1%	-0.1%	-0.3%	-0.1%	0.0%
Housing Permits						
Units Authorized, Thousands						
March Forecast	35.6	37.9	36.8	38.5	40.1	41.5
<i>Growth</i>	-11.8%	6.4%	-3.0%	4.7%	4.3%	3.4%
November Forecast	35.2	36.5	37.9	40.7	42.4	43.6
<i>Growth</i>	-13.0%	3.5%	4.0%	7.2%	4.3%	2.7%
Difference in level	0.4	1.4	-1.2	-2.2	-2.3	-2.0
<i>Difference in growth forecast</i>	1.2%	2.9%	-7.0%	-2.5%	0.0%	0.7%

Governor's Council of Economic Advisor's Forecast

Calendar Years

	2024	2025	2026	2027	2028	2029
U.S.						
Real GDP						
<i>Growth</i>						
ERFC	2.8	2.2	2.0	1.9	1.9	1.8
GCEA Average	2.8	2.1	1.4	1.9	1.9	2.0
Real Consumption						
<i>Growth</i>						
ERFC	2.8	2.7	2.0	2.0	1.9	1.9
GCEA Average	2.8	2.1	1.5	2.0	2.0	2.0
PCE Price Index						
<i>Growth</i>						
ERFC	2.5	2.6	2.9	2.1	1.9	2.0
GCEA Average	2.5	2.8	2.3	2.1	2.2	2.1
Mortgage Rate						
<i>Percent</i>						
ERFC	6.7	6.7	6.2	5.8	5.7	5.6
GCEA Average	6.7	6.4	5.9	6.1	6.0	6.0
Oil Price (Brent)						
<i>Dollars per barrel</i>						
ERFC	80.5	71.2	67.7	67.0	66.9	67.0
GCEA Average	79.8	75.7	72.2	73.5	73.9	73.9

Washington State

Real Personal Income

<i>Growth</i>						
ERFC	3.4	2.0	2.6	3.5	3.5	3.0
GCEA Average	3.4	2.4	2.9	3.4	3.4	3.3

Wage and Salary Employment

<i>Growth</i>						
ERFC	1.1	1.0	0.8	0.6	0.8	0.9
GCEA Average	1.1	1.1	0.9	0.8	0.7	0.7

Manufacturing Employment

<i>Growth</i>						
ERFC	0.5	-0.2	0.4	0.2	0.2	0.1
GCEA Average	0.3	0.0	0.2	0.2	0.2	0.2

Construction Employment

<i>Growth</i>						
ERFC	-1.4	1.1	2.1	2.1	2.2	2.4
GCEA Average	-1.5	2.0	1.9	2.0	1.9	1.8

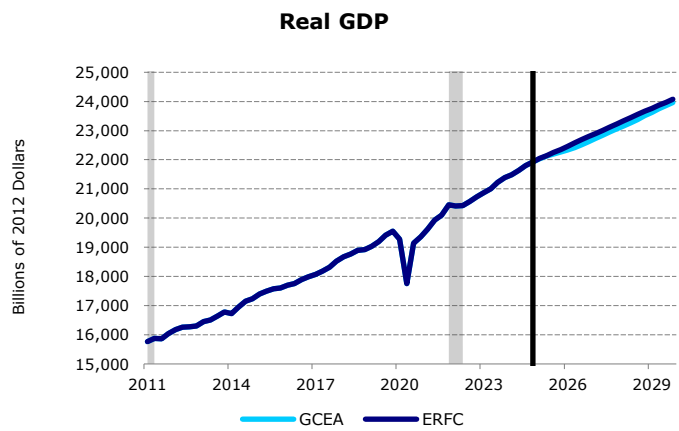
Housing Permits

<i>Thousands of authorized units</i>						
ERFC	37.5	37.0	37.6	39.4	40.9	42.1
GCEA Average	37.5	38.7	38.8	40.3	42.0	42.6

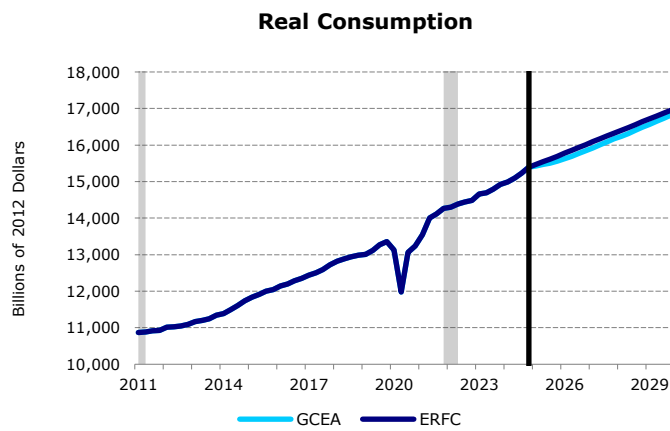
Washington Average Annual Wage

<i>Growth</i>						
ERFC	5.8	3.4	4.5	4.3	4.4	4.1
GCEA Average	5.8	3.7	4.5	4.3	4.2	4.1

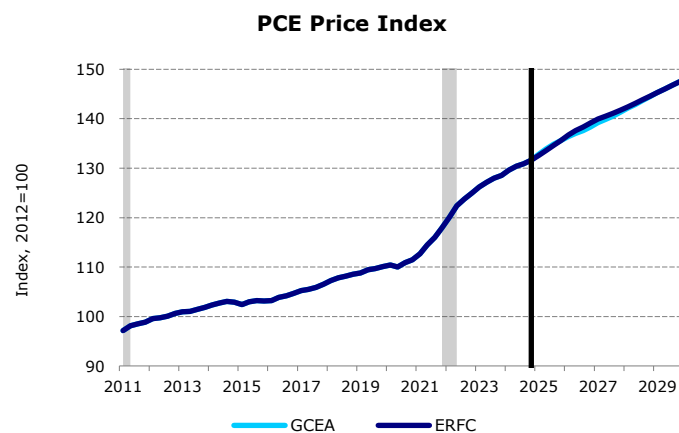
U.S. Forecast Comparison



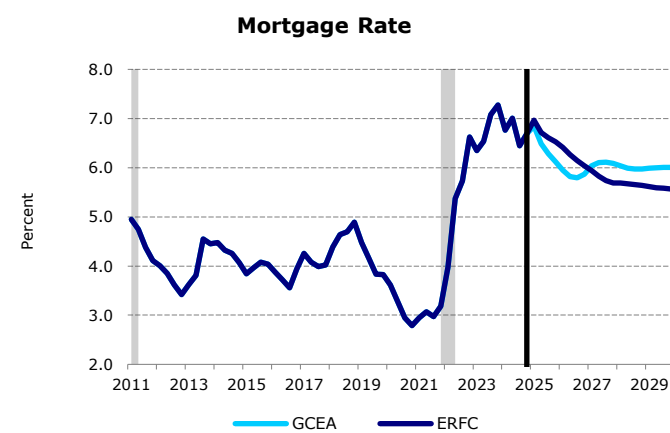
Source: BEA, ERFC, GCEA; data through 2024 Q4



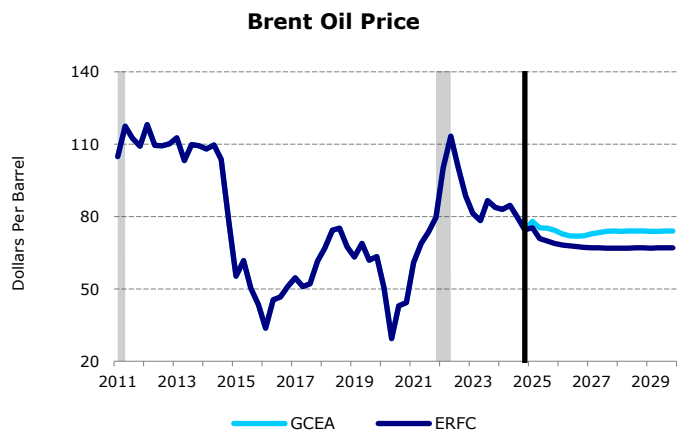
Source: BEA, ERFC, GCEA; data through 2024 Q4



Source: BEA, ERFC, GCEA; data through 2024 Q4



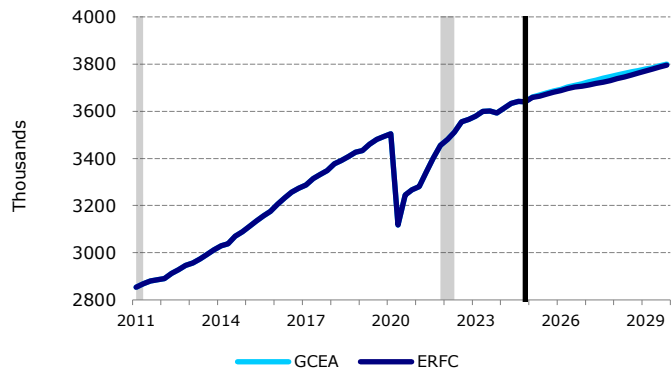
Source: Freddie Mac, ERFC, GCEA; data through 2024 Q4



Source: EIA, ERFC, GCEA; data through 2024 Q4

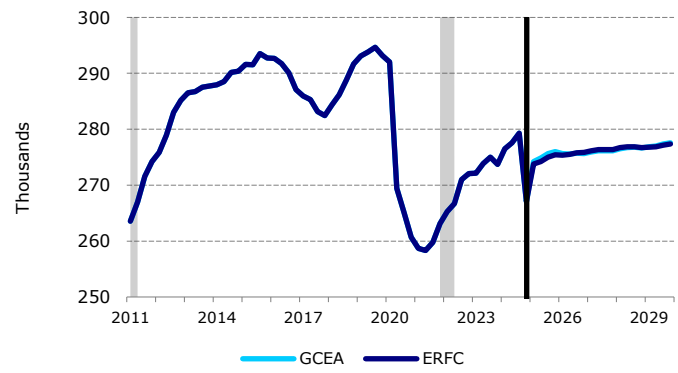
Washington Forecast Comparison

Nonfarm Payroll Employment



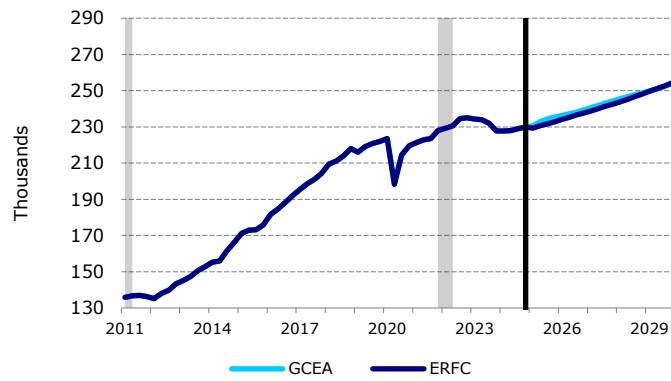
Source: ESD, ERFC, GCEA; data through 2024 Q4

Manufacturing Employment



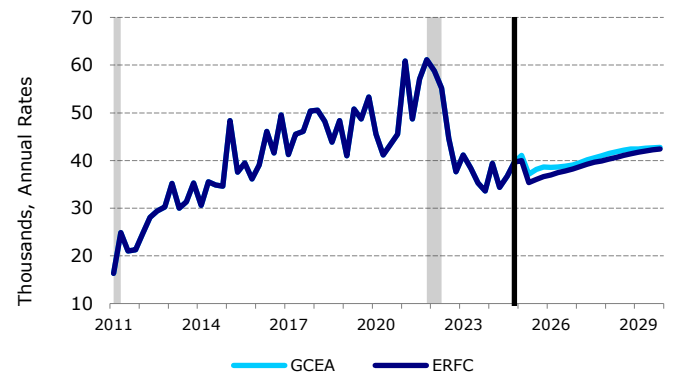
Source: ESD, ERFC, GCEA; data through 2024 Q4

Construction Employment



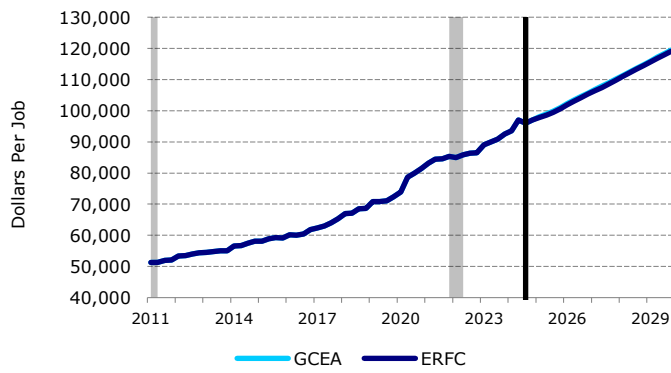
Source: ESD, ERFC, GCEA; data through 2024 Q4

Housing Units Authorized



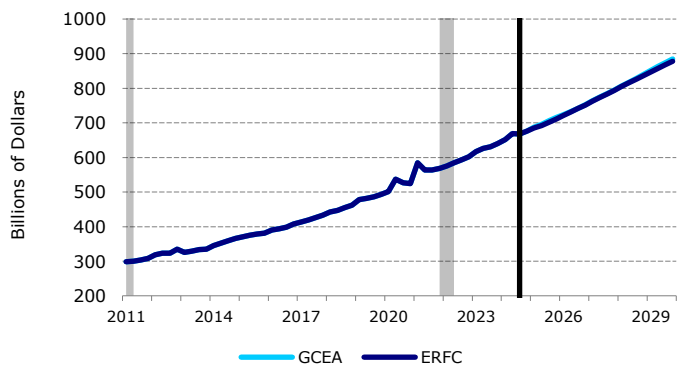
Source: Census, ERFC, GCEA; data through 2024 Q4

Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2024 Q3

Personal Income



Source: BEA, ERFC, GCEA; data through 2024 Q3

2023-25 Enacted Budget Balance Sheet

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

	2023-25		
	GFS	ELTA, OPA, WEIA, FSKA ⁽¹⁾	TOTAL
RESOURCES			
Beginning Fund Balance	4,184.7	1,102.4	5,287.0
November 2024 Revenue Forecast	63,072.4	3,317.9	66,390.4
March 2025 Revenue Forecast Change	(0.5)	54.9	54.4
Current Revenue Totals	63,071.9	3,372.9	66,444.8
Transfers to Budget Stabilization Account (1% of GSR)	(635.9)	-	(635.9)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Enacted Fund Transfers	2,092.7	-	2,092.7
Actual/Assumed Prior Period Adjustments	122.0	0.4	122.3
ACFR Adjustments	(3.4)	54.8	51.4
Prior Period Adjustment - Gain Share ⁽³⁾	117.0	-	117.0
Total Resources (Including Beginning Fund Balance)	68,948.9	4,530.4	73,479.4
EXPENDITURES			
Enacted Budgets			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
2024 Supplemental Budget	1,793.2	347.6	2,140.8
Actual/Assumed Reversions ⁽²⁾	(600.7)	-	(600.7)
Total Expenditures	67,448.0	3,896.5	71,344.5
RESERVES			
Projected Ending Balance	1,501.0	633.9	2,134.9
Budget Stabilization Account			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	635.9	-	635.9
Transfers from General Fund (EGSR)	-	-	-
Actual Prior Period Adjustments	0.1	-	0.1
Actual/Assumed Biennium - Interest Earnings	59.1	-	59.1
Appropriations	(21.1)	-	(21.1)
Actual Reversions	1.4	-	1.4
Projected BSA Ending Balance	1,327.7	-	1,327.7
Washington Rescue Plan Transition Account			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(2,100.0)	-	(2,100.0)
Projected WRPTA Ending Balance	-	-	-
Total Reserves Including BSA and WRPTA	2,828.7	633.9	3,462.6

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

(2) Reversion percentages are consistent with the ERFC's adopted enacted budget outlook from April 2024 (0.5% for FY25). This is different than former Governor Inslee's proposed FY25 supplemental budget.

(3) Gain Share amount reflects FY24 actuals and FY25 actuals-to-date.

Acronyms

BSA - Budget Stabilization Account
 GSR - General State Revenues
 EGSR - Extraordinary General State Revenues
 WRPTA - Washington Rescue Plan Transition Account