

EMBARGOED

*until June 24, 2025, 2:00 pm PDT when it will be published at
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Revenue Review

June 24, 2025



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL

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AGENDA

REVENUE REVIEW

June 24, 2025
2:00 p.m.

- Call to order
- Approval of meeting minutes from June 10, 2025
 - *Motion expected*
- Economic & Revenue Forecast
 - Adoption of official state economic and revenue forecast and unofficial optimistic and pessimistic alternative forecasts
 - *Motion expected*
- Bylaws presentation
 - *No motion required*
- Adjournment

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

Meeting Minutes
Budget Outlook Adoption and Economic Review
June 10, 2025
Zoom

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
Drew Shirk, Department of Revenue

Staff

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

Call to Order

Senator Robinson called the meeting to order at 11:01 a.m.

Approval of the Minutes

Representative Orcutt moved, seconded by Representative Ormsby, to adopt the meeting minutes from May 29, 2025. Motion passed at 11:02 a.m.

Budget Outlook: Adoption

The Budget Outlook Workgroup presented the draft outlook for the enacted 2025-2027 omnibus operating budget.

Motion

Representative Ormsby moved, seconded by Representative Berg, to adopt the outlook that does not include the 4.5% revenue growth assumption. Motion passed at 11:30 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 12:00 p.m.

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



Revenue Review: June 24, 2025

Executive Summary

United States

- This forecast is based on a modified version of S&P Global Market Intelligence's June 2025 control forecast for the U.S. economy. We have adjusted real gross domestic product (GDP) to be consistent with the Blue Chip "Consensus" GDP forecast for 2025 and 2026. We expect real GDP to increase 1.4% in 2025 and 2026. The March forecast assumed 2.2% and 2.0% growth in 2025 and 2026. Our forecast for real GDP growth in 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in March 2025. We expect growth rates of 2.0%, 2.0%, and 1.9% in 2027 through 2029, up from 1.9%, 1.9%, and 1.8% in the previous forecast.
- Our oil price forecast reflects the futures markets for the Brent (North Sea) oil price and West Texas Intermediate (WTI) benchmarks. This forecast was based on the Tuesday, June 10, 2025 closing prices for Brent and WTI futures. Oil prices are lower in the near term compared to the March forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$63 per barrel in the second quarter of 2025, down from \$67 per barrel in the previous forecast. Oil prices are expected to increase slightly throughout the forecast after reaching a trough of \$61 in the first quarter of 2026. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$62 per barrel, compared with \$63 in the March forecast.
- National employment in May increased by 139,000 net jobs but employment levels for March and April were revised down due to additional data and updated seasonal factors by a combined 95,000 jobs. Sectors with the largest job gains in May included healthcare (+62,200), social assistance (+16,100), and leisure and hospitality (+48,000). Sectors with declining employment in May included federal employment (-22,000), employment services (-16,700) and professional and business services (-18,000).
- Two key measures of consumer confidence either didn't change, or increased after months of decreases. The University of Michigan (UM) consumer sentiment survey was unchanged at 52.2 in May after decreasing by 4.8 points in April. The Conference Board index of consumer confidence increased by 12.3 points in May to 98.0. Survey results indicated increased optimism about future employment prospects, income, and business conditions.
- Consumer prices increased 0.1% (SA) in May following a 0.2% increase in April. Compared to May 2024, prices are up 2.4%. Core prices, which exclude food and energy, rose by 2.8% compared to May 2024.
- Initial claims for unemployment insurance decreased by 5,000 to 245,000 (SA) in the week ending June 14. The four-week moving average of initial claims was 245,500, up 4,750 from the prior week.

- Industrial production decreased by 0.2% in May following a 0.1% increase in April. Industrial production was up 0.6% compared with its May 2024 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, decreased by 1.3% (SA) in April following a 0.3% increase in March according to U.S. Census Bureau data. New orders for core capital goods were 1.3% above their April 2024 level.
- Residential construction activity was down in May compared with April, and new and existing home sales were up in April/May. May housing starts decreased by 9.8% (SA) compared to April and were 4.6% below their May 2024 level. Housing units authorized by building permits in May were 2.0% (SA) below their April level and 1.0% below their year-ago level. New home sales in April increased by 10.9% (SA) compared to March and were 3.3% above their year-ago level. Existing home sales in May increased by 0.8% (SA) compared to April but were down 0.7% compared to May 2024. The seasonally adjusted Case-Shiller national home price index for March was 0.3% below its February level and 3.4% above its year-ago level.
- The major risks to the U.S. and Washington economies continue to be the impacts of trade policy and federal government reforms, high interest rates and geopolitical conflict impacting energy prices.

Washington

- Washington job growth has been weaker than expected in the four months since the March forecast, and historical revisions have significantly lowered the level of employment. Total seasonally adjusted nonfarm payroll employment fell 3,000 in February, March, April, and May which was 9,300 less than the 6,300 gain expected in the forecast. The construction sector was flat while manufacturing employment increased by 300 in the four-month period. Social assistance had the largest increase in the private service sector, gaining 4,300 jobs in February, March, April, and May. The largest decline was in leisure and hospitality with a loss of 6,300 jobs. Government employment declined by 1,600, led by a 3,800 job loss in state and local government education partially offset by a 3,600 increase in non-education related local government employment. Large downward revisions to historical data, combined with weaker than expected job growth, have resulted in the level of employment being 16,200 lower than expected in the March forecast.
- The June forecast calls for a 0.5% increase in Washington employment this year, down from 1.0% in the March forecast. We expect growth to slow further in 2026 at 0.4% compared to 0.8% growth expected in the previous forecast. The June forecast has employment growth pick up and reach 0.9% in 2028 and 2029. We expect the unemployment rate to remain at 4.5% this year, unchanged from the March forecast. Going forward, we expect the unemployment rate to increase to 4.9% in 2026 and 2027, then decline to 4.4% in 2029. The previous forecast called for the unemployment rate to peak at 4.7% before declining to 4.4%.

- 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. Since reaching the peak, aerospace employment has declined as Boeing incorporated layoffs. The forecast calls for aerospace employment to reach a trough in the second quarter of 2025 at 78,100 jobs. Going forward, we expect aerospace employment to increase through the forecast period and reach 85,700 jobs by the fourth quarter 2029.
- In March, after the forecast was complete, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the fourth quarter of 2024. Washington personal income increased from \$669.8 billion (SAAR) in the third quarter of 2024 to \$676.9 billion in the fourth quarter. The 4.3% increase (SAAR) in Washington personal income was the 17th lowest among the states and District of Columbia and trailed the 4.6% rate of increase for the U.S. as a whole. Washington net earnings growth of 4.7% (SAAR) trailed the 5.1% national average growth rate. Property income (dividends, interest, and rent) grew 2.9% (SAAR) for both Washington and the nation. Transfer receipts grew 5.0% (SAA) in both Washington and the nation.
- The forecast for nominal personal income growth this year is 5.2%, up from 4.7% in the March forecast. We expect nominal personal income growth to average 5.3% from 2025 to 2029, down slightly from 5.4% growth assumed in the March forecast. The combination of small upward revisions to historical data, stronger growth in 2025, and slightly weaker growth from 2025 to 2029 results in Washington nominal personal income being \$4.9 billion (0.6%) higher in 2029 than assumed in the previous forecast.
- Seattle-area home prices declined for the second consecutive month in March. Home prices fell 0.6% in March after a 0.03% decline the month before. In comparison, the composite-20 index fell 0.1% in March after a 0.4% increase in February. Seattle home prices in March remain up 4.2% over the year, while composite-20 index was up 4.1%.
- Seattle-area consumer price inflation cooled in April. From April 2024 to April 2025, the Seattle CPI rose 1.7% compared to the 2.3% increase in the U.S. City average index. Seattle inflation has come down substantially since reaching a peak of 10.1% in June 2022 and is now at the lowest level since 2021. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 3.4% and 4.0% respectively in April. Core inflation (excluding food and energy), is now below the Federal Reserve target rate (core PCE price index = 2%) in Seattle, although it remains elevated for the U.S. Seattle core CPI rose 1.7% in April compared to 2.8% for the U.S. City average.
- Washington exports grew 4.4% from the first quarter of 2024 to the first quarter of 2025. The increase was fueled by a 51.2% increase in transportation equipment exports. Agricultural exports declined 15.8% over the year. Excluding transportation equipment and agricultural products,

Washington exports declined 12.4% year-over-year in the first quarter of 2025, the largest decline since 2019.

- Washington car and truck sales declined in May but remain on an upward trend. The seasonally adjusted number of new vehicle registrations decreased 9.2% in May from the month before to 286,800 (SAAR). Passenger car registrations fell 8.8% while light truck registrations declined 12.2%. The number of total registrations remain up 7.3% over the year in May.
- Washington housing construction was again weak in the final month of the first quarter of 2025 with 29,800 (SAAR) units permitted. A total of 32,500 units (SAAR) were permitted in first quarter, down from 38,600 units (SAAR) in the fourth quarter. Permits in the first quarter consisted of 18,000 (SAAR) single-family units and 14,500 (SAAR) multi-family units. March multi-family permits totaled 11,300 (SAAR), up from 9,800 in February. This was the weakest two-month period for multi-family construction since 2014.
- The June forecast calls for housing permits to decrease to 34,800 units this year from 37,800 units in 2024. We expect housing permits to grow through 2029 reaching 40,900 units. The previous forecast called for total housing permits of 37,000 units this year, reaching 42,100 units in 2029.

Revenue

- Cumulative major General Fund-State revenue (GF-S) since the March 2025 forecast came in \$14.6 million (0.2%) lower 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 \$1.2 million (0.0%) lower than forecasted. Collections of all other DOR revenue sources were \$14.5 million (0.5%) lower than forecasted.
- New legislation from the 2025 legislative session and other non-economic factors have increased forecasted GF-S revenue in each biennium. Changes included increased B&O tax rates and applying the retail sales tax to certain services which previously only paid B&O tax. Some changes reduced revenue, such as a legislated transfer of 0.1% of sales and use taxes to the Multimodal Transportation Account beginning July 1, 2027. In the current biennium, changes in the supplemental budget and a transfer of funds from the tobacco settlement account provided a total non-economic increase of \$284.9 million. Legislative and budgetary changes added \$3.375 billion to forecasted revenue in the 2025-27 biennium and \$3.022 billion in the 2027-29 biennium.
- The June state economic forecast projects slightly lower housing permits and construction employment and slightly higher unemployment than expected in March. Excluding the impact of the legislative changes, these factors would have resulted in decreases in forecasted Revenue Act taxes.

- Real estate excise tax collections since March were \$59.7 million (16.4%) lower than forecasted. Due to the lower-than expected baseline taxable activity, forecasted receipts have decreased by \$55.9 million in the current biennium, \$25.6 million in the 2025-27 biennium and \$27.2 million in the 2027-29 biennium.
- Forecasted GF-S revenue is now \$63.426 billion for the 2023-25 biennium, an increase of \$354.6 million from the March 2025 forecast. Forecasted GF-S revenue is \$70.088 billion for the 2025-27 biennium, an increase of \$2.929 billion, and \$74.787 billion for the 2027-29 biennium, an increase of \$2.458 billion.
- Without the non-economic increases, forecasted GF-S revenue would have increased \$69.7 million in the current biennium but decreased by \$445.8 million and \$563.7 million in the next two biennia respectively.
- New legislation affecting capital gains and estate taxes has increased forecasted Education Legacy Trust Account (ELTA) revenue in the next two biennia. In addition, higher-than-expected capital gains and estate tax collections have increased forecasted revenue in the current biennium. The ELTA forecast has been increased by \$288.9 million in the current biennium, \$284.3 million in the 2025-27 biennium and \$250.7 million in the 2027-29 biennium. Forecasted ELTA revenue is now \$2.406 billion for the 2023-25 biennium, \$2.768 billion for the 2025-27 biennium and \$2.958 billion for the 2027-29 biennium.
- The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was increased \$8.5 million in the current biennium but decreased by \$29.5 million in the 2025-27 biennium and \$19.7 million in the 2027-29 biennium. Estimated OPA revenue is now \$349.3 million for the 2023-25 biennium, \$336.8 million for the 2025-27 biennium and \$354.8 million for the 2027-29 biennium.
- Legislative changes to B&O taxes have increased forecasted revenue for the Workforce Education Investment Account (WEIA) substantially in the next two biennia. Estimated revenue for the current biennium has also been increased due to higher-than-expected collections. Forecasted revenue was increased \$40.3 million in the current biennium, \$620.1 million in the 2025-27 biennium and \$900.2 million in the 2027-29 biennium. Estimated WEIA revenue is now \$955.0 million for the 2023-25 biennium, \$1.563 billion for the 2025-27 biennium and \$1.915 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 \$692.3 million in the 2023-25 biennium, \$3.804 billion in the 2025-27 biennium and \$3.590 billion in the 2027-29 biennium.
- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$67.137 billion, an increase of 3.7% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$74.756 billion, an increase of 11.3% over the prior biennium, and forecasted total

revenue for the 2027-29 biennium is \$80.014 billion, an increase of 7.0% over the prior biennium.

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Revenue Review

Presented to the
Economic and Revenue Forecast Council

Dave Reich
Executive Director

June 24, 2025



WASHINGTON STATE
ECONOMIC AND REVENUE FORECAST COUNCIL



Overview

- The U.S. economic forecast for output is weaker and near-term inflation is higher than in March
- Generally, the U.S. and Washington economies have been transitioning to slower growth (GDP, employment) with recent policy uncertainty compounding the trend
- There is a significant amount of uncertainty in the forecast due to trade and federal/fiscal policy and Middle East conflict
- The forecast of funds subject to the budget outlook is increased by \$4,496 million (3.3%) for 2023-27 period
- The forecast of funds subject to the budget outlook is increased by \$3,590 million (4.7%) for 2027-29 period

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Since the March forecast...

Positives:

- U.S. employment has increased by 508,000 jobs
- Inflation slowed (Seattle CPI up 1.7%, Apr. 25)

Negatives:

- Tariff increases and retaliation
- Israel-Iran conflict
- Recent federal changes in employment and spending
- WA revenue collections growth continues to be slow

The economic forecast incorporates WA and U.S. employment data through May 2025

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Forecast risks

Upside

- Tariffs are avoided or lower or just more certain
- Quicker resolution of Middle East, Russia – Ukraine, conflicts leads to lower commodity prices
- Stronger consumer spending, faster interest rate cuts

Downside

- Trade policy (higher U.S. tariffs and retaliation)
- Israel-Iran conflict not in our forecast, Russia-Ukraine conflicts intensify, impacts energy prices
- Larger federal employment/spending reductions
- Inflation stays higher longer and elevated interest rates slow the economy

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Tariffs are a significant economic driver, and uncertainty is making it harder

Includes 10% tariffs on most countries, 25% tariffs on Canada and Mexico, 25% steel and aluminum tariffs (50% for YBL) and a 30% tariff on Chinese goods and others:

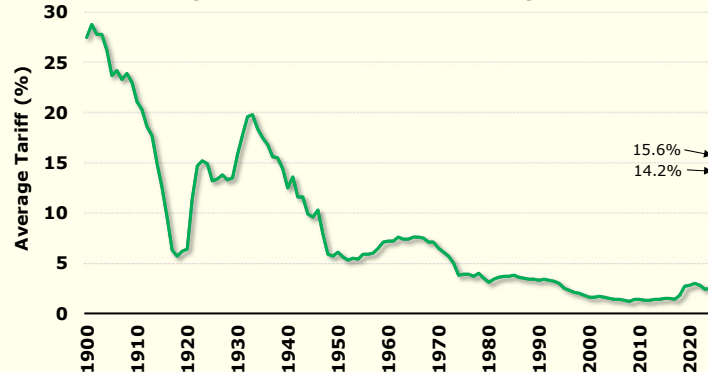
~15.6%
(Yale budget lab, 6/6/25)

~14.2%
(EY, 5/29/25)

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**U.S. Average Tariff Rate
(1900-2024, 2025 estimated)**



Source: Yale budget lab and EY

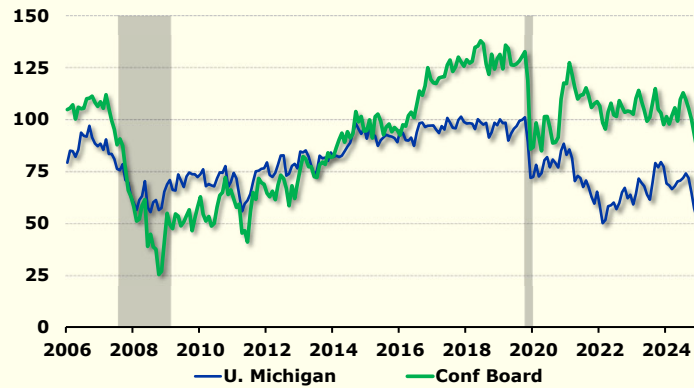
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Consumer sentiment improved near the end of 2024, but has moved with tariff news in 2025

The preliminary June U of M index is 60.5, up 8.3 points from May

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



Sources: Data through May 2025 (CB), May 2025 (UM)

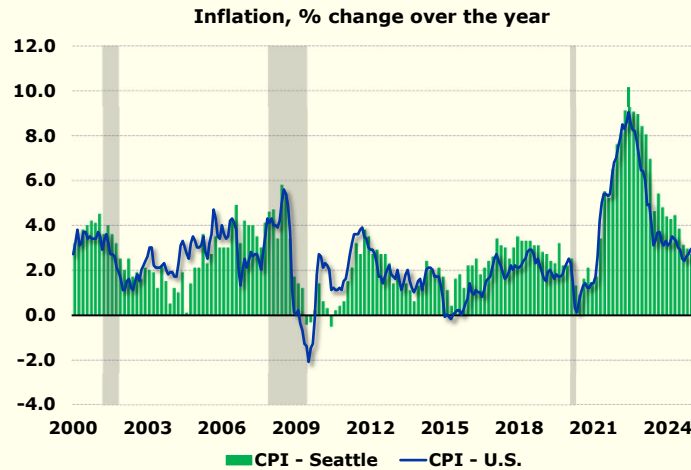
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Inflation has slowed significantly but tariffs will increase prices in the near-term



Source: U.S. Bureau of Labor Statistics, data through May 2025 (U.S.) and April 2025 (WA)

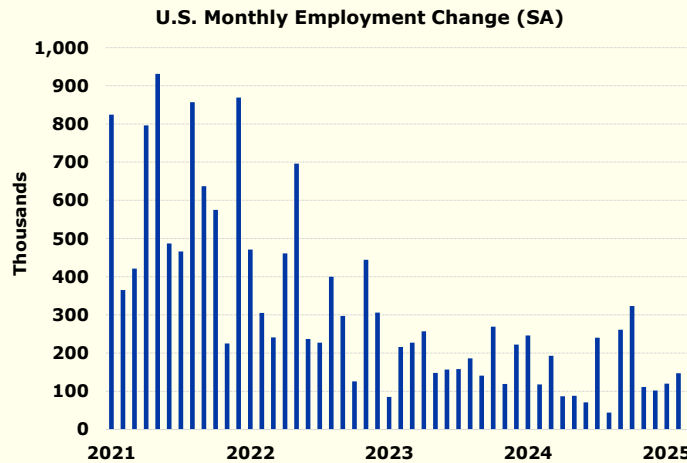
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U.S. employment growth slowing but holding up; allows Federal Reserve to hold rates until greater clarity



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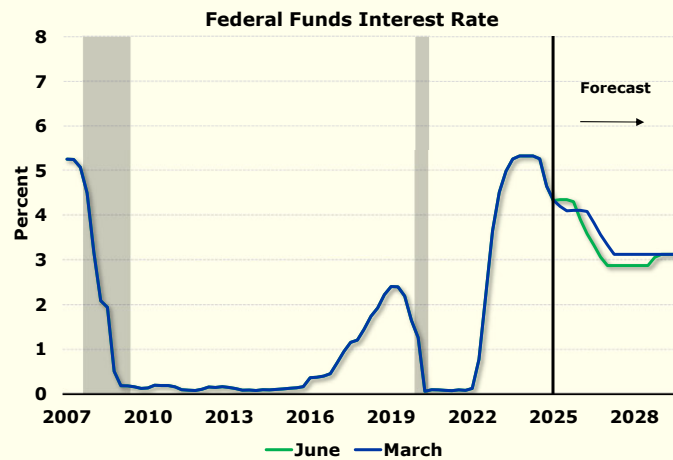
Source: U.S. Bureau of Labor Statistics; data through May 2025

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The Federal Reserve largely on hold until economic changes become clearer



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 June 2025 forecast; historical data through 2025 Q1

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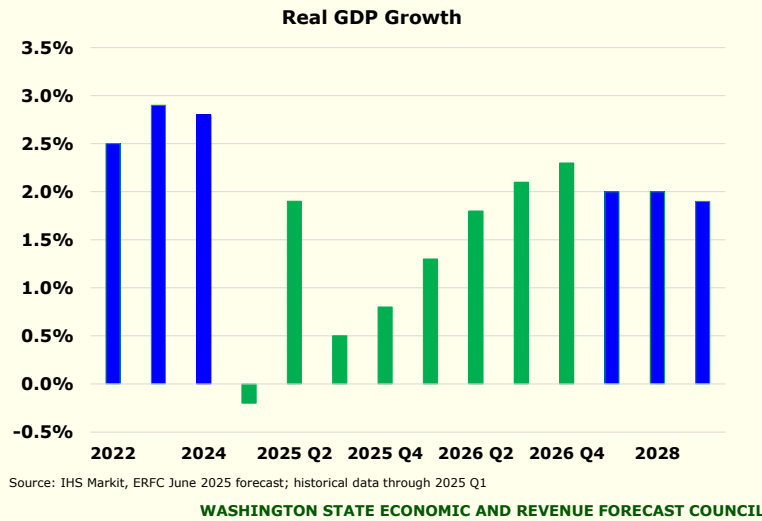


GDP has slowed significantly, but forecast calls for positive quarterly growth in 2025:2Q and beyond

Growth in the first quarter of 2025 was -0.2% SAAR (2nd estimate)

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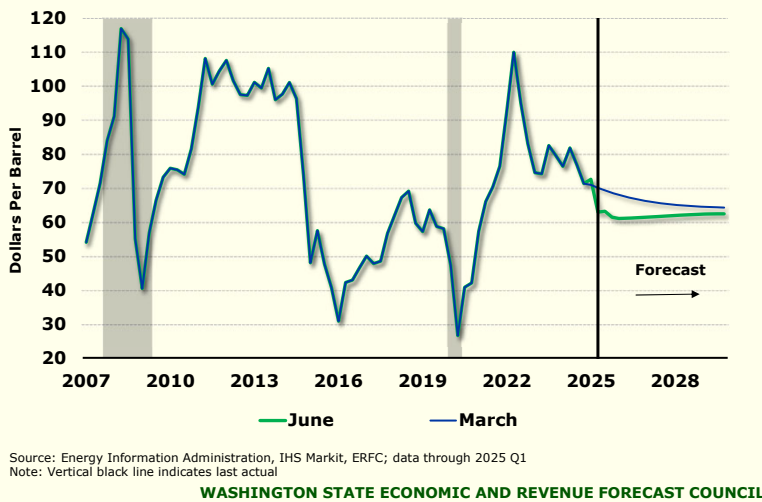
Oil prices are lower than in the March forecast

Oil prices in the first quarter of 2025 were lower than expected in the March forecast

Recent conflict in the Middle east has pushed prices up

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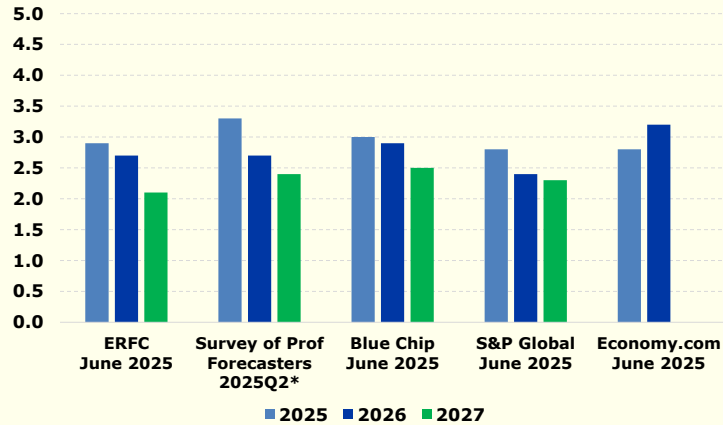
Inflation is likely to pick up later this year as tariffs lead to price increases

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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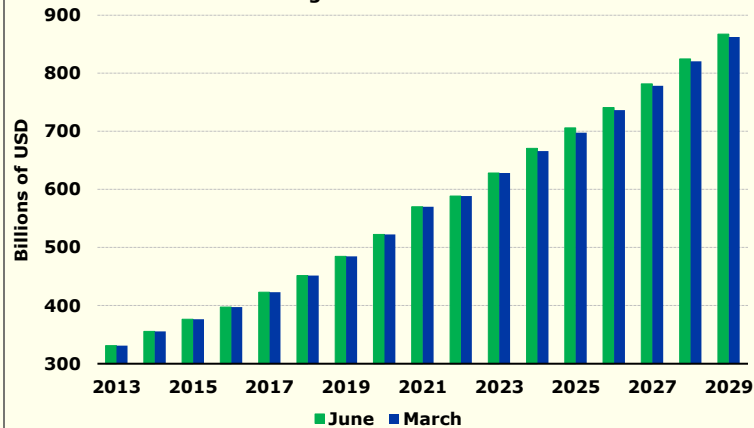
WA personal income levels revised higher; but growth is reduced from March

In March, BEA released 2024:4Q personal income and WA was up 4.3% (SAAR)

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Washington Personal Income



Source: ERFC June 2025 forecast; historical data through 2024 4Q

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WA employment forecast is lower over the forecast period

Average annual employment growth, 2025 to 2029:

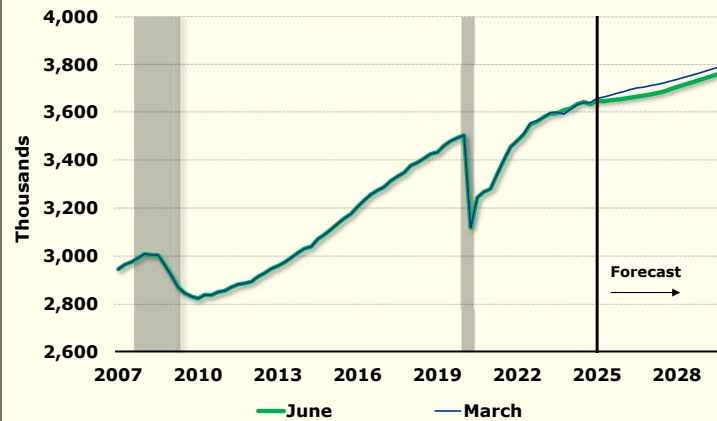
U.S. = 0.3%

WA = 0.7%

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Washington Nonfarm Payroll Employment



Source: ERFC June 2025 forecast; historical data through 2025 Q1

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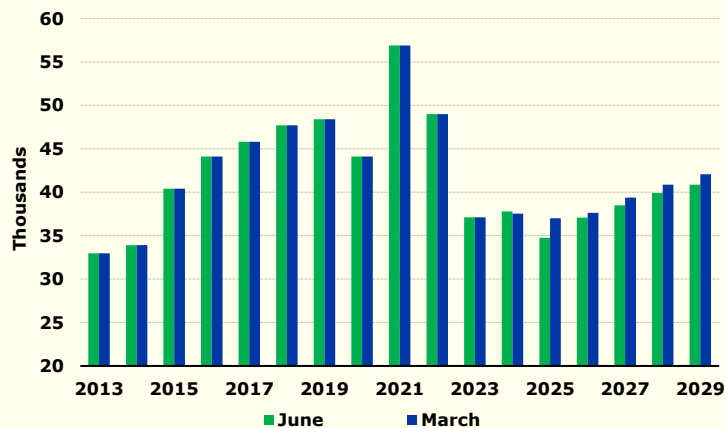


WA housing permit forecast revised down from March

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Washington Housing Permits



Source: ERFC June 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

- Recent revenue growth likely tariff related-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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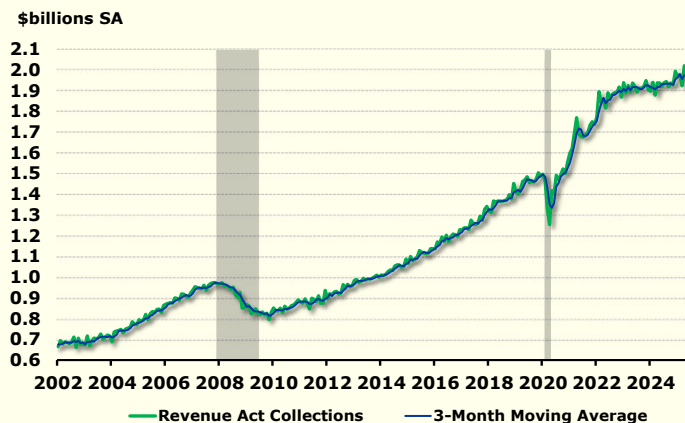
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Revenue Act collections growth; April activity was up 4.3% (SA) compared with April 2024

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



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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 April 2025 activity

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WA retail taxable sales contracted for four quarters until growing again in the fourth 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 Q4. 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 \$640M in May 2025



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Source: ERFC; Monthly data through May 2025 estimate

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



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

The forecast
increase
represents
1.0% of
biennial
revenue

\$Millions	<u>Mar. 2025 Forecast</u>	<u>Non- economic Change</u>	<u>Forecast Change</u>	<u>Jun. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$63,072	\$285	\$70	\$63,426	\$355
Education Legacy Trust Account	\$2,118	n/a	\$289	\$2,406	\$289
WA Opportunity Pathways Account	\$341	\$0	\$8	\$349	\$9
Workforce Education Investment Account	\$915	n/a	\$40	\$955	\$40
Total	\$66,445	\$285	\$407	\$67,137	\$692

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

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

The forecast
increase
represents
5.4% of
biennial
revenue

\$Millions	<u>Mar. 2024 Forecast</u>	<u>Non- economic Change</u>	<u>Forecast Change</u>	<u>Jun. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$67,159	\$3,375	(\$446)	\$70,088	\$2,929
Education Legacy Trust Account	\$2,483	\$322	(\$37)	\$2,768	\$284
WA Opportunity Pathways Account	\$366	\$1	(\$31)	\$337	(\$30)
Workforce Education Investment Account	\$943	\$596	\$24	\$1,563	\$620
Total	\$70,952	\$4,294	(\$490)	\$74,756	\$3,804

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

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

The forecast
increase
represents
4.7% of
biennial
revenue

\$Millions	<u>Mar. 2024 Forecast</u>	<u>Non- economic Change</u>	<u>Forecast Change</u>	<u>Jun. 2025 Forecast</u>	<u>Total Change[#]</u>
General Fund-State	\$72,329	\$3,022	(\$564)	\$74,787	\$2,458
Education Legacy Trust Account	\$2,707	\$314	(\$63)	\$2,958	\$251
WA Opportunity Pathways Account	\$375	\$1	(\$21)	\$355	(\$20)
Workforce Education Investment Account	\$1,014	\$891	\$9	\$1,915	\$900
Total	\$76,425	\$4,228	(\$638)	\$80,014	\$3,590

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

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Revenue Review
June 24, 2025
Slide 21



2025 Revenue Legislation \$millions (excluding Governor vetoes)

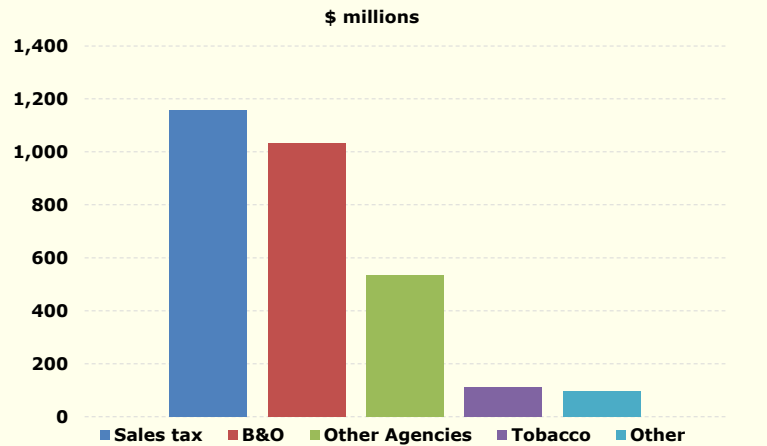
	Biennium		
	23-25	25-27	27-29
General Fund-State			
B&O Taxes (2081)	0.0	1,383.1	2,549.4
Tax Preferences (5794)	0.0	135.2	216.4
Transportation Transfers (5802)	0.0	609.1	(1,217.1)
Excise Taxes (5814)	0.0	1,193.1	1,594.3
Other Legislation	0.0	99.2	15.4
Budget Driven Revenue (LCB and Lottery)	14.0	36.7	(6.5)
Total GF-S	14.0	3,456.4	3,151.9
Education Legacy Trust Account			
Legislation (1791,5813)	0.0	321.6	313.9
Workforce Education Investment Account			
Legislation (2081, others)	0.0	609.3	911.1
Washington Opportunity Pathway Account			
Budget Driven Revenue	0.1	1.3	1.2
Total all funds	14.1	4,388.6	4,378.0

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Revenue Review
June 24, 2025
Slide 22



2025- 2027 biennium GF-S forecast changes by source



Revenue Review
June 24, 2025

Source: ERFC June 2025 forecast; includes both economic and non-economic changes

Slide 23

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



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

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline#
June 2025 Baseline (50%)	\$67,137	
June 2025 Alternative Forecasts		
Optimistic (20%)	\$67,311	\$174
Pessimistic (30%)	\$66,953	(\$184)
Probability Weighted Average	\$67,117	(\$20)

Revenue Review
June 24, 2025

#May not add to total due to rounding

Slide 24

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



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

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
June 2025 Baseline (50%)	\$74,756	
June 2025 Alternative Forecasts		
Optimistic (20%)	\$78,356	\$3,601
Pessimistic (30%)	\$71,062	(\$3,693)
Probability Weighted Average	\$74,368	(\$388)

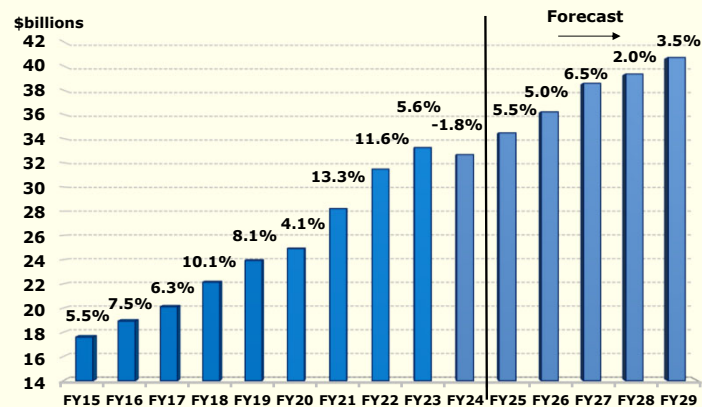
Revenue Review
June 24, 2025
Slide 25

*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
June 24, 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: ERFEC forecast, June 2025

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Summary

- U.S. & WA economies are slowing, and future risk is elevated due to current policy changes
- Impacts of tariffs, federal employment/funding, geopolitical conflict and lower spending & higher inflation/interest rates, pose risks to the forecast
- Revenues are up significantly due to legislative changes but partially offset by economic changes.
- Without the non-economic increases, forecasted GF-S revenue would have increased \$70 million in the current biennium but decreased by \$446 million and \$564 million in the next two biennia respectively.
- Total state revenues are expected to grow 3.7% between the 2021-23 and 2023-25 biennia and 11.3% between the 2023-25 and 2025-27 biennia

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Revenue Review
June 24, 2025
Slide 27



Questions?



Economic & Revenue Forecast Council
PO BOX 40912
Olympia WA 98504-0912
www.erfc.wa.gov
360-534-1560

Revenue Review
June 24, 2025
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ERFC Bylaws

Presentation to the
Economic and Revenue Forecast Council

Dave Reich

6/24/25

Proposed ERFC Bylaws

- ▶ The core work (state economic and revenue forecasts) is listed in RCW
- ▶ Bylaws are to specify process related items
- ▶ TERFC completed bylaws last year and subsequent slides are based on those
- ▶ Draft plan
 - ▶ Initial guidance today
 - ▶ Draft bylaws provided in September for feedback
 - ▶ Draft bylaws revised based on feedback and AAG review and provided in November for motion or more changes
 - ▶ Draft bylaws revised and resubmitted for motion if needed in January 2026

Item list for ERFC Bylaws

- ▶ Article I-Purpose
- ▶ Article II-Officers and Duties
 - ▶ Who's on the ERFC (in RCW), vacancies filled at any time, Chair vacancy filled by same house and party
 - ▶ How often should the Chair rotate?
 - ▶ ERFC rotates every two-years
 - ▶ JTC rotates every year (co-chair)
 - ▶ Other?
 - ▶ How should the Chair/vice-Chair rotate
 - ▶ House D&R then Senate D&R
 - ▶ JTC rotates among the Transportation Chairs
 - ▶ Does ERFC want other officers?
 - ▶ Last year we elected a vice-Chair
 - ▶ Could designate others or leave the option

Items for ERFC Bylaws (Cont.)

- ▶ Article III-Meetings
 - ▶ Held quarterly plus budget outlook meetings, agenda published by ERFC
 - ▶ What if the Chair is absent?
 - ▶ Vice-Chair steps in
 - ▶ Have another officer step-in
 - ▶ Designate one at the meeting
- ▶ Article IV-Quorum
 - ▶ Must have quorum to vote
 - ▶ Seven votes (ERFC) to approve forecast
 - ▶ Remote attendance is ok
- ▶ Article V-Voting procedures
 - ▶ Votes are recorded
 - ▶ Chair has same voting rights
 - ▶ Must adopt motion/resolution
 - ▶ Are alternates allowed
 - ▶ TERFC does not allow except for the Treasurer
 - ▶ JTC allows alternates

Items for ERFC Input (Cont.)

- ▶ Article VI-Minutes
 - ▶ All meetings will have written record
- ▶ Article VII-Change in Bylaws
 - ▶ Any TERFC Member may ask for a review
- ▶ Other Items for ERFC (not in TERFC Bylaws)
 - ▶ Budget outlook process
 - ▶ Economic/Revenue & Outlook workgroups
 - ▶ Forecast supervisor hiring process

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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 June 2025 to the March 2025 Forecast
2023-25 Biennium
Cash Forecast; Millions of Dollars

	<u>March 2025 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>June 2025 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,071.9	\$284.9	\$69.7	\$63,426.4	\$354.6
Education Legacy Trust Account	\$2,117.5	\$0.0	\$288.9	\$2,406.4	\$288.9
WA Opportunity Pathways Account	\$340.7	\$0.1	\$8.4	\$349.3	\$8.5
Workforce Education Investment Account	\$914.6	\$0.0	\$40.3	\$955.0	\$40.3
Total	\$66,444.8	\$285.0	\$407.3	\$67,137.1	\$692.3

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

	<u>March 2025 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>June 2025 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$67,159.3	\$3,374.8	(\$445.8)	\$70,088.4	\$2,929.0
Education Legacy Trust Account	\$2,483.4	\$321.6	(\$37.3)	\$2,767.6	\$284.3
WA Opportunity Pathways Account	\$366.3	\$1.3	(\$30.8)	\$336.8	(\$29.5)
Workforce Education Investment Account	\$942.6	\$596.0	\$24.1	\$1,562.8	\$620.1
Total	\$70,951.6	\$4,293.8	(\$489.9)	\$74,755.5	\$3,803.9

*Details may not add due to rounding

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

February 2020 through June 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
June 2025	70	289	8	40	407	285 #9	692	67,137
Total change:								
From February 2020	5,629	454	32	287	6,402	892	7,294	
Percent change	9.7	49.1	9.8	43.1	10.7	1.5	12.2	
Change in forecast since initial 23-25 biennial budget**								
	559	398	1	171	1,130	266	1,396	
Percent change	0.9	19.8	0.3	21.8	1.7	0.4	2.1	

* 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

#9 Budget-driven revenue changes from 2025 supplemental budget plus transfers from the tobacco settlement account and to the Emergency Drought Response Account

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

February 2022 through June 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
June 2025	(446)	(37)	(31)	24	(490)	4,294 #6	3,804	74,756
Total change:								
From February 2022	751	142	-19	134	1,007	3,723	4,730	
Percent change	1.1	6.1	-5.3	16.1	1.4	5.3	6.8	

* 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

#6 Legislative and budget-driven revenue changes from the 2025 legislative session less Governor vetoes

June 2025

Cash Basis

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

	2024-25 <u>Biennium</u>	Difference From the <u>June 2025 Baseline</u>
June 2025 Baseline (50%)	\$67,137	
June 2025 Alternative Forecasts		
Optimistic (20%)	\$67,311	\$174
Pessimistic (30%)	\$66,953	(\$184)
Probability Weighted Average	\$67,117	(\$20)

2025-27 Biennium

	2025-27 <u>Biennium</u>	Difference From the <u>June 2025 Baseline</u>
June 2025 Baseline (50%)	\$74,756	
June 2025 Alternative Forecasts		
Optimistic (20%)	\$78,356	\$3,601
Pessimistic (30%)	\$71,062	(\$3,693)
Probability Weighted Average	\$74,368	(\$388)

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

History and Forecast by Fiscal Year (Cash basis)

June 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	\$32,333	4.0%	\$1,440	49.1%	\$173	-2.3%	\$520	19.3%	\$34,465	5.5%
FY 2026	\$34,026	5.2%	\$1,361	-5.5%	\$163	-5.7%	\$647	24.6%	\$36,197	5.0%
FY 2027	\$36,062	6.0%	\$1,407	3.4%	\$174	6.9%	\$915	41.4%	\$38,558	6.5%
FY 2028	\$36,748	1.9%	\$1,455	3.4%	\$176	1.2%	\$943	3.0%	\$39,322	2.0%
FY 2029	\$38,039	3.5%	\$1,503	3.3%	\$179	1.5%	\$972	3.0%	\$40,692	3.5%
Biennial Totals										
07-09 Biennium	\$29,817	0.1%	\$437	14.8%	\$0	NA	\$0	NA	\$30,254	0.3%
09-11 Biennium	\$28,218	-5.4%	\$269	-38.5%	\$99	NA	\$0	NA	\$28,586	-5.5%
11-13 Biennium	\$30,657	8.6%	\$215	-19.9%	\$244	145.2%	\$0	NA	\$31,116	8.8%
13-15 Biennium	\$33,666	9.8%	\$405	88.0%	\$234	-4.1%	\$0	NA	\$34,305	10.2%
15-17 Biennium	\$38,317	13.8%	\$467	15.4%	\$266	13.6%	\$0	NA	\$39,050	13.8%
17-19 Biennium	\$44,143	15.2%	\$1,654	254.1%	\$284	6.9%	\$0	NA	\$46,081	18.0%
19-21 Biennium	\$50,803	15.1%	\$1,639	-0.9%	\$337	18.5%	\$352	NA	\$53,132	15.3%
21-23 Biennium	\$61,002	20.1%	\$2,575	57.1%	\$378	12.2%	\$779	121.2%	\$64,734	21.8%
23-25 Biennium	\$63,426	4.0%	\$2,406	-6.6%	\$349	-7.6%	\$955	22.6%	\$67,137	3.7%
25-27 Biennium	\$70,088	10.5%	\$2,768	15.0%	\$337	-3.6%	\$1,563	63.6%	\$74,756	11.3%
27-29 Biennium	\$74,787	6.7%	\$2,958	6.9%	\$355	5.4%	\$1,915	22.5%	\$80,014	7.0%

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

Legislative and Budget-Driven Revenue Changes from 2025 Legislative Session

Amounts in millions of dollars

Bill number	Bill title	Tax Type/Fee	Rev Source	FY24	FY25	FY26	FY27	FY28	FY29
2025 General Fund-State Revenue Legislation									
1163	Firearm Purchase	GFS	0866	0.0	0.0	0.0	0.0	0.0	8.7
1355	Tax Compacts/Capital Investment	GFS	0101	0.0	0.0	0.0	0.0	-9.0	-28.0
1468	Accounts	GFS	0621	0.0	0.0	10.4	0.0	0.0	0.0
1515	Alcohol Service in Public	GFS	0205	0.0	0.0	0.9	0.6	0.3	0.0
1791	Local Real Estate Excise Tax	GFS	0157	0.0	0.0	0.0	0.0	0.0	0.0
2015	Public Safety Funding	GFS	0101	0.0	0.0	0.2	1.3	2.9	3.1
2020	Payment Card Processing/Tax	GFS	0105	0.0	0.0	1.9	4.7	5.0	5.0
2047	Employee Ownership Program	GFS	0105	0.0	0.0	0.0	0.4	0.4	0.4
2061	Duty-free sales enterprises	GFS	0101	0.0	0.0	0.2	0.0	0.0	0.0
2077	Zero-Emission Vehicle Program	GFS	0101	0.0	0.0	0.0	54.5	0.0	0.0
2081	Business and Occupation Tax	GFS	0105	0.0	0.0	299.4	1,083.7	1,242.1	1,307.3
5284	Solid Waste Management	GFS	0105	0.0	0.0	0.6	1.4	1.4	1.5
5316	Unclaimed property	GFS	0649	0.0	0.0	2.1	2.4	2.9	3.3
5682	Employment Training Program	GFS	0105	0.0	0.0	0.0	-0.1	-0.1	-0.1
5786	Liquor License Fees	GFS	0205	0.0	0.0	8.9	8.9	8.9	8.9
5794	Tax Preferences	GFS	0101	0.0	0.0	6.8	16.2	16.2	16.2
5794	Tax Preferences	GFS	0105	0.0	0.0	28.5	80.1	86.2	92.9
5794	Tax Preferences	GFS	0135	0.0	0.0	1.0	2.5	2.5	2.5
5802	Transportation Transfers	GFS	0621	0.0	0.0	339.9	114.0	0.0	0.0
5802	Transportation Transfers	GFS	0622	0.0	0.0	0.0	0.0	-304.7	-304.7
5802	Transportation Transfers	GFS	0101	0.0	0.0	155.2	0.0	-281.8	-292.3
5802	Transportation Transfers	GFS	0110	0.0	0.0	0.0	0.0	-16.6	-17.1
5814	Excise Taxes	GFS	0101	0.0	0.0	504.0	809.3	846.9	883.5
5814	Excise Taxes	GFS	0105	0.0	0.0	-89.5	-142.5	-148.8	-154.9
5814	Excise Taxes	GFS	0126	0.0	0.0	32.2	79.6	82.3	85.2
Total GFS Revenue Legislation						1,302.6	2,117.1	1,537.0	1,621.4
Biennium Totals							3,419.7		3,158.4
2025 Education Legacy Trust Account Revenue Legislation									
1791	Local Real Estate Excise Tax	ELTA	0157			0.0	0.0	0.0	0.0
5813	Tax Rates/Cap. Gains, Estate; Capital Gains	ELTA	0152			151.0	131.0	136.0	143.0
5813	Tax Rates/Cap. Gains, Estate; Estate	ELTA	0155			9.9	29.7	21.8	13.1
Total ELTA Revenue Legislation						160.9	160.7	157.8	156.1
Biennium Totals							321.6		313.9
2025 Workforce Education Investment Account Revenue Legislation									
2020	Payment Card Processing/Tax	WEIA	0105	0.0	0.0	-1.7	-4.4	-4.7	-4.7
2081	Business and Occupation Tax	WEIA	0105			186.6	461.5	474.0	486.2
5284	Solid Waste Management	WEIA	0105			0.1	0.2	0.2	0.2
5814	Excise Taxes	WEIA	0105			-17.9	-28.4	-29.6	-30.9
5794	Tax Preferences	WEIA	0105			3.8	9.5	9.9	10.4
Total WEIA Revenue Legislation						170.9	438.4	449.8	461.3
Biennium Totals							609.3		911.1
2025 Budget Driven Revenue									
	Firearms Certificate Program	GFS		0.0	0.0	0.2	0.2	0.2	0.2
	Liquor Control Board (Liquor)	GFS		0.0	14.0	-7.3	-6.2	-4.0	-2.6
	Liquor Control Board (Marijuana)	GFS		0.0	0.0	0.0	-0.1	-0.2	-0.1
	Marijuana Distribution Changes	GFS		0.0	0.0	0.0	0.0	0.0	0.0
	Voluntary Disclosure Program	GFS		0.0	0.0	50.0	0.0	0.0	0.0
	Lottery	OPA		0.0	0.1	0.7	0.6	0.6	0.6
Total NGFS Budget Driven Revenue				-	14.1	43.6	(5.6)	(3.4)	(1.9)
Biennium Totals					14.1		38.0		(5.3)
Governor Vetoes									
	5974 First Mortgage Removal	GFS	0105			-24.3	-61.1	-63.7	-66.4
	5974 First Mortgage Removal	WEIA	0105			-3.8	-9.5	-9.9	-10.4

Lottery transfers by fund

June 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	203.4	25.9	0.0	0.0	0.0	0.0	0.9	5.9	170.7	0.0	0.0	0.0
2023-25 Biennium	446.2	84.1	0.0	0.0	0.0	0.0	1.7	12.6	347.8	0.0	0.0	0.0
2026	212.4	33.9	0.0	0.0	0.0	0.0	0.9	5.9	171.7	0.0	0.0	0.0
2027	214.9	33.7	0.0	0.0	0.0	0.0	0.9	5.9	174.4	0.0	0.0	0.0
2025-27 Biennium	427.3	67.6	0.0	0.0	0.0	0.0	1.9	11.8	346.0	0.0	0.0	0.0
2028	216.8	33.6	0.0	0.0	0.0	0.0	0.9	5.9	176.4	0.0	0.0	0.0
2029	219.4	34.0	0.0	0.0	0.0	0.0	1.0	5.9	178.5	0.0	0.0	0.0
2027-29 Biennium	436.2	67.5	0.0	0.0	0.0	0.0	1.9	11.8	355.0	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

June 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	204.8	25.7	0.0	0.0	0.0	0.0	0.9	5.6	172.6	0.0	0.0	0.0
2023-25 Biennium	449.8	86.9	0.0	0.0	0.0	0.0	1.6	12.0	349.3	0.0	0.0	0.0
2026	206.0	36.1	0.0	0.0	0.0	0.0	0.9	6.1	162.8	0.0	0.0	0.0
2027	214.7	33.9	0.0	0.0	0.0	0.0	0.9	5.9	174.0	0.0	0.0	0.0
2025-27 Biennium	420.7	70.0	0.0	0.0	0.0	0.0	1.9	12.0	336.8	0.0	0.0	0.0
2028	216.7	33.7	0.0	0.0	0.0	0.0	0.9	5.9	176.1	0.0	0.0	0.0
2029	219.1	33.6	0.0	0.0	0.0	0.0	1.0	5.9	178.7	0.0	0.0	0.0
2027-29 Biennium	435.8	67.3	0.0	0.0	0.0	0.0	1.9	11.8	354.8	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 June 2025 and March 2025 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.8	\$0.0	\$55.2	\$1,790.0	\$55.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$573.9	\$14.0	(\$25.6)	\$562.2	(\$11.7)
Lottery Commission Lottery Revenue	\$97.2	\$0.0	(\$10.2)	\$86.9	(\$10.2)
State Treasurer Interest Earnings	\$573.5	\$0.0	(\$1.4)	\$572.1	(\$1.4)
Office of Financial Management Other Agencies	(\$8.3)	\$270.9	(\$2.5)	\$260.1	\$268.4
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.9	\$0.0	\$0.7	\$108.6	\$0.7
Total General Fund-State	\$3,079.0	\$284.9	\$16.2	\$3,380.0	\$301.0

General Fund-State GAAP Estimates - Other Agencies

Comparison of the June 2025 and March 2025 forecasts
2023-25 Biennium
(Amounts in Millions)

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,734.8	\$0.0	\$55.2	\$1,790.0	\$55.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$578.0	\$14.0	(\$29.7)	\$562.2	(\$15.8)
Lottery Commission Lottery Revenue	\$87.1	\$0.0	(\$3.0)	\$84.1	(\$3.0)
State Treasurer Interest Earnings	\$581.8	\$0.0	\$0.2	\$582.0	\$0.2
Office of Financial Management Other Agencies	(\$8.3)	\$270.9	(\$2.5)	\$260.1	\$268.4
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$107.9	\$0.0	\$0.7	\$108.6	\$0.7
Total General Fund-State	\$3,081.3	\$284.9	\$20.9	\$3,387.0	\$305.7

* Detail may not total due to rounding.

General Fund-State Cash Estimates - Other Agencies

Comparison of the June 2025 and March 2025 forecasts
2025-27 Biennium
(Amounts in Millions)

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,819.0	\$0.0	\$78.1	\$1,897.1	\$78.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$675.9	\$5.6	(\$15.0)	\$666.5	(\$9.4)
Lottery Commission Lottery Revenue	\$62.5	\$0.0	\$7.5	\$70.0	\$7.5
State Treasurer Interest Earnings	\$288.5	\$0.0	(\$3.3)	\$285.2	(\$3.3)
Office of Financial Management Other Agencies	(\$42.1)	\$468.4	(\$7.9)	\$418.4	\$460.5
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$118.3	\$0.0	\$1.8	\$120.0	\$1.8
Total General Fund-State	\$2,922.2	\$474.0	\$61.2	\$3,457.4	\$535.2

General Fund-State GAAP Estimates - Other Agencies

Comparison of the June 2025 and March 2025 forecasts
2025-27 Biennium
(Amounts in Millions)

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,819.0	\$0.0	\$78.1	\$1,897.1	\$78.1
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$675.9	\$5.6	(\$15.0)	\$666.5	(\$9.4)
Lottery Commission Lottery Revenue	\$67.1	\$0.0	\$0.5	\$67.6	\$0.5
State Treasurer Interest Earnings	\$279.5	\$0.0	(\$3.6)	\$275.9	(\$3.6)
Office of Financial Management Other Agencies	(\$42.1)	\$468.4	(\$7.9)	\$418.4	\$460.5
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$118.3	\$0.0	\$1.8	\$120.0	\$1.8
Total General Fund-State	\$2,917.7	\$474.0	\$53.9	\$3,445.6	\$527.9

* Detail may not total due to rounding.

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

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,890.3	\$0.0	\$81.2	\$1,971.5	\$81.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$724.4	\$11.2	(\$21.4)	\$714.1	(\$10.3)
Lottery Commission Lottery Revenue	\$66.8	\$0.0	\$0.5	\$67.3	\$0.5
State Treasurer Interest Earnings	\$249.5	\$0.0	(\$8.2)	\$241.4	(\$8.2)
Office of Financial Management Other Agencies	(\$60.4)	(\$600.0)	\$25.8	(\$634.5)	(\$574.1)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$121.3	\$0.0	\$4.5	\$125.9	\$4.5
Total General Fund-State	\$2,992.0	(\$588.8)	\$82.5	\$2,485.6	(\$506.4)

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

Source/Agency	March 2025 Baseline	Non-Economic Changes	Economic Changes	June 2025 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,890.3	\$0.0	\$81.2	\$1,971.5	\$81.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$724.4	\$11.2	(\$21.4)	\$714.1	(\$10.3)
Lottery Commission Lottery Revenue	\$67.1	\$0.0	\$0.4	\$67.5	\$0.4
State Treasurer Interest Earnings	\$249.8	\$0.0	(\$8.2)	\$241.6	(\$8.2)
Office of Financial Management Other Agencies	(\$60.4)	(\$600.0)	\$25.8	(\$634.5)	(\$574.1)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$121.3	\$0.0	\$4.5	\$125.9	\$4.5
Total General Fund-State	\$2,992.5	(\$588.8)	\$82.4	\$2,486.1	(\$506.4)

U.S. Forecast Comparison

	2025Q2	2025Q3	2025Q4	2026Q1
Real GDP (Billions of 2017 Dollars)				
June Forecast, Final	23,639	23,667	23,712	23,790
Percent Change	1.9%	0.5%	0.8%	1.3%
June Forecast, Preliminary	23,592	23,602	23,638	23,732
Percent Change	1.1%	0.2%	0.6%	1.6%
Real Consumption (Billions of 2017 Dollars)				
June Forecast, Final	16,390	16,410	16,442	16,502
Percent Change	1.7%	0.5%	0.8%	1.5%
June Forecast, Preliminary	16,375	16,374	16,399	16,470
Percent Change	0.7%	0.0%	0.6%	1.7%
PCE Price Index (2017=100)				
June Forecast, Final	126.5	128.0	128.9	129.7
Percent Change	3.0%	4.9%	2.7%	2.5%
June Forecast, Preliminary	127.5	128.2	129.0	129.9
Percent Change	6.4%	2.2%	2.4%	2.8%
Real Personal Income (Billions of 2017 Dollars)				
June Forecast, Final	20,456	20,396	20,437	20,585
Percent Change	3.6%	-1.2%	0.8%	2.9%
June Forecast, Preliminary	20,163	20,179	20,232	20,382
Percent Change	-1.2%	0.3%	1.1%	3.0%
Nonfarm Payroll Employment (Millions)				
June Forecast, Final	159.6	159.8	159.9	159.9
Percent Change	1.1%	0.4%	0.2%	0.2%
June Forecast, Preliminary	159.6	159.7	159.8	159.9
Percent Change	1.1%	0.3%	0.2%	0.2%
Unemployment Rate (Percent of Labor Force)				
June Forecast, Final	4.2	4.3	4.4	4.6
June Forecast, Preliminary	4.3	4.5	4.6	4.8
Oil Price, Refiner's Acquisition				
June Forecast, Final	62.9	63.1	61.4	61.0
June Forecast, Preliminary	62.3	61.1	60.0	60.0
30 Year Fixed Mortgage Rate (Percent, average)				
June Forecast, Final	6.8	6.7	6.5	6.4
June Forecast, Preliminary	6.6	6.5	6.4	6.3
3 Month T-Bill Rate (Percent, average)				
June Forecast, Final	4.3	4.2	4.1	3.7
June Forecast, Preliminary	4.2	4.2	4.1	3.7

2024	2025	2026	2027	2028	2029
23,305	23,637	23,964	24,443	24,932	25,406
2.8%	1.4%	1.4%	2.0%	2.0%	1.9%
23,305	23,590	23,901	24,379	24,866	25,339
2.8%	1.2%	1.3%	2.0%	2.0%	1.9%
16,053	16,391	16,613	16,962	17,318	17,665
2.8%	2.1%	1.4%	2.1%	2.1%	2.0%
16,053	16,373	16,584	16,932	17,288	17,633
2.8%	2.0%	1.3%	2.1%	2.1%	2.0%
123.5	127.2	130.6	133.0	135.3	137.7
2.5%	3.0%	2.7%	1.8%	1.7%	1.8%
123.5	127.6	131.0	133.5	135.8	138.2
2.5%	3.3%	2.6%	1.9%	1.8%	1.7%
19,974	20,392	20,788	21,457	22,131	22,775
2.8%	2.1%	1.9%	3.2%	3.1%	2.9%
19,966	20,199	20,596	21,258	21,929	22,563
2.8%	1.2%	2.0%	3.2%	3.2%	2.9%
158.0	159.6	160.1	160.5	161.0	161.8
1.3%	1.0%	0.3%	0.3%	0.3%	0.5%
158.0	159.6	160.0	160.4	160.9	161.7
1.3%	1.0%	0.3%	0.3%	0.3%	0.5%
4.0	4.3	4.7	4.7	4.6	4.3
4.0	4.4	4.9	5.0	4.8	4.4
76.6	65.0	61.2	61.6	62.1	62.4
76.6	63.9	60.3	61.3	62.3	62.9
6.7	6.7	6.2	5.9	5.8	5.7
6.7	6.6	6.1	5.9	5.8	5.8
5.0	4.2	3.3	2.6	2.7	2.8
5.0	4.2	3.2	2.6	2.7	2.8

U.S. Forecast Comparison

	2025Q2	2025Q3	2025Q4	2026Q1
Real GDP (Billions of 2017 Dollars)				
June Forecast, Final	23,639	23,667	23,712	23,790
Percent Change	1.9%	0.5%	0.8%	1.3%
March Forecast	23,771	23,879	23,986	24,108
Percent Change	1.9%	1.8%	1.8%	2.1%
Real Consumption (Billions of 2017 Dollars)				
June Forecast, Final	16,390	16,410	16,442	16,502
Percent Change	1.7%	0.5%	0.8%	1.5%
March Forecast	16,445	16,520	16,600	16,685
Percent Change	1.9%	1.8%	2.0%	2.1%
PCE Price Index (2017=100)				
June Forecast, Final	126.5	128.0	128.9	129.7
Percent Change	3.0%	4.9%	2.7%	2.5%
March Forecast	126.3	127.3	128.2	129.2
Percent Change	3.1%	3.1%	2.9%	3.3%
Real Personal Income (Billions of 2017 Dollars)				
June Forecast, Final	20,456	20,396	20,437	20,585
Percent Change	3.6%	-1.2%	0.8%	2.9%
March Forecast	20,361	20,518	20,659	20,819
Percent Change	1.9%	3.1%	2.8%	3.1%
Nonfarm Payroll Employment (Millions)				
June Forecast, Final	159.6	159.8	159.9	159.9
Percent Change	1.1%	0.4%	0.2%	0.2%
March Forecast	159.5	159.8	160.0	160.1
Percent Change	1.0%	0.9%	0.5%	0.3%
Unemployment Rate (Percent of Labor Force)				
June Forecast, Final	4.2	4.3	4.4	4.6
March Forecast	4.2	4.2	4.3	4.3
Oil Price, Refiner's Acquisition				
June Forecast, Final	62.9	63.1	61.4	61.0
March Forecast	67.1	65.9	64.9	64.2
30 Year Fixed Mortgage Rate (Percent, average)				
June Forecast, Final	6.8	6.7	6.5	6.4
March Forecast	6.7	6.6	6.5	6.4
3 Month T-Bill Rate (Percent, average)				
June Forecast, Final	4.3	4.2	4.1	3.7
March Forecast	4.0	3.9	3.9	3.8

2024	2025	2026	2027	2028	2029
23,305	23,637	23,964	24,443	24,932	25,406
2.8%	1.4%	1.4%	2.0%	2.0%	1.9%
23,302	23,824	24,290	24,751	25,221	25,675
2.8%	2.2%	2.0%	1.9%	1.9%	1.8%
16,053	16,391	16,613	16,962	17,318	17,665
2.8%	2.1%	1.4%	2.1%	2.1%	2.0%
16,054	16,483	16,811	17,147	17,473	17,805
2.8%	2.7%	2.0%	2.0%	1.9%	1.9%
123.5	127.2	130.6	133.0	135.3	137.7
2.5%	3.0%	2.7%	1.8%	1.7%	1.8%
123.5	126.8	130.4	133.1	135.6	138.4
2.5%	2.6%	2.9%	2.1%	1.9%	2.0%
19,974	20,392	20,788	21,457	22,131	22,775
2.8%	2.1%	1.9%	3.2%	3.1%	2.9%
19,994	20,451	21,004	21,663	22,315	22,882
2.9%	2.3%	2.7%	3.1%	3.0%	2.5%
158.0	159.6	160.1	160.5	161.0	161.8
1.3%	1.0%	0.3%	0.3%	0.3%	0.5%
158.0	159.6	160.2	160.4	160.7	161.3
1.3%	1.0%	0.4%	0.1%	0.2%	0.4%
4.0	4.3	4.7	4.7	4.6	4.3
4.0	4.2	4.4	4.5	4.4	4.3
76.6	65.0	61.2	61.6	62.1	62.4
76.7	67.3	63.7	62.9	62.7	62.6
6.7	6.7	6.2	5.9	5.8	5.7
6.7	6.7	6.2	5.8	5.7	5.6
5.0	4.2	3.3	2.6	2.7	2.8
5.0	4.0	3.6	2.9	2.8	2.8

Washington Forecast Comparison

	2025Q2	2025Q3	2025Q4	2026Q1
Real Personal Income (Billions of 2017 Dollars)				
June Forecast, Final	555.9	554.6	556.1	560.6
Percent Change	2.7%	-0.9%	1.1%	3.3%
June Forecast, Preliminary	552.1	553.0	555.0	559.5
Percent Change	-1.5%	0.7%	1.4%	3.3%
Personal Income (Billions of Dollars)				
June Forecast, Final	703.2	710.1	716.7	726.9
Percent Change	5.8%	3.9%	3.8%	5.8%
June Forecast, Preliminary	704.2	709.2	716.0	726.8
Percent Change	4.8%	2.9%	3.9%	6.2%
Disposable Personal Income (Billions of Dollars)				
June Forecast, Final	616.7	622.3	628.2	646.4
Percent Change	5.8%	3.7%	3.8%	12.1%
June Forecast, Preliminary	617.8	630.0	636.2	646.1
Percent Change	4.9%	8.2%	4.0%	6.4%
Nonfarm Payroll Employment (Thousands)				
June Forecast, Final	3647.1	3651.1	3653.3	3656.8
Percent Change	-0.2%	0.4%	0.2%	0.4%
June Forecast, Preliminary	3650.1	3654.9	3657.9	3661.0
Percent Change	0.2%	0.5%	0.3%	0.3%
Unemployment Rate (Percent of Labor Force)				
June Forecast, Final	4.5	4.6	4.7	4.8
June Forecast, Preliminary	4.5	4.7	4.8	4.9
Manufacturing Employment (Thousands)				
June Forecast, Final	272.4	273.7	274.3	274.7
Percent Change	-0.8%	1.9%	1.0%	0.5%
June Forecast, Preliminary	272.0	272.9	273.9	274.4
Percent Change	-0.8%	1.4%	1.4%	0.7%
Construction Employment (Thousands)				
June Forecast, Final	222.1	222.5	223.8	224.8
Percent Change	0.1%	0.9%	2.2%	1.8%
June Forecast, Preliminary	223.1	224.2	225.3	226.2
Percent Change	2.4%	1.9%	2.1%	1.6%
Housing Permits (Thousands)				
June Forecast, Final	34.7	35.7	36.1	36.5
Percent Change	29.5%	11.4%	4.4%	4.5%
June Forecast, Preliminary	34.5	35.4	36.0	36.5
Percent Change	26.6%	10.0%	7.3%	5.9%

2024	2025	2026	2027	2028	2029
543.1	554.7	567.2	587.6	609.3	629.7
3.5%	2.1%	2.2%	3.6%	3.7%	3.3%
543.0	553.6	566.4	586.7	608.3	628.3
4.0%	1.9%	2.3%	3.6%	3.7%	3.3%
670.7	705.8	741.0	781.6	824.5	867.3
6.1%	5.2%	5.0%	5.5%	5.5%	5.2%
670.7	706.3	741.7	783.0	826.2	868.1
6.6%	5.3%	5.0%	5.6%	5.5%	5.1%
589.9	618.8	659.5	696.1	732.2	768.1
6.0%	4.9%	6.6%	5.5%	5.2%	4.9%
589.9	623.6	659.7	696.4	732.7	767.9
6.6%	5.7%	5.8%	5.6%	5.2%	4.8%
3632	3650	3664	3685	3719	3754
1.0%	0.5%	0.4%	0.6%	0.9%	0.9%
3632	3653	3666	3685	3719	3752
1.0%	0.6%	0.4%	0.5%	0.9%	0.9%
4.5	4.5	4.9	4.9	4.7	4.4
4.5	4.6	5.0	5.0	4.7	4.5
274.0	273.3	274.9	275.2	276.7	277.5
0.0%	-0.2%	0.6%	0.1%	0.5%	0.3%
274.0	272.8	274.8	275.2	276.7	277.4
0.0%	-0.4%	0.7%	0.1%	0.6%	0.3%
224.1	222.6	226.5	230.9	235.2	239.6
-2.7%	-0.7%	1.8%	1.9%	1.9%	1.8%
224.1	223.6	227.6	231.7	236.0	240.1
-2.6%	-0.2%	1.8%	1.8%	1.8%	1.8%
37.8	34.8	37.1	38.5	39.9	40.9
1.8%	-8.0%	6.7%	3.8%	3.7%	2.4%
37.8	34.6	37.2	38.7	40.1	40.9
1.8%	-8.4%	7.5%	3.9%	3.6%	2.0%

Washington Forecast Comparison

	2025Q2	2025Q3	2025Q4	2026Q1
Real Personal Income (Billions of 2017 Dollars)				
June Forecast, Final	555.9	554.6	556.1	560.6
Percent Change	2.7%	-0.9%	1.1%	3.3%
March Forecast	548.3	551.5	554.8	558.4
Percent Change	1.5%	2.3%	2.4%	2.6%
Personal Income (Billions of Dollars)				
June Forecast, Final	703.2	710.1	716.7	726.9
Percent Change	5.8%	3.9%	3.8%	5.8%
March Forecast	692.4	701.8	711.1	721.4
Percent Change	4.6%	5.5%	5.4%	6.0%
Disposable Personal Income (Billions of Dollars)				
June Forecast, Final	616.7	622.3	628.2	646.4
Percent Change	5.8%	3.7%	3.8%	12.1%
March Forecast	607.7	623.6	631.7	640.9
Percent Change	4.7%	10.9%	5.3%	6.0%
Nonfarm Payroll Employment (Thousands)				
June Forecast, Final	3647.1	3651.1	3653.3	3656.8
Percent Change	-0.2%	0.4%	0.2%	0.4%
March Forecast	3664.4	3671.9	3680.6	3687.2
Percent Change	0.6%	0.8%	1.0%	0.7%
Unemployment Rate (Percent of Labor Force)				
June Forecast, Final	4.5	4.6	4.7	4.8
March Forecast	4.4	4.5	4.6	4.6
Manufacturing Employment (Thousands)				
June Forecast, Final	272.4	273.7	274.3	274.7
Percent Change	-0.8%	1.9%	1.0%	0.5%
March Forecast	274.2	275.0	275.4	275.4
Percent Change	0.6%	1.1%	0.6%	-0.1%
Construction Employment (Thousands)				
June Forecast, Final	222.1	222.5	223.8	224.8
Percent Change	0.1%	0.9%	2.2%	1.8%
March Forecast	230.5	231.6	232.8	234.0
Percent Change	2.2%	1.9%	2.1%	2.1%
Housing Permits (Thousands)				
June Forecast, Final	34.7	35.7	36.1	36.5
Percent Change	29.5%	11.4%	4.4%	4.5%
March Forecast	35.4	36.0	36.6	37.0
Percent Change	-38.5%	7.6%	6.8%	4.1%

	2024	2025	2026	2027	2028	2029
	543.1	554.7	567.2	587.6	609.3	629.7
	3.5%	2.1%	2.2%	3.6%	3.7%	3.3%
	539.3	550.2	564.7	584.6	605.0	623.2
	3.4%	2.0%	2.6%	3.5%	3.5%	3.0%
	670.7	705.8	741.0	781.6	824.5	867.3
	6.1%	5.2%	5.0%	5.5%	5.5%	5.2%
	666.0	697.5	736.4	778.4	820.5	862.4
	6.0%	4.7%	5.6%	5.7%	5.4%	5.1%
	589.9	618.8	659.5	696.1	732.2	768.1
	6.0%	4.9%	6.6%	5.5%	5.2%	4.9%
	584.9	616.0	654.1	690.8	726.3	762.2
	5.9%	5.3%	6.2%	5.6%	5.1%	4.9%
	3632	3650	3664	3685	3719	3754
	1.0%	0.5%	0.4%	0.6%	0.9%	0.9%
	3632	3669	3698	3721	3750	3783
	1.1%	1.0%	0.8%	0.6%	0.8%	0.9%
	4.5	4.5	4.9	4.9	4.7	4.4
	4.5	4.5	4.7	4.7	4.6	4.4
	274.0	273.3	274.9	275.2	276.7	277.5
	0.0%	-0.2%	0.6%	0.1%	0.5%	0.3%
	275.1	274.6	275.6	276.3	276.8	277.0
	0.5%	-0.2%	0.4%	0.2%	0.2%	0.1%
	224.1	222.6	226.5	230.9	235.2	239.6
	-2.7%	-0.7%	1.8%	1.9%	1.9%	1.8%
	228.7	231.1	235.8	240.7	246.0	251.8
	-1.4%	1.1%	2.1%	2.1%	2.2%	2.4%
	37.8	34.8	37.1	38.5	39.9	40.9
	1.8%	-8.0%	6.7%	3.8%	3.7%	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%

U.S. Forecast Comparison					Fiscal Years	
	2024	2025	2026	2027	2028	2029
Real GDP						
Billions of 2017 dollars						
June Forecast	23,005	23,527	23,766	24,207	24,684	25,172
Growth	3.1%	2.3%	1.0%	1.9%	2.0%	2.0%
March Forecast	23,005	23,591	24,051	24,523	24,984	25,454
Growth	3.1%	2.5%	1.9%	2.0%	1.9%	1.9%
Difference in level	0	-63	-285	-316	-300	-282
Difference in growth forecast	0.0%	-0.3%	-0.9%	-0.1%	0.1%	0.1%
Real Consumption						
Billions of 2017 dollars						
June Forecast	15,813	16,274	16,481	16,780	17,144	17,488
Growth	2.6%	2.9%	1.3%	1.8%	2.2%	2.0%
March Forecast	15,813	16,301	16,644	16,979	17,310	17,640
Growth	2.6%	3.1%	2.1%	2.0%	1.9%	1.9%
Difference in level	0	-27	-163	-199	-166	-152
Difference in growth forecast	0.0%	-0.2%	-0.8%	-0.2%	0.2%	0.1%
PCE Price Index						
2017 = 100						
June Forecast	122.1	125.1	129.2	131.9	134.1	136.5
Growth	2.9%	2.5%	3.3%	2.0%	1.7%	1.8%
March Forecast	122.1	124.9	128.7	131.9	134.3	137.0
Growth	2.9%	2.4%	3.0%	2.5%	1.9%	2.0%
Difference in level	0.0	0.1	0.5	0.0	-0.2	-0.5
Difference in growth forecast	0.0%	0.1%	0.3%	-0.4%	-0.1%	-0.2%
Unemployment Rate						
Percent of Labor Force						
June Forecast	3.8%	4.2%	4.5%	4.7%	4.7%	4.5%
March Forecast	3.8%	4.1%	4.3%	4.5%	4.5%	4.4%
Difference in forecast	0.0%	0.0%	0.2%	0.2%	0.2%	0.1%
30 Year Fixed Mortgage Rate						
Annual Average						
June Forecast	7.0%	6.7%	6.5%	6.1%	5.8%	5.8%
March Forecast	7.0%	6.7%	6.5%	6.0%	5.7%	5.6%
Difference in forecast	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
3 Month T-Bill Rate						
Annual Average						
June Forecast	5.3%	4.5%	3.8%	2.8%	2.6%	2.8%
March Forecast	5.3%	4.4%	3.8%	3.2%	2.9%	2.8%
Difference in forecast	0.0%	0.1%	0.0%	-0.4%	-0.2%	-0.1%

Washington Forecast Comparison					Fiscal Years	
	2024	2025	2026	2027	2028	2029
Real Personal Income						
Billions of 2017 dollars						
June Forecast	534.2	550.3	559.1	577.0	598.4	619.7
Growth	3.7%	3.0%	1.6%	3.2%	3.7%	3.6%
March Forecast	530.7	544.3	556.7	574.2	595.1	614.2
Growth	3.4%	2.6%	2.3%	3.1%	3.6%	3.2%
Difference in level	3.5	6.0	2.4	2.7	3.3	5.5
<i>Difference in growth forecast</i>	<i>0.4%</i>	<i>0.5%</i>	<i>-0.7%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.3%</i>
Nominal Personal Income						
Billions of dollars						
June Forecast	652.0	688.3	722.6	760.9	802.7	845.9
Growth	6.7%	5.6%	5.0%	5.3%	5.5%	5.4%
March Forecast	647.8	680.1	716.5	757.3	799.3	841.5
Growth	6.3%	5.0%	5.3%	5.7%	5.7%	5.3%
Difference in level	4.2	8.2	6.1	3.6	3.5	4.4
<i>Difference in growth forecast</i>	<i>0.4%</i>	<i>0.6%</i>	<i>-0.4%</i>	<i>-0.4%</i>	<i>-0.2%</i>	<i>0.1%</i>
Nonfarm Payroll Employment						
Thousands						
June Forecast	3,614.2	3,643.7	3,655.8	3,673.0	3,701.3	3,736.6
Growth	1.2%	0.8%	0.3%	0.5%	0.8%	1.0%
March Forecast	3,610.1	3,651.3	3,683.9	3,709.4	3,734.4	3,765.9
Growth	1.0%	1.1%	0.9%	0.7%	0.7%	0.8%
Difference in level	4.1	-7.6	-28.1	-36.4	-33.1	-29.2
<i>Difference in growth forecast</i>	<i>0.2%</i>	<i>-0.3%</i>	<i>-0.6%</i>	<i>-0.2%</i>	<i>0.1%</i>	<i>0.1%</i>
Housing Permits						
Units Authorized, Thousands						
June Forecast	35.8	36.0	36.3	37.8	39.2	40.5
Growth	-11.5%	0.8%	0.6%	4.3%	3.6%	3.4%
March Forecast	35.6	37.9	36.8	38.5	40.1	41.5
Growth	-11.8%	6.4%	-3.0%	4.7%	4.3%	3.4%
Difference in level	0.1	-1.9	-0.5	-0.7	-1.0	-1.0
<i>Difference in growth forecast</i>	<i>0.3%</i>	<i>-5.6%</i>	<i>3.6%</i>	<i>-0.4%</i>	<i>-0.7%</i>	<i>0.0%</i>

2023-25 and 2025-27 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			2025-27		
	GFS	ELTA , OPA, WEIA, FSKA ⁽¹⁾	TOTAL	GFS	ELTA , OPA, WEIA, FSKA ⁽¹⁾	TOTAL
RESOURCES						
Beginning Fund Balance	4,184.7	1,102.4	5,287.0	1,448.2	896.1	2,344.3
March 2025 Revenue Forecast	63,071.9	3,372.9	66,444.8	67,159.3	3,792.3	70,951.6
June 2025 Revenue Forecast Change	69.7	337.6	407.3	(445.8)	(44.1)	(489.9)
Current Revenue Totals	63,141.6	3,710.5	66,852.1	66,713.5	3,748.2	70,461.8
Transfers to Budget Stabilization Account (1% of GSR)	(635.8)	-	(635.8)	(676.6)	-	(676.6)
Transfers to Budget Stabilization Account (EGSR)	-	-	-	-	-	-
Prior Enacted Fund Transfers	2,092.7		2,092.7			-
Actual/Assumed Prior Period Adjustments	220.9	0.4	221.3	40.8	-	40.8
ACFR Adjustments	(3.4)	54.8	51.4	-	-	-
Prior Period Adjustment - Gain Share ⁽³⁾	128.9		128.9	37.7	-	37.7
2025 Legislative Session - Enacted Budgets						
Revenue Legislation	-	-	-	3,419.7	930.9	4,350.6
Budget Driven Revenue	14.0	0.1	14.1	36.7	1.3	38.0
Fund Transfers ⁽⁴⁾	314.4	-	314.4	621.0	8.0	629.0
Governor's Vetoes				(85.4)	(13.3)	(98.6)
Total Resources (Including Beginning Fund Balance)	69,457.8	4,868.2	74,326.0	71,555.6	5,571.3	77,126.9
EXPENDITURES						
Enacted Budgets						
2023-25 Biennium	68,048.6	3,896.5	71,945.1			
2025 Supplemental Budget	684.5	67.2	751.8			
2025-27 Biennium				72,690.3	5,181.9	77,872.2
Governor's Vetoes and Lapses	38.3	8.3	46.6	(13.8)	(0.7)	(14.5)
Actual/Assumed Reversions ⁽²⁾	(761.9)	-	(761.9)	(764.1)	-	(764.1)
Total Expenditures	68,009.6	3,972.0	71,981.7	71,912.3	5,181.2	77,093.6
RESERVES						
Projected Ending Balance	1,448.2	896.1	2,344.3	(356.7)	390.1	33.4
Budget Stabilization Account						
Beginning Balance	652.4		652.4	1,250.4		1,250.4
Transfers from General Fund (1% of GSR)	635.8		635.8	676.6		676.6
Transfers from General Fund (EGSR)	-		-	-		-
Actual Prior Period Adjustments	0.1		0.1	-		-
Actual/Assumed Biennium - Interest Earnings	59.5		59.5	96.8		96.8
2023-25 Biennium Appropriations	(21.1)		(21.1)	-		-
2025 Supplemental Budget Appropriations	(77.7)		(77.7)			
Actual Reversions	1.4		1.4	-		-
Projected BSA Ending Balance	1,250.4		1,250.4	2,023.8		2,023.8
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	2,698.5	896.1	3,594.7	1,667.1	390.1	2,057.1

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

(2) Reversion percentages are consistent with the ERF's adopted enacted budget outlook from June 2025 (1.0% for FY25 and FY26; 0.75% for FY27).

(3) Gain Share amount reflects FY24 actuals and FY25 actuals-to-date with projected incoming receipts. FY26 based on preliminary actuary calculation.

(4) 2025 session fund transfers in 2023-25 includes \$271 from one-time Tobacco Settlement transfer.

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account