



Economic and Revenue Forecast Council

EMBARGOED until June 15, 2016, 10:00 am PST when it will be released at www.erfc.wa.gov

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Forecast revised on strong collections

OLYMPIA, June 15, 2016 – The General Fund-State (GF-S) revenue forecast has been increased by \$294 million for the 2015-17 biennium and by \$126 million for the 2017-19 biennium.

Since the February forecast, economic data have generally been a bit weaker than expected, while revenue collections have been stronger than expected. Factors affecting the revenue forecast include strong sales of large commercial properties, a slightly higher forecast for housing permits, and higher inflation resulting in stronger real estate excise, retail sales, and Business & Occupation taxes.

Risks to the baseline include slowing economic growth in the U.S. and globally, the impact of a stronger dollar on exports, and weaker manufacturing activity.

General Fund-State revenues are expected to grow 11.2% between the 2013-15 and 2015-17 biennia and 7.5% between the 2015-17 and 2017-19 biennia.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be on Wednesday, September 21, 2016.

Forecast of GF-S Revenue (probabilities in parenthesis): 2015-17

Baseline (55%): \$37.431 billion; \$294 million higher than the previous forecast.

Optimistic (15%): \$38.703 billion; \$1.273 billion more than the baseline forecast.

Pessimistic (30%): \$36.202 billion; \$1.229 billion less than the baseline forecast.

Governor's Council of Economic Advisors: \$37.328 billion; \$103 million less than the baseline forecast.

Please see our full report for more information. You can access this report at:
http://www.erfc.wa.gov/forecasts/documents/rev20160615_color.pdf

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About the ERFC:

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