



Economic and Revenue Forecast Council

EMBARGOED until June 25, 2019, 10:00 am PDT when it will be released at www.erfc.wa.gov

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June forecast reflects economic and legislative changes

OLYMPIA, June 25, 2019 –The Near General Fund-State (Near GF-S) revenue forecast for the 2017-19 biennium is decreased by \$47 million, and revenue for the 2019-21 biennium has increased by \$432 million. The Near GF-S includes the General Fund-State, Education Legacy Trust Account and Washington Opportunity Pathways Account and provides the fullest picture of resources available for budget purposes. Legislative changes were responsible for the bulk of the forecasted increase in 2019-21, adding \$330 million in revenue.

The U.S. and Washington economic forecasts are similar to the March forecast with Washington personal income slightly higher. The baseline forecast has slowing growth but no recession. Forecast risks include the impact of trade disputes and a slowing global economy.

Near general fund-state revenues are expected to grow 17.9% between the 2015-17 and 2017-19 biennia and 10.7% between the 2017-19 and 2019-21 biennia.

The level of uncertainty in the baseline remains elevated, with downside risks outweighing upside risks.

General Fund-State Forecasts (probabilities in parenthesis): 2019-21

Baseline (50%): \$49.804 billion; \$195 million higher than the previous forecast.

Optimistic (15%): \$51.714 billion; \$1.9 billion more than the baseline forecast.

Pessimistic (35%): \$47.516 billion; \$2.3 billion less than the baseline forecast.

Governor's Council of Economic Advisors: \$50.049 billion; \$245 million more than the baseline forecast.

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

Please see our full report for more information. You can access this report at <http://erfc.wa.gov/sites/default/files/public/documents/forecasts/rev20190625.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.