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Revenue Review

June 26, 2024



WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL

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WASHINGTON STATE  
**ECONOMIC AND REVENUE FORECAST COUNCIL**

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## AGENDA

### **REVENUE REVIEW**

June 26, 2024  
2:00 p.m.

- Call to order
- Approval of meeting minutes from June 11, 2024
- 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**  
June 11, 2024  
Conference Call

**Economic and Revenue Forecast Council**

Lynda Wilson, Senate, Chair  
April Berg, House of Representatives  
Chris Corry, House of Representatives  
Chris Gildon, Senate  
Timm Ormsby, House of Representatives  
June Robinson, Senate  
Ed Orcutt, House of Representatives  
Mike Pellicciotti, Treasurer  
David Schumacher, Office of Financial Management

*Staff*  
Dave Reich, Executive Director

**Call to Order**

Senator Wilson called the meeting to order at 2:00 p.m.

**Approval of the Minutes**

Representative Ormsby moved, seconded by Representative Orcutt, to adopt the meeting minutes from April 25, 2024. Motion passed at 2:01 p.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 2:22 p.m.

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



**Economic Review: June 26, 2024**

**Executive Summary**

**United States**

- This forecast is based on a modified version of S&P Global Market Intelligence's June 2024 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 2024 and 2025. We expect real GDP to increase 2.3% in 2024 and 1.8% in 2025, up from the 2.0% and 1.7% growth rates assumed in the February forecast. Our forecast for real GDP growth in 2026-29 is based on the most recent long term forecast from Blue Chip which was released in March 2024. We expect growth rates of 2.0%, 2.0%, 1.9%, and 1.9% in 2026 through 2029 which is very close to the 2.1%, 1.9%, 1.9%, and 1.8% rates in the February 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 11, 2024 closing prices for Brent and WTI futures. Oil prices are higher than in the February forecast. As in February, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$80 per barrel in the second quarter of 2024 compared to \$72 in the February forecast. By the fourth quarter of 2029 the refiner acquisition price of crude is expected to average \$65 per barrel compared to \$64 in the February forecast.
- National employment in May increased by 272,000 net jobs. Employment in March and April was revised down due to additional data and updated seasonal factors by a combined 15,000 jobs. Sectors with the largest job gains in May included healthcare (+68,000), professional and business services (+33,000), leisure and hospitality (+42,000) and government (+43,000). Sectors with declining employment in May included employment services (-16,000) and general merchandise retailing (-6,000).
- Two key measures of consumer confidence decreased in May/June. The University of Michigan (UM) consumer sentiment survey decreased by 8.1 points to 69.1 in May after decreasing by 2.2 points in April. Most of the decline in consumer sentiment reflected negative views on labor markets as consumers expect unemployment to increase and income growth to slow. The Conference Board index of consumer confidence decreased by 0.9 points in June to 100.4. Survey results indicated that the decrease in consumer confidence was due to concerns about future business conditions, job availability and income.
- Consumer prices in May were unchanged compared to April. Over the last 12 months, prices are up 3.3%. Core prices, which exclude food and energy, rose by 3.4% compared to May 2023.

- Initial claims for unemployment insurance decreased by 5,000 to 238,000 (SA) in the week ending June 15th. The four-week moving average of initial claims increased by 5,500 to 232,750.
- Industrial production increased by 0.9% (SA) in May following an unchanged value (+0.0%, SA) in April. Industrial production was up 0.4% compared to its May 2023 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.3% (SA) in April following a revised 0.1% decrease in March according to U.S. Census Bureau data. New orders for core capital goods were 1.2% above their April 2023 level.
- Residential construction slowed in May compared with April and both new and existing home sales were down. May housing starts decreased by 5.5% (SA) compared to April and were 19.3% below their May 2023 level. Housing units authorized by building permits in April were 3.8% (SA) below their March level and 9.5% below their year-ago level. New home sales in April decreased by 4.7% (SA) compared to March and were 7.7% below their year-ago level. Existing home sales in May decreased by 0.7% (SA) compared to April and were also down 2.8% compared to May 2023. The seasonally adjusted Case-Shiller national home price index for April was 0.3% above its March level and 6.3% 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.

## Washington

- Washington job growth has been stronger than expected in the five months since the February forecast, although historical revisions have lowered the level of employment. Total seasonally adjusted nonfarm payroll employment increased 31,300 since December, which was 15,000 more than the 16,400 increase expected in the forecast. The construction sector increased by 3,100 jobs while manufacturing employment increased by 2,400 in the five-month period. Health services and social assistance had the largest increase in the private service sector, gaining 9,100 jobs since December. The largest decline was in other transportation (couriers, transit, etc.) with a loss of 2,400 jobs. Government employment increased by 10,500 with gains at the federal, state, and local levels. The combination of downward revisions to history and stronger than expected job growth have resulted in the level of employment in May being 17,900 lower than expected in the February forecast.
- Washington's unemployment rate has been trending upward. The unemployment rate increased to 4.9% in May from 4.8% in April and up from a recent trough of 3.8% in June 2023. Labor force participation declined to 63.7% in May from 63.8% the month before and is down from the recent peak of 64.5% in June 2023.
- The June forecast calls for a 1.3% increase in Washington employment this year, down from the 1.4% growth rate expected in the February forecast. We expect slower growth during the remainder of the forecast as the U.S. economy slows. The forecast has employment growth average 1.0% per year



- in 2025 through 2029, up from 0.9% in the previous forecast. We assume the 4.1% unemployment rate in 2023 was the trough. Going forward, we expect the unemployment rate to increase to 4.9% from 2025 through 2027, then decline to 4.5% in 2029.
- After the grounding of the 737 Max and then the pandemic, Washington's aerospace employment declined from 89,600 at end of 2019 to a low of 66,700 in August 2021, a loss of 22,800 jobs. Since August 2021, the industry added back 15,600 jobs, bringing the level to 82,400 in May 2024. We expect aerospace employment to continue to expand into 2028, reaching a peak of 89,500 jobs. The forecast then calls for aerospace employment to level off and then slowly decline through the end of the forecast horizon in 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 2023. We have incorporated the new BEA estimates as well as additional Washington Quarterly Census of Employment and Wages (QCEW) data. Our current estimate of Washington personal income in the fourth quarter of 2023 was \$13.6 million (0.0%) higher than in the February forecast. Wages and salaries were \$1.3 billion (0.4%) higher than expected and nonwage income was \$1.3 billion (0.4%) lower than expected.
  - The forecast for nominal personal income growth this year is 5.3%, down from 5.4% in the February forecast. We expect nominal personal income growth of 5.5% in 2025, up from 5.4% in the previous forecast. The June forecast then has nominal personal income growth average 5.3% from 2026 to 2029, up from 5.2% in the February forecast.
  - Seattle-area home price growth is weakening. The S&P CoreLogic Case-Shiller Seattle home price index fell 0.1% in March, the third decrease in the past five months. Prior to this, Seattle home prices had increased for seven consecutive months. In comparison, the composite-20 index has increased in each of the past thirteen months. Seattle home prices in March were up 7.8% over the year while the composite-20 index was up 7.4% over the year.
  - Seattle-area consumer price inflation continues to outpace the national average. From April 2023 to April 2024, the Seattle CPI rose 4.4% compared to the 3.4% increase in the U.S. City average index. Inflation has come down since reaching a peak in June 2022, but has remained elevated so far this year. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 5.9% and 5.5% respectively in April. Core inflation (excluding food and energy) remains elevated, particularly in Seattle. Seattle core CPI rose 4.9% in April compared to 3.6% for the U.S. City average.
  - Washington exports declined 6.9% from the first quarter of 2023 to the first quarter of 2024. The decline was primarily due to a 19.7% drop in aerospace products and parts manufacturing. Excluding aerospace, Washington exports

still declined 1.4% year over year in the first quarter of 2024. Exports of petroleum and coal products were once again strong, increasing 54.2% since last year.

- Washington car and truck sales declined for the second consecutive month in May. The seasonally adjusted number of new vehicle registrations decreased 2.1% in May from the month before to 271,700 (SAAR). Passenger car registrations fell 3.5% while light truck registrations increased 8.9%. The number of total registrations were down 4.1% over the year in May.
- Washington housing construction rebounded in the final month of the first quarter of 2024. A total of 38,000 units (SAAR) were permitted in first quarter, up from 34,500 units (SAAR) in the fourth quarter. The increase in the first quarter was due to 47,400 units (SAAR) being permitted in March. This increase was primarily due to a large number of apartment buildings being permitted. Permits in the first quarter consisted of 20,600 single-family units and 17,400 multi-family units. The February forecast assumed 38,700 units for the first quarter, consisting of 21,200 single-family units and 17,500 multi-family units. Permits fell in April to 35,200 units (SAAR) on weaker multi-family activity.
- We expect 2024 to be the trough in housing permits with 37,000 units. The forecast calls for growth in housing permits through 2029, reaching 45,100 units. The previous forecast called for total housing permits to grow to 45,600 units in 2029 from a trough of 37,200 units in 2023.

## Revenue

- Cumulative major General Fund-State revenue (GF-S) since the February forecast came in \$13.8 million (0.1%) 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), however, came in \$40.1 million (0.6%) lower than forecasted. Some other sources, such as liquor and cigarette taxes, also came in below the forecast. These shortfalls were offset by property taxes, which came in \$44.6 million (2.1%) higher than forecasted, real estate excise taxes (REET), which came in \$17.1 million (5.7%) higher than forecasted, and transfers of unclaimed property into the GF-S, which were \$24.5 million higher than forecasted.
- For the 2024 and 2025 fiscal years, the June economic forecast projects slightly lower personal income than expected in February. Forecasted income is higher in fiscal years 2026 through 2029. Projected housing permits, however, are lower throughout the forecast period. These factors, along with observed recent activity, have resulted in decreases in forecasted Revenue Act taxes through fiscal year 2027 and slight increases thereafter. Coupled with the \$40 million shortfall since February, forecasted Revenue Act collections have been decreased \$284.9 million for the current biennium. Forecasted Revenue Act collections were decreased by \$135.5 million in the 2025-27 biennium and increased by \$89.1 million in the 2027-29 biennium.

- Forecasted REET collections have increased due to the higher prices and sales activity that have been observed since the February forecast. The increases were \$42.0 million in the current biennium and \$19.7 million and \$21.2 million for the next two biennia respectively. Forecasted transfers of unclaimed property into the GF-S have also increased due to observed higher activity. Despite the positive variance in property tax collections since February, however, forecasted property tax collections have been decreased slightly throughout the forecast period. Forecasted liquor and cigarette taxes have also decreased.
- This forecast includes changes in expected revenue due to new legislation and budgetary changes from the 2024 legislative session. Most of the changes affected GF-S revenue. The net effects on GF-S revenue from these changes were decreases of \$33.6 million in the current biennium and \$36.4 million in the next, but an increase of \$34.8 million in the 2027-29 biennium. The effects on forecasted non-GF-S revenue netted to decreases of less than \$1 million per biennium.
- Forecasted GF-S revenue is now \$63.296 billion for the 2023-25 biennium, a decrease of \$286.1 million from the February forecast. Forecasted GF-S revenue is \$67.984 billion for the 2025-27 biennium, a decrease of \$73.2 million, and \$73.111 billion for the 2027-29 biennium, an increase of \$129.1 million.
- Forecasted Education Legacy Trust Account (ELTA) revenue has decreased throughout the forecast period due to capital gains taxes, which have come in much lower than fiscal 2023 collections and are expected to remain at lower levels. The lower capital gains forecast was offset somewhat by increases in expected estate taxes and REET. The ELTA forecast has been decreased by \$188.1 million in the current biennium, \$118.9 million in the 2025-27 biennium and \$46.7 million in the 2027-29 biennium. Forecasted ELTA revenue is now \$1.985 billion for the 2023-25 biennium, \$2.259 billion for the 2025-27 biennium and \$2.549 billion for the 2027-29 biennium.
- The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was decreased by \$26.7 million in the current biennium and \$30.8 and \$28.5 million in the next two biennia respectively due to lower forecasted Lottery sales. Estimated OPA revenue is now \$367.4 million for the 2023-25 biennium, \$345.0 million for the 2025-27 biennium and \$364.6 million for the 2027-29 biennium.
- The forecast of revenue dedicated to the Workforce Education Investment Account (WEIA) has been increased due to higher-than-expected receipts since February. The increases were \$24.1 million in the current biennium and \$33.9 and \$42.3 million in the next two biennia respectively. Estimated WEIA revenue is now \$879.8 million for the 2023-25 biennium, \$943.8 million for the 2025-27 biennium and \$1.020 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 decrease by \$476.7 million in the 2023-25 biennium and \$189.0 million in the 2025-27 biennium. The forecast increased by \$96.1 million in the 2027-29 biennium.

- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$66.528 billion, an increase of 2.8% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$71.532 billion, an increase of 7.5% over the prior biennium, and forecasted total revenue for the 2027-29 biennium is \$77.044 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

June 26, 2024



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## Overview

### U.S. Economy

- U.S. GDP, inflation, oil prices and interest rates are higher than our February forecast
- The Federal Reserve is expected to start reducing interest rates in the fourth quarter of 2024

### Washington

- WA personal income higher after 2024; employment levels lower on data revisions but growth similar to Feb.

### Revenue

- The forecast of funds subject to the budget outlook is decreased by \$666 million (0.5%) for 2023-27 biennia

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## Since the February forecast...

The economic forecast incorporates Jan.- May 2024 employment data for WA; Feb.- May 2024 for the U.S.

### Positives:

- U.S. employment has increased by 980,000 jobs
- Wage growth is slowing (less inflation pressure)
- WA employment has increased by 31,300 jobs

### Negatives:

- May CPI inflation unchanged from Dec. 2023
- WA revenue collections growth continues to be slow

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## Forecast risks

### Upside

- Stronger consumer spending, faster interest rate cuts
- Quicker resolution of Russia – Ukraine, Middle East conflicts leads to lower prices

### Downside

- Elevated interest rates push economy into recession
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy/transportation
- Inflation doesn't decrease as quickly as expected
- I-2109 (capital gains initiative)

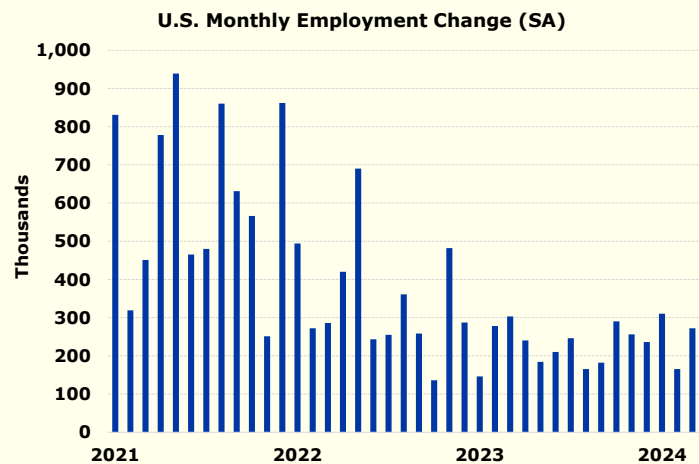
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## U.S. employment – trending down but stronger than expected so far in 2024



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Source: U.S. Bureau of Labor Statistics; data through May 2024

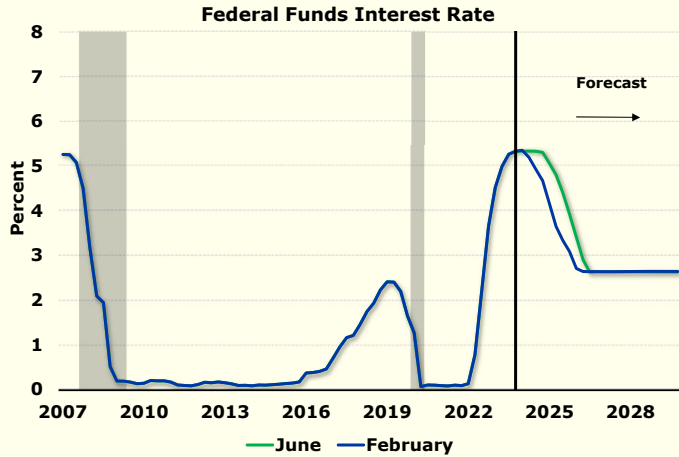
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# The Federal Reserve is expected to begin reducing interest rates later this year

The Federal Reserve has not changed interest rates since July 2023.



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Source: ERFC June 2024 forecast; historical data through 2024 Q1

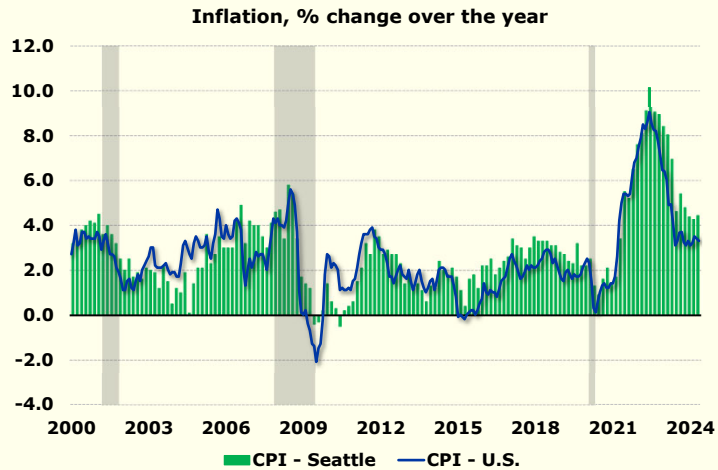
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# Inflation has slowed significantly but remains above the target rate

We received the May U.S. CPI value after the preliminary June forecast and it came in up 3.3% compared with May 2023.



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Source: U.S. Bureau of Labor Statistics, data through April 2024 (Seattle), May 2024 (U.S.)

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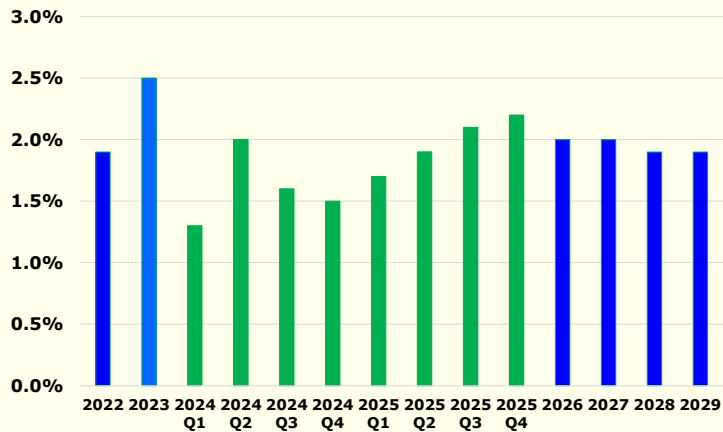
## GDP forecast calls for growth in 2024 and beyond

Growth in the first quarter of 2024 was 1.3% SAAR (second estimate)

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### Real GDP Growth (SAAR)



Source: IHS Markit, ERFC June 2024 forecast; historical data through 2024 Q1

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## U.S. retail sales were up 2.3% in May compared with May 2023 but growth is slowing

Sectors with large sales increases in May (yoy):

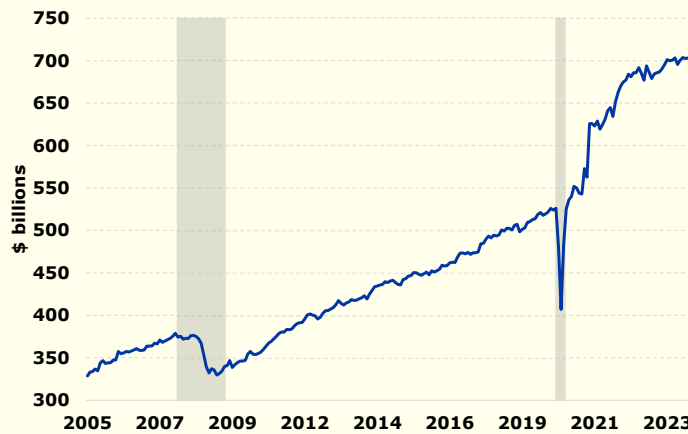
Food services & drinking places: +3.8%

Nonstore retailers: +6.8%

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### U.S. Retail Trade & Food Service Sales, SA



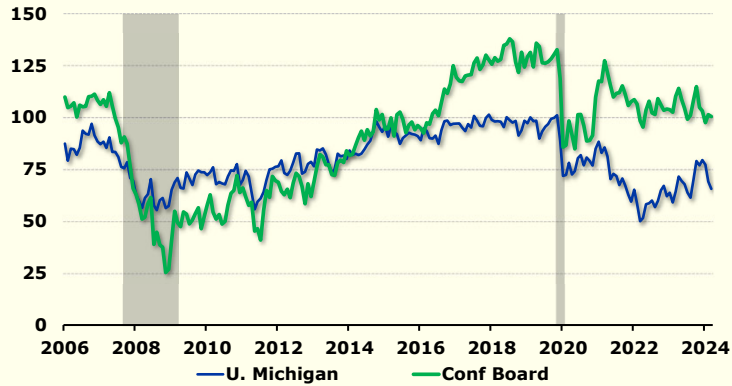
Source: U.S. Census Bureau; data through May 2024

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## Consumer confidence impacted by inflation, the high level of prices and concerns about the future

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



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Sources: Data through June 2024 (UM value for June 2024 is preliminary)

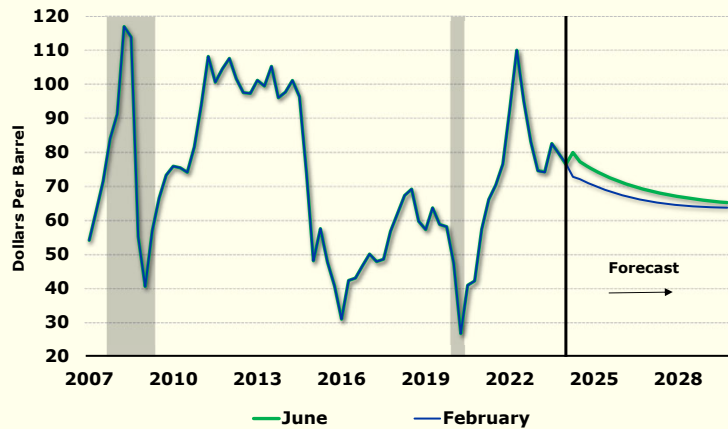
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## Oil prices are forecast to be higher than in the February forecast

Oil prices in the first quarter of 2024 were higher than expected in the February forecast



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Source: Energy Information Administration, IHS Markit, ERF; data through 2024 Q1  
Note: Vertical black line indicates last actual

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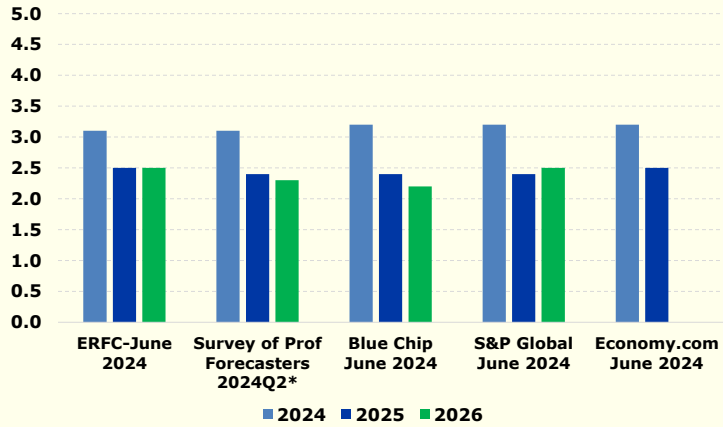
# Inflation should continue to moderate

The Consumer Price Index increased by 4.1% in 2023

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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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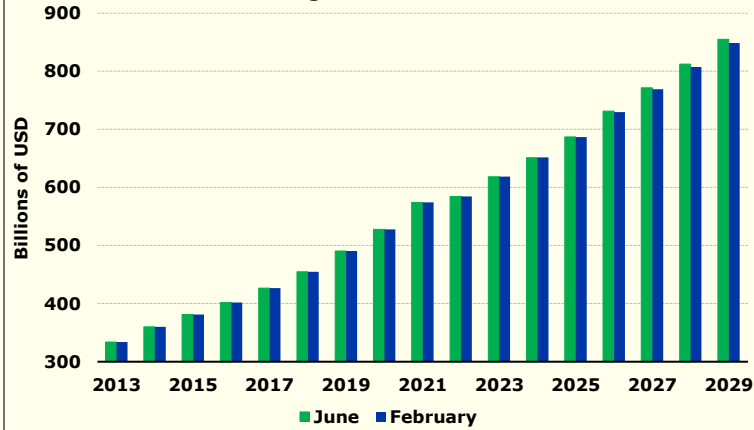
# WA personal income forecast higher after 2024

In March, BEA released 2023:4Q personal income and WA was up 4.2% (SAAR)

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### Washington Personal Income



Source: ERFC June 2024 forecast; historical data through 2023 4Q

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# WA employment levels were lowered due to data revisions, but growth was revised up slightly

Average annual employment growth, 2024 to 2029:

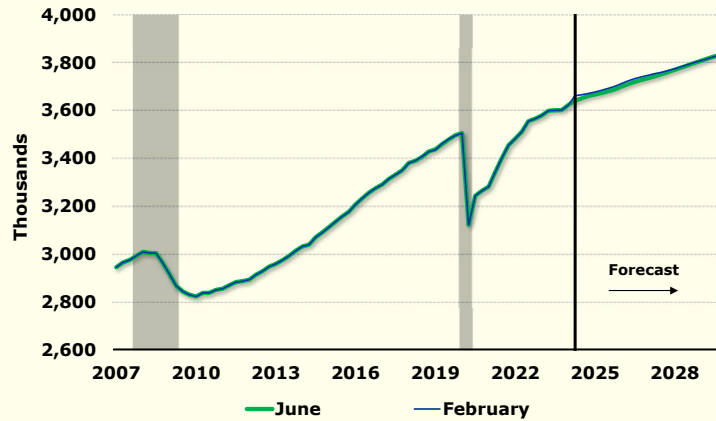
U.S. = 0.4%

WA = 1.0%

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### Washington Nonfarm Payroll Employment



Source: ERFC June 2024 forecast; historical data through 2024 Q1

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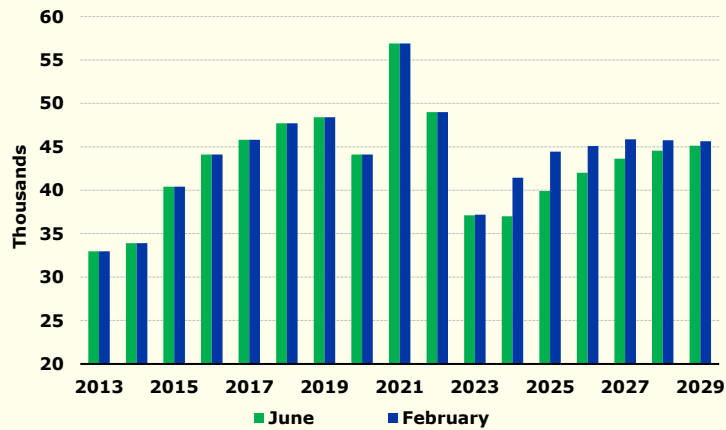


# WA housing permit forecast is reduced from February

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### Washington Housing Permits



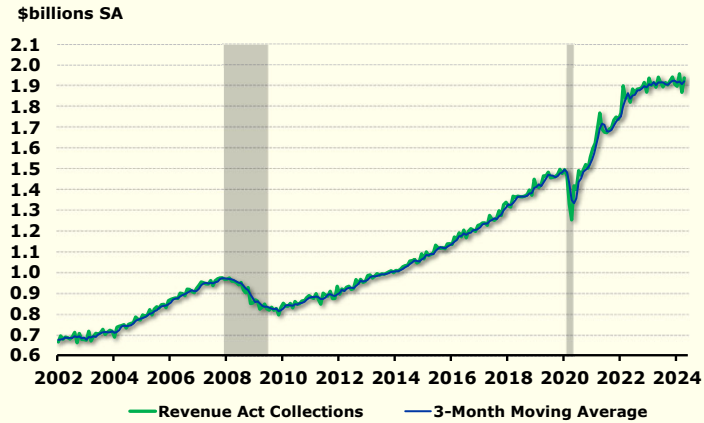
Source: ERFC June 2024 forecast; historical data through 2023

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## Revenue Act collections growth has slowed; April activity was up 3.4% compared with April 2023

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 2024 activity

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## Taxable real estate activity has increased in the last few months

Transactions of \$10 million or more were about \$790M in May 2024



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Source: ERFC; Monthly data through May 2024 estimate

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## Cannabis excise tax and license fee forecast

Total change since February forecast:

- 2023-25  
-\$55 M
- 2025-27  
-\$32 M
- 2027-29  
-\$26 M

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\$Millions

### Cannabis Forecast

	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>
GF-S share of excise tax and license fees	\$267	\$305	\$327
Non-GF	\$684	\$713	\$764
<b>Total</b>	<b>\$951</b>	<b>\$1,018</b>	<b>\$1,091</b>

Detail may not add to total due to rounding  
Source: ERFC June 2024 forecast; historical data through May 2024

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

The forecast decrease represents 0.7% of biennial revenue

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\$Millions	<u>Feb. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>June 2024 Forecast</u>	<u>Total Change<sup>#</sup></u>
General Fund-State	\$63,582	(\$34)	(\$252)	\$63,296	(\$286)
Education Legacy Trust Account	\$2,173	n/a	(\$188)	\$1,985	(\$188)
WA Opportunity Pathways Account	\$394	(\$0)	(\$27)	\$367	(\$27)
Workforce Education Investment Account	\$856	(\$0)	\$24	\$880	\$24
<b>Total</b>	<b>\$67,005</b>	<b>(\$34)</b>	<b>(\$443)</b>	<b>\$66,528</b>	<b>(\$477)</b>

# 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 0.3% of biennial revenue

<b>\$Millions</b>	<u>Feb. 2024 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>June 2024 Forecast</u>	<u>Total Change<sup>#</sup></u>
General Fund-State	\$68,057	(\$36)	(\$37)	\$67,984	(\$73)
Education Legacy Trust Account	\$2,378	n/a	(\$119)	\$2,259	(\$119)
WA Opportunity Pathways Account	\$376	\$0	(\$31)	\$345	(\$31)
Workforce Education Investment Account	\$910	(\$1)	\$35	\$944	\$34
<b>Total</b>	<b>\$71,721</b>	<b>(\$37)</b>	<b>(\$152)</b>	<b>\$71,532</b>	<b>(\$189)</b>

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

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

- GF-S affected by lower forecasted sales tax and B&O tax activity in the near-term and non-economic changes
- ELTA impacted by lower capital gains forecast partially offset by higher estate tax forecast
- Forecast adjustments are: -0.7% for 2023-25 biennium and -0.3% for 2025-27 biennium

Revenue Review  
June 26, 2024  
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL





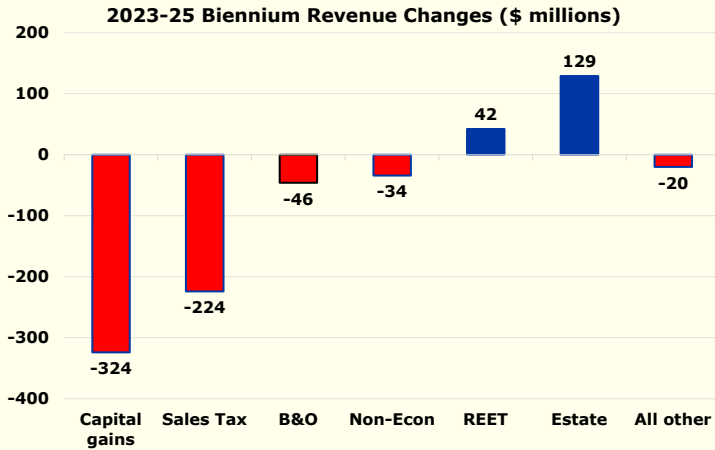
## Majority of 2023-25 revenue change due to capital gains, sales and estate tax

Sales taxes were impacted by a reduction in the housing forecast

Revenue Act revenues since February were about \$40M short of the forecast and so that also impacted those forecasts

Revenue Review  
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Capital gains tax impacts– changes from February forecast

\$Millions	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>
ELTA-Capital Gains	(\$324)	(\$290)	(\$243)
ELTA-Other Revenues	\$136	\$171	\$196
Common School Construction Fund	(\$445)	(\$682)	(\$850)
GF-S (Credit Against B&O)	\$0	\$0	\$0
<b>Net Impact, All Accounts</b>	<b>(\$633)</b>	<b>(\$801)</b>	<b>(\$897)</b>

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June 26, 2024

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ELTA-Other Revenues includes REET, estate and solid waste taxes  
# Detail may not add to total due to rounding

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*
<b>June 2024 Baseline (55%)</b>	<b>\$66,528</b>	
<b><u>June 2024 Alternative Forecasts</u></b>		
<b>Optimistic (20%)</b>	<b>\$68,933</b>	<b>\$2,404</b>
<b>Pessimistic (25%)</b>	<b>\$63,890</b>	<b>(\$2,639)</b>
<b>Probability Weighted Average</b>	<b>\$66,350</b>	<b>(\$179)</b>
<b>GCEA*</b>	<b>\$66,574</b>	<b>\$46</b>

Revenue Review  
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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



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

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
<b>June 2024 Baseline (55%)</b>	<b>\$71,532</b>	
<b><u>June 2024 Alternative Forecasts</u></b>		
<b>Optimistic (20%)</b>	<b>\$77,579</b>	<b>\$6,047</b>
<b>Pessimistic (25%)</b>	<b>\$64,968</b>	<b>(\$6,564)</b>
<b>Probability Weighted Average</b>	<b>\$71,101</b>	<b>(\$432)</b>
<b>GCEA*</b>	<b>\$71,400</b>	<b>(\$132)</b>

Revenue Review  
June 26, 2024

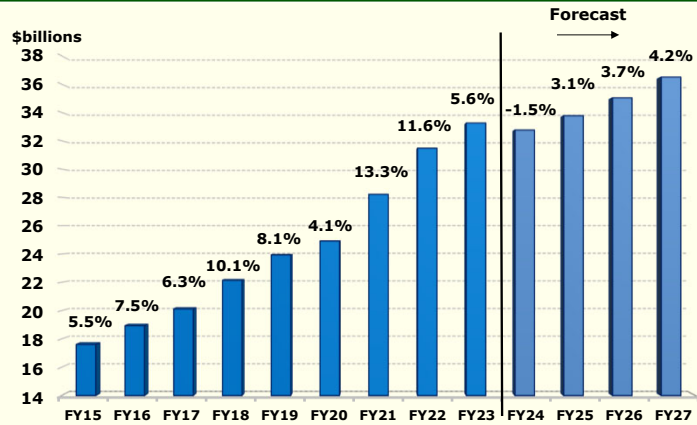
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\*Based on the Governor's Council of Economic Advisors' economic assumptions  
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



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



Revenue Review  
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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, June 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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## Summary

- U.S. GDP, employment, inflation and oil forecasts higher than February
- WA employment level lower, personal income slightly lower in 2024, higher after; residential construction forecast lower than February
- Impacts of the conflicts in Russia-Ukraine and Middle East, and lower spending, delayed rate cuts or rate increases pose risks to the forecast
- Total state revenues are expected to grow 2.8% between the 2021-23 and 2023-25 biennia and 7.5% between the 2023-25 and 2025-27 biennia

Revenue Review  
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# Questions

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**Economic & Revenue Forecast Council**  
**PO BOX 40912**  
**Olympia WA 98504-0912**  
[www.erfc.wa.gov](http://www.erfc.wa.gov)  
**360-534-1560**

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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 2024 to the February 2024 Forecast

2023-25 Biennium

Cash Forecast; Millions of Dollars

	<u>February 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>June 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,582.2	(\$33.6)	(\$252.4)	\$63,296.1	(\$286.1)
Education Legacy Trust Account	\$2,173.1	\$0.0	(\$188.1)	\$1,985.0	(\$188.1)
WA Opportunity Pathways Account	\$394.1	(\$0.1)	(\$26.7)	\$367.4	(\$26.7)
Workforce Education Investment Account	\$855.7	(\$0.2)	\$24.3	\$879.8	\$24.1
<b>Total</b>	<b>\$67,005.1</b>	<b>(\$33.9)</b>	<b>(\$442.8)</b>	<b>\$66,528.4</b>	<b>(\$476.7)</b>

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\*Details may not add due to rounding

**Total Changes to General Fund-State, Education Legacy Trust Account,  
Washington Opportunity Pathways Account and Workforce Education Investment Account Forecasts**

Comparison of the June 2024 to the February 2024 Forecast

2025-27 Biennium

Cash Forecast; Millions of Dollars

	<u>February 2024 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>June 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$68,057.2	(\$36.4)	(\$36.9)	\$67,983.9	(\$73.2)
Education Legacy Trust Account	\$2,378.3	\$0.0	(\$118.9)	\$2,259.4	(\$118.9)
WA Opportunity Pathways Account	\$375.9	\$0.3	(\$31.1)	\$345.0	(\$30.8)
Workforce Education Investment Account	\$909.9	(\$0.8)	\$34.7	\$943.8	\$33.9
<b>Total</b>	<b>\$71,721.2</b>	<b>(\$36.9)</b>	<b>(\$152.1)</b>	<b>\$71,532.2</b>	<b>(\$189.0)</b>

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\*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 2024

Cash Basis - Millions of Dollars

<u>Date of Forecast</u>	<u>General Fund-State</u>	<u>Education Legacy Trust Acct.</u>	<u>Washington Opportunity Pathways Acct.</u>	<u>Workforce Education Investment Acct.</u>	<u>Subtotal</u>	<u>Non-Economic Changes</u>	<u>Total Change</u>	<u>Total of Funds</u>
<b>February 2020*</b>	\$57,930	\$925	\$321	\$667				\$59,843
<b>Changes to Forecast</b>								
June 2020	-4,682	-9	8	-3	-4,685	209 #1	-4,476	55,367
September 2020	2,460	125	-7	35	2,612	0	2,612	57,979
November 2020	16	14	2	-4	28	0	28	58,007
March 2021	1,846	17	10	25	1,899	0	1,899	59,906
June 2021	1,419	-6	16	7	1,436	810 #2	2,246	62,151
September 2021	891	31	-1	9	931	0	931	63,082
November 2021	828	-44	5	11	800	165 #3	965	64,047
February 2022	1,311	2	2	5	1,320	0	1,320	65,368
June 2022	1,036	21	-1	55	1,112	-480 #4	632	65,999
September 2022	-332	-18	-8	-21	-378	-117 #5	-495	65,504
November 2022	684	-2	-6	6	681	0	681	66,185
March 2023	-407	-77	10	-9	-483	0	-483	65,702
June 2023	140	115	7	25	287	39 #6	327	66,028
September 2023	616	12	7	28	663	0	663	66,692
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
<b>Total change:</b>								
From February 2020	5,799	32	50	212	6,093	592	6,685	
Percent change	10.0	3.5	15.5	31.8	10.2	1.0	11.2	
<b>Change in forecast since initial 23-25 biennial budget**</b>								
	<b>729</b>	<b>-23</b>	<b>19</b>	<b>96</b>	<b>821</b>	<b>-34</b>	<b>787</b>	
Percent change	1.2	-1.1	5.6	12.2	1.2	-0.1	1.2	

\* 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



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**June 2024**Alternative 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>June 2024 Baseline</u>
June 2024 Baseline (55%)	\$66,528	
June 2024 Alternative Forecasts		
Optimistic (20%)	\$68,933	\$2,404
Pessimistic (25%)	\$63,890	(\$2,639)
Probability Weighted Average	\$66,350	(\$179)
GCEA*	\$66,574	\$46

**2025-27 Biennium**

	2025-27 <u>Biennium</u>	Difference From the <u>June 2024 Baseline</u>
June 2024 Baseline (55%)	\$71,532	
June 2024 Alternative Forecasts		
Optimistic (20%)	\$77,579	\$6,047
Pessimistic (25%)	\$64,968	(\$6,564)
Probability Weighted Average	\$71,101	(\$432)
GCEA*	\$71,400	(\$132)

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\* Based on the Governor's Council of Economic Advisors Assumptions.

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

History and Forecast by Fiscal Year (Cash basis)

June 2024 - 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%
Forecast:											
FY 2024	\$31,169	0.6%	\$959	-43.1%	\$198	5.1%	\$433	5.5%		\$32,759	-1.5%
FY 2025	\$32,127	3.1%	\$1,026	7.0%	\$169	-14.5%	\$447	3.2%		\$33,770	3.1%
FY 2026	\$33,310	3.7%	\$1,093	6.5%	\$166	-1.9%	\$463	3.6%		\$35,032	3.7%
FY 2027	\$34,674	4.1%	\$1,166	6.7%	\$179	7.7%	\$481	3.8%		\$36,500	4.2%
FY 2028	\$35,915	3.6%	\$1,240	6.3%	\$181	1.4%	\$500	4.0%		\$37,836	3.7%
FY 2029	\$37,196	3.6%	\$1,309	5.6%	\$183	1.1%	\$520	4.0%		\$39,208	3.6%
<b>Biennial Totals</b>											
<b>07-09 Biennium</b>	<b>\$29,817</b>	<b>0.1%</b>	<b>\$437</b>	<b>14.8%</b>	<b>\$0</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>		<b>\$30,254</b>	<b>0.3%</b>
<b>09-11 Biennium</b>	<b>\$28,218</b>	<b>-5.4%</b>	<b>\$269</b>	<b>-38.5%</b>	<b>\$99</b>	<b>NA</b>	<b>\$0</b>	<b>NA</b>		<b>\$28,586</b>	<b>-5.5%</b>
<b>11-13 Biennium</b>	<b>\$30,657</b>	<b>8.6%</b>	<b>\$215</b>	<b>-19.9%</b>	<b>\$244</b>	<b>145.2%</b>	<b>\$0</b>	<b>NA</b>		<b>\$31,116</b>	<b>8.8%</b>
<b>13-15 Biennium</b>	<b>\$33,666</b>	<b>9.8%</b>	<b>\$405</b>	<b>88.0%</b>	<b>\$234</b>	<b>-4.1%</b>	<b>\$0</b>	<b>NA</b>		<b>\$34,305</b>	<b>10.2%</b>
<b>15-17 Biennium</b>	<b>\$38,317</b>	<b>13.8%</b>	<b>\$467</b>	<b>15.4%</b>	<b>\$266</b>	<b>13.6%</b>	<b>\$0</b>	<b>NA</b>		<b>\$39,050</b>	<b>13.8%</b>
<b>17-19 Biennium</b>	<b>\$44,143</b>	<b>15.2%</b>	<b>\$1,654</b>	<b>254.1%</b>	<b>\$284</b>	<b>6.9%</b>	<b>\$0</b>	<b>NA</b>		<b>\$46,081</b>	<b>18.0%</b>
<b>19-21 Biennium</b>	<b>\$50,803</b>	<b>15.1%</b>	<b>\$1,639</b>	<b>-0.9%</b>	<b>\$337</b>	<b>18.5%</b>	<b>\$352</b>	<b>NA</b>		<b>\$53,132</b>	<b>15.3%</b>
<b>21-23 Biennium</b>	<b>\$61,002</b>	<b>20.1%</b>	<b>\$2,575</b>	<b>57.1%</b>	<b>\$378</b>	<b>12.2%</b>	<b>\$779</b>	<b>121.2%</b>		<b>\$64,734</b>	<b>21.8%</b>
<b>23-25 Biennium</b>	<b>\$63,296</b>	<b>3.8%</b>	<b>\$1,985</b>	<b>-22.9%</b>	<b>\$367</b>	<b>-2.8%</b>	<b>\$880</b>	<b>12.9%</b>		<b>\$66,528</b>	<b>2.8%</b>
<b>25-27 Biennium</b>	<b>\$67,984</b>	<b>7.4%</b>	<b>\$2,259</b>	<b>13.8%</b>	<b>\$345</b>	<b>-6.1%</b>	<b>\$944</b>	<b>7.3%</b>		<b>\$71,532</b>	<b>7.5%</b>
<b>27-29 Biennium</b>	<b>\$73,111</b>	<b>7.5%</b>	<b>\$2,549</b>	<b>12.8%</b>	<b>\$365</b>	<b>5.7%</b>	<b>\$1,020</b>	<b>8.1%</b>		<b>\$77,044</b>	<b>7.7%</b>

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

**Legislative and Budget-Driven Revenue Changes from 2024 Legislative Session**

Amounts in millions of dollars

**General-Fund State**

Bill number	Bill title	Tax Type/Fee	Source	FY24	FY25	FY26	FY27	FY28	FY29
<b>2024 Revenue Legislation</b>									
1453	Medical Cannabis/Tax	GFS	0123	0.0	-0.9	-3.1	-5.3	-5.5	-5.7
1757	Farmer/sales Tax Remittance	GFS	0101	0.0	-0.2	0.0	0.0	0.0	0.0
1862	Disabled Veteran Assist./Tax	GFS	0101	0.0	0.0	0.0	0.0	0.0	0.0
1976	Incentives/Energy Upgrades	GFS	0135	0.0	-13.9	-21.8	-11.7	21.4	16.1
2199	CCA Tax Exemptions	GFS	0105	0.0	-0.9	-2.0	-3.0	-4.2	-4.4
2306	Main Street Tax Credits	GFS	0105	0.0	-0.5	-0.5	-0.3	-0.1	0.0
2306	Main Street Tax Credits	GFS	0135		-0.1	-0.1	-0.1	0.0	0.0
2482	Reinstating Semiconductor Tax Incentives	GFS	0101	0.0	0.0	0.0	0.0	0.0	-0.6
2482	Reinstating Semiconductor Tax Incentives	GFS	0105	0.0	0.0	0.0	0.0	0.0	0.0
5986	Out-of-Network Health Costs	GFS	0405	0.0	0.0	0.0	0.0	0.0	0.0
6038	Child Care Tax Preference	GFS	0105	0.0	-0.4	-0.6	-0.6	-0.6	-0.6
6087	Fire Service Training Account	GFS	0190	0.0	-0.6	-0.6	-0.7	-0.7	-0.8
6175	Existing Structures/Tax	GFS	0101	0.0	0.0	-0.8	-1.3	-1.4	-1.4
6316	SR 520 Corridor	GFS	0101	-2.2	-13.0	-11.2	-11.2	-9.3	-9.3
<b>Total Revenue legislation-fiscal year-GFS</b>				<b>-2.2</b>	<b>-30.5</b>	<b>-40.7</b>	<b>-34.2</b>	<b>-0.5</b>	<b>-6.8</b>
<b>Biennium Totals</b>					<b>-32.61</b>		<b>-75.0</b>		<b>-7.311</b>

**Workforce Education Investment Account**

2199	CCA Tax Exemptions	WEIA	0105	0.0	-0.2	-0.3	-0.5	-0.7	-0.7
<b>Total Revenue legislation-fiscal year-WEIA</b>				<b>0.0</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.7</b>
<b>Biennium Totals</b>					<b>-0.2</b>		<b>-0.8</b>		<b>-1.4</b>

**2024 Budget Driven Revenue**

			FY24	FY25	FY26	FY27	FY28	FY29	
	Liquor Control Board (Liquor)	GFS	-0.19	-1.33	18.24	20.38	20.83	21.28	
	Liquor Control Board (Marijuana)	GFS	17.837	-0.002	-0.004	-0.004	-0.004	-0.004	
	Lottery	OPA	0.09	-0.14	0.05	0.24	0.24	0.24	
	Marijuana Distribution Changes	GFS	0	0	0	0.001	0	0	
	Health Care for the Uninsured	GFS	0.00	0.48	0.00	0.00	0.00	0.00	
	Account for Return to DMA Adjustment for F GFS		-17.84	0	0	0	0	0	
<b>Total budget driven revenue-fiscal year-NGFS</b>				<b>-0.1</b>	<b>-1.0</b>	<b>18.3</b>	<b>20.6</b>	<b>21.1</b>	<b>21.5</b>
<b>Biennium Totals</b>					<b>-1.1</b>		<b>38.9</b>		<b>42.6</b>

**Lottery transfers by fund**

June 2024 forecast

(Cash basis, millions of dollars)

	<b>Lottery: Total Transfers*</b>	<b>General Fund</b>	<b>Mariners Stadium</b>	<b>Exhibition Center &amp; Stadium</b>	<b>Student ACHV Account</b>	<b>School Construction Account</b>	<b>Problem Gambling Account</b>	<b>Economic Develop. Account</b>	<b>Opportunity Pathways Account</b>	<b>Veteran's VIP Account</b>	<b>Education Legacy Trust Account</b>	<b>Gambling Revolving Account</b>
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	254.2	50.4	0.0	0.0	0.0	0.0	0.8	5.0	198.1	0.0	0.0	0.0
2025	220.6	44.5	0.0	0.0	0.0	0.0	0.9	5.8	169.3	0.0	0.0	0.0
2023-25 Biennium	474.8	94.9	0.0	0.0	0.0	0.0	1.7	10.8	367.4	0.0	0.0	0.0
2026	209.8	36.9	0.0	0.0	0.0	0.0	1.0	5.8	166.2	0.0	0.0	0.0
2027	222.6	37.0	0.0	0.0	0.0	0.0	1.0	5.8	178.9	0.0	0.0	0.0
2025-27 Biennium	432.4	73.9	0.0	0.0	0.0	0.0	1.9	11.6	345.0	0.0	0.0	0.0
2028	225.1	37.0	0.0	0.0	0.0	0.0	1.0	5.8	181.3	0.0	0.0	0.0
2029	227.1	37.0	0.0	0.0	0.0	0.0	1.0	5.8	183.3	0.0	0.0	0.0
2027-29 Biennium	452.2	74.0	0.0	0.0	0.0	0.0	2.0	11.6	364.6	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

**General Fund-State Cash Estimates - Other Agencies**

Comparison of the June 2024 and February 2024 forecasts  
2023-25 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,704.9	(\$0.1)	(\$1.1)	\$1,703.8	(\$1.2)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$600.7	(\$2.0)	(\$25.2)	\$573.5	(\$27.2)
Lottery Commission Lottery Revenue	\$91.5	\$0.0	\$3.4	\$94.9	\$3.4
State Treasurer Interest Earnings	\$622.6	\$0.0	\$22.3	\$644.9	\$22.3
Office of Financial Management Other Agencies	(\$29.2)	\$0.0	(\$8.9)	(\$38.1)	(\$8.9)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$100.7	\$0.0	\$2.4	\$103.1	\$2.4
<b>Total General Fund-State</b>	<b>\$3,091.2</b>	<b>(\$2.1)</b>	<b>(\$7.1)</b>	<b>\$3,082.0</b>	<b>(\$9.2)</b>

**General Fund-State GAAP Estimates - Other Agencies**

Comparison of the June 2024 and February 2024 forecasts  
2023-25 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,704.9	(\$0.1)	(\$1.1)	\$1,703.8	(\$1.2)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$621.7	(\$2.0)	(\$46.2)	\$573.5	(\$48.2)
Lottery Commission Lottery Revenue	\$86.7	\$0.0	\$8.2	\$94.9	\$8.2
State Treasurer Interest Earnings	\$580.2	\$0.0	\$62.6	\$642.9	\$62.6
Office of Financial Management Other Agencies	\$0.4	\$0.0	(\$38.6)	(\$38.1)	(\$38.6)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$81.9	\$0.0	\$21.3	\$103.1	\$21.3
<b>Total General Fund-State</b>	<b>\$3,075.9</b>	<b>(\$2.1)</b>	<b>\$6.2</b>	<b>\$3,080.0</b>	<b>\$4.2</b>

\* Detail may not total due to rounding.

**General Fund-State Cash Estimates - Other Agencies**

Comparison of the June 2024 and February 2024 forecasts  
2025-27 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,797.0	(\$1.3)	\$0.0	\$1,795.7	(\$1.3)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$659.7	\$30.2	(\$39.4)	\$650.6	(\$9.2)
Lottery Commission Lottery Revenue	\$74.9	\$0.0	(\$1.0)	\$73.9	(\$1.0)
State Treasurer Interest Earnings	\$416.5	\$0.0	\$82.2	\$498.7	\$82.2
Office of Financial Management Other Agencies	(\$130.6)	\$0.0	(\$2.1)	(\$132.7)	(\$2.1)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$102.8	\$0.0	\$2.8	\$105.6	\$2.8
<b>Total General Fund-State</b>	<b>\$2,920.4</b>	<b>\$28.9</b>	<b>\$42.5</b>	<b>\$2,991.8</b>	<b>\$71.4</b>

**General Fund-State GAAP Estimates - Other Agencies**

Comparison of the June 2024 and February 2024 forecasts  
2025-27 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,797.0	(\$1.3)	\$0.0	\$1,795.7	(\$1.3)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$659.7	\$30.2	(\$39.4)	\$650.6	(\$9.2)
Lottery Commission Lottery Revenue	\$74.4	\$0.0	(\$0.5)	\$74.0	(\$0.5)
State Treasurer Interest Earnings	\$408.5	\$0.0	\$82.0	\$490.5	\$82.0
Office of Financial Management Other Agencies	(\$130.6)	\$0.0	(\$2.1)	(\$132.7)	(\$2.1)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture	\$102.8	\$0.0	\$2.8	\$105.6	\$2.8
<b>Total General Fund-State</b>	<b>\$2,911.9</b>	<b>\$28.9</b>	<b>\$42.8</b>	<b>\$2,983.7</b>	<b>\$71.8</b>

\* Detail may not total due to rounding.

**General Fund-State Cash Estimates - Other Agencies**  
Comparison of the June 2024 and February 2024 forecasts  
2027-29 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,867.6	(\$1.5)	(\$0.0)	\$1,866.2	(\$1.5)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$703.9	\$30.9	(\$37.9)	\$696.9	(\$7.0)
Lottery Commission Lottery Revenue	\$74.7	\$0.0	(\$0.7)	\$74.0	(\$0.7)
State Treasurer Interest Earnings	\$306.6	\$0.0	\$49.6	\$356.3	\$49.6
Office of Financial Management Other Agencies	(\$149.6)	\$0.0	(\$4.4)	(\$154.1)	(\$4.4)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$104.9	\$0.0	\$1.7	\$106.6	\$1.7
<b>Total General Fund-State</b>	<b>\$2,908.2</b>	<b>\$29.4</b>	<b>\$8.3</b>	<b>\$2,945.9</b>	<b>\$37.7</b>

**General Fund-State GAAP Estimates - Other Agencies**  
Comparison of the June 2024 and February 2024 forecasts  
2027-29 Biennium  
(Amounts in Millions)

Source/Agency	February 2024 Baseline	Non-Economic Changes	Economic Changes	June 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,867.6	(\$1.5)	(\$0.0)	\$1,866.2	(\$1.5)
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$703.9	\$30.9	(\$37.9)	\$696.9	(\$7.0)
Lottery Commission Lottery Revenue	\$74.5	\$0.0	(\$0.3)	\$74.2	(\$0.3)
State Treasurer Interest Earnings	\$304.1	\$0.0	\$48.7	\$352.8	\$48.7
Office of Financial Management Other Agencies	(\$149.6)	\$0.0	(\$4.4)	(\$154.1)	(\$4.4)
Washington Court System GF-S Share of Fines, Fees, and Forfeitures	\$104.9	\$0.0	\$1.7	\$106.6	\$1.7
<b>Total General Fund-State</b>	<b>\$2,905.5</b>	<b>\$29.4</b>	<b>\$7.7</b>	<b>\$2,942.7</b>	<b>\$37.1</b>

**U.S. Forecast Comparison**

	2024Q1	2024Q2	2024Q3	2024Q4
<b>Real GDP (Billions of 2017 Dollars)</b>				
June Forecast, Final	22,750	22,860	22,954	23,041
Percent Change	1.3%	2.0%	1.6%	1.5%
June Forecast, Preliminary	22,769	22,884	22,973	23,056
Percent Change	1.6%	2.0%	1.6%	1.5%
<b>Real Consumption (Billions of 2017 Dollars)</b>				
June Forecast, Final	15,664	15,750	15,819	15,883
Percent Change	2.0%	2.2%	1.8%	1.6%
June Forecast, Preliminary	15,684	15,764	15,825	15,890
Percent Change	2.5%	2.1%	1.6%	1.6%
<b>PCE Price Index (2017=100)</b>				
June Forecast, Final	122.3	123.3	123.9	124.6
Percent Change	3.3%	3.0%	1.9%	2.5%
June Forecast, Preliminary	122.4	123.2	123.7	124.5
Percent Change	3.4%	2.7%	1.8%	2.5%
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
June Forecast, Final	19,332	19,447	19,599	19,723
Percent Change	3.7%	2.4%	3.2%	2.5%
June Forecast, Preliminary	19,387	19,491	19,636	19,740
Percent Change	3.7%	2.2%	3.0%	2.1%
<b>Nonfarm Payroll Employment (Millions)</b>				
June Forecast, Final	157.8	158.5	159.1	159.4
Percent Change	2.0%	1.8%	1.5%	0.9%
June Forecast, Preliminary	157.8	158.4	158.8	159.2
Percent Change	2.0%	1.4%	1.1%	1.0%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast, Final	3.8	4.0	4.0	4.0
June Forecast, Preliminary	3.8	3.9	3.9	3.9
<b>Oil Price, Refiner's Acquisition</b>				
June Forecast, Final	76.4	79.9	77.2	75.9
June Forecast, Preliminary	76.6	80.3	77.1	75.7
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
June Forecast, Final	6.8	7.0	6.7	6.3
June Forecast, Preliminary	6.8	7.1	6.7	6.3
<b>3 Month T-Bill Rate (Percent, average)</b>				
June Forecast, Final	5.2	5.4	5.3	5.1
June Forecast, Preliminary	5.2	5.4	5.3	5.1

	2023	2024	2025	2026	2027	2028	2029
22,377	22,901	23,315	23,781	24,257	24,718	25,187	
2.5%	2.3%	1.8%	2.0%	2.0%	1.9%	1.9%	
22,377	22,920	23,337	23,804	24,280	24,741	25,211	
2.5%	2.4%	1.8%	2.0%	2.0%	1.9%	1.9%	
15,426	15,779	16,073	16,410	16,739	17,073	17,415	
2.2%	2.3%	1.9%	2.1%	2.0%	2.0%	2.0%	
15,426	15,791	16,085	16,423	16,751	17,086	17,428	
2.2%	2.4%	1.9%	2.1%	2.0%	2.0%	2.0%	
120.4	123.5	126.5	129.6	132.5	135.4	138.3	
3.7%	2.6%	2.4%	2.4%	2.2%	2.2%	2.1%	
120.4	123.4	126.3	129.3	132.3	135.2	138.0	
3.7%	2.5%	2.3%	2.4%	2.3%	2.2%	2.1%	
19,074	19,525	20,049	20,719	21,268	21,794	22,373	
1.3%	2.4%	2.7%	3.3%	2.6%	2.5%	2.7%	
19,088	19,563	20,078	20,754	21,322	21,866	22,456	
1.4%	2.5%	2.6%	3.4%	2.7%	2.5%	2.7%	
156.1	158.7	159.7	160.0	160.3	161.0	161.6	
2.3%	1.7%	0.6%	0.2%	0.2%	0.4%	0.4%	
156.1	158.5	159.7	160.0	160.4	161.0	161.6	
2.3%	1.6%	0.7%	0.2%	0.2%	0.4%	0.4%	
3.6	3.9	4.0	4.3	4.4	4.4	4.3	
3.6	3.9	4.0	4.2	4.3	4.3	4.3	
77.7	77.3	73.2	70.0	67.9	66.4	65.4	
77.6	77.4	72.8	69.5	67.1	65.4	64.3	
6.8	6.7	5.8	5.1	5.1	5.0	4.9	
6.8	6.7	5.7	5.2	5.0	5.0	4.9	
5.1	5.3	4.2	2.7	2.3	2.4	2.4	
5.1	5.3	4.2	2.7	2.3	2.4	2.4	



**U.S. Forecast Comparison**

	2024Q1	2024Q2	2024Q3	2024Q4
<b>Real GDP (Billions of 2017 Dollars)</b>				
June Forecast, Final	22,750	22,860	22,954	23,041
Percent Change	1.3%	2.0%	1.6%	1.5%
February Forecast	22,677	22,759	22,831	22,917
Percent Change	2.1%	1.4%	1.3%	1.5%
<b>Real Consumption (Billions of 2017 Dollars)</b>				
June Forecast, Final	15,664	15,750	15,819	15,883
Percent Change	2.0%	2.2%	1.8%	1.6%
February Forecast	15,696	15,783	15,849	15,907
Percent Change	3.2%	2.2%	1.7%	1.5%
<b>PCE Price Index (2017=100)</b>				
June Forecast, Final	122.3	123.3	123.9	124.6
Percent Change	3.3%	3.0%	1.9%	2.5%
February Forecast	122.0	122.5	123.1	123.7
Percent Change	1.5%	1.7%	1.9%	2.2%
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
June Forecast, Final	19,332	19,447	19,599	19,723
Percent Change	3.7%	2.4%	3.2%	2.5%
February Forecast	19,380	19,571	19,744	19,867
Percent Change	3.8%	4.0%	3.6%	2.5%
<b>Nonfarm Payroll Employment (Millions)</b>				
June Forecast, Final	157.8	158.5	159.1	159.4
Percent Change	2.0%	1.8%	1.5%	0.9%
February Forecast	157.8	157.9	157.9	158.0
Percent Change	2.0%	0.1%	0.1%	0.1%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast, Final	3.8	4.0	4.0	4.0
February Forecast	3.8	3.9	3.9	4.0
<b>Oil Price, Refiner's Acquisition</b>				
June Forecast, Final	76.4	79.9	77.2	75.9
February Forecast	73.2	72.4	71.6	70.5
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
June Forecast, Final	6.8	7.0	6.7	6.3
February Forecast	6.6	6.4	6.1	5.8
<b>3 Month T-Bill Rate (Percent, average)</b>				
June Forecast, Final	5.2	5.4	5.3	5.1
February Forecast	5.3	5.2	4.8	4.5

	2023	2024	2025	2026	2027	2028	2029
2023	22,377	22,901	23,315	23,781	24,257	24,718	25,187
Percent Change	2.5%	2.3%	1.8%	2.0%	2.0%	1.9%	1.9%
2024	22,351	22,796	23,173	23,659	24,109	24,567	25,009
Percent Change	2.4%	2.0%	1.7%	2.1%	1.9%	1.9%	1.8%
2025	15,426	15,779	16,073	16,410	16,739	17,073	17,415
Percent Change	2.2%	2.3%	1.9%	2.1%	2.0%	2.0%	2.0%
2026	15,427	15,809	16,059	16,396	16,724	17,059	17,383
Percent Change	2.2%	2.5%	1.6%	2.1%	2.0%	2.0%	1.9%
2027	120.4	123.5	126.5	129.6	132.5	135.4	138.3
Percent Change	3.7%	2.6%	2.4%	2.4%	2.2%	2.2%	2.1%
2028	120.4	122.8	125.4	128.1	130.8	133.5	136.3
Percent Change	3.8%	2.0%	2.1%	2.2%	2.1%	2.1%	2.1%
2029	19,074	19,525	20,049	20,719	21,268	21,794	22,373
Percent Change	1.3%	2.4%	2.7%	3.3%	2.6%	2.5%	2.7%
2030	19,082	19,640	20,175	20,857	21,421	21,923	22,477
Percent Change	1.4%	2.9%	2.7%	3.4%	2.7%	2.3%	2.5%
2031	156.1	158.7	159.7	160.0	160.3	161.0	161.6
Percent Change	2.3%	1.7%	0.6%	0.2%	0.2%	0.4%	0.4%
2032	156.1	157.9	158.0	158.2	158.5	158.9	159.3
Percent Change	2.3%	1.2%	0.1%	0.1%	0.2%	0.3%	0.2%
2033	3.6	3.9	4.0	4.3	4.4	4.4	4.3
2034	3.6	3.9	4.1	4.2	4.1	4.1	4.1
2035	77.7	77.3	73.2	70.0	67.9	66.4	65.4
2036	77.7	71.9	68.3	65.9	64.5	63.9	63.6
2037	6.8	6.7	5.8	5.1	5.1	5.0	4.9
2038	6.8	6.2	5.5	5.1	4.9	4.9	4.8
2039	5.1	5.3	4.2	2.7	2.3	2.4	2.4
2040	5.1	4.9	3.2	2.5	2.3	2.4	2.4

**Washington Forecast Comparison**

	2024Q1	2024Q2	2024Q3	2024Q4
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
June Forecast, Final	521.6	524.9	528.9	532.5
Percent Change	2.9%	2.6%	3.1%	2.8%
June Forecast, Preliminary	521.7	525.1	529.0	532.2
Percent Change	3.0%	2.6%	3.1%	2.4%
<b>Personal Income (Billions of Dollars)</b>				
June Forecast, Final	638.1	647.1	655.1	663.6
Percent Change	6.3%	5.7%	5.1%	5.3%
June Forecast, Preliminary	638.4	646.8	654.6	662.5
Percent Change	6.5%	5.4%	4.9%	4.9%
<b>Disposable Personal Income (Billions of Dollars)</b>				
June Forecast, Final	558.3	566.0	573.1	580.6
Percent Change	3.5%	5.6%	5.1%	5.3%
June Forecast, Preliminary	557.4	565.7	572.6	579.5
Percent Change	2.8%	6.1%	5.0%	5.0%
<b>Nonfarm Payroll Employment (Thousands)</b>				
June Forecast, Final	3622.8	3641.0	3650.7	3660.0
Percent Change	2.4%	2.0%	1.1%	1.0%
June Forecast, Preliminary	3633.2	3649.5	3656.9	3667.8
Percent Change	2.4%	1.8%	0.8%	1.2%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast, Final	4.7	4.9	4.9	4.9
June Forecast, Preliminary	4.7	4.9	4.9	4.9
<b>Manufacturing Employment (Thousands)</b>				
June Forecast, Final	277.0	277.7	277.0	275.1
Percent Change	3.3%	0.9%	-1.0%	-2.7%
June Forecast, Preliminary	277.0	277.4	276.6	274.9
Percent Change	3.2%	0.6%	-1.2%	-2.4%
<b>Construction Employment (Thousands)</b>				
June Forecast, Final	230.5	232.6	235.5	237.9
Percent Change	3.4%	3.8%	5.0%	4.1%
June Forecast, Preliminary	230.4	234.1	236.7	239.0
Percent Change	3.3%	6.6%	4.4%	4.0%
<b>Housing Permits (Thousands)</b>				
June Forecast, Final	38.0	35.5	36.8	37.7
Percent Change	50.0%	-24.1%	15.7%	10.7%
June Forecast, Preliminary	38.0	35.7	37.6	38.8
Percent Change	50.0%	-22.3%	23.8%	13.5%

	2023	2024	2025	2026	2027	2028	2029
June Forecast, Final	513.6	527.0	542.9	564.3	582.4	599.6	618.4
Percent Change	2.1%	2.6%	3.0%	3.9%	3.2%	3.0%	3.1%
June Forecast, Preliminary	513.6	527.0	542.9	564.6	583.0	600.4	619.4
Percent Change	2.1%	2.6%	3.0%	4.0%	3.3%	3.0%	3.2%
June Forecast, Final	618.2	651.0	686.9	731.3	771.4	812.1	855.1
Percent Change	5.9%	5.3%	5.5%	6.5%	5.5%	5.3%	5.3%
June Forecast, Preliminary	618.2	650.6	685.7	730.1	771.1	811.8	855.0
Percent Change	5.9%	5.2%	5.4%	6.5%	5.6%	5.3%	5.3%
June Forecast, Final	544.9	569.5	600.6	638.8	671.6	705.7	742.7
Percent Change	8.1%	4.5%	5.5%	6.4%	5.1%	5.1%	5.2%
June Forecast, Preliminary	544.9	568.8	599.3	637.4	671.1	705.3	742.8
Percent Change	8.1%	4.4%	5.4%	6.4%	5.3%	5.1%	5.3%
June Forecast, Final	3595	3644	3677	3715	3748	3784	3822
Percent Change	1.9%	1.3%	0.9%	1.0%	0.9%	1.0%	1.0%
June Forecast, Preliminary	3598	3652	3690	3731	3762	3796	3834
Percent Change	2.0%	1.5%	1.0%	1.1%	0.8%	0.9%	1.0%
June Forecast, Final	4.1	4.8	4.9	4.9	4.9	4.7	4.5
June Forecast, Preliminary	4.1	4.8	4.8	4.8	4.8	4.6	4.4
June Forecast, Final	273.9	276.7	272.0	275.2	275.5	275.3	275.9
Percent Change	1.9%	1.0%	-1.7%	1.2%	0.1%	-0.1%	0.2%
June Forecast, Preliminary	273.9	276.5	271.4	274.4	274.3	273.7	274.2
Percent Change	1.9%	0.9%	-1.8%	1.1%	-0.1%	-0.2%	0.2%
June Forecast, Final	232.2	234.1	241.9	249.6	258.3	266.8	275.2
Percent Change	-0.1%	0.8%	3.3%	3.2%	3.5%	3.3%	3.2%
June Forecast, Preliminary	232.2	235.1	243.3	252.0	260.8	269.4	278.2
Percent Change	-0.1%	1.2%	3.5%	3.6%	3.5%	3.3%	3.3%
June Forecast, Final	37.1	37.0	39.9	42.0	43.6	44.5	45.1
Percent Change	-24.3%	-0.3%	7.9%	5.2%	3.9%	2.1%	1.3%
June Forecast, Preliminary	37.1	37.5	41.1	42.9	44.1	44.8	45.3
Percent Change	-24.3%	1.2%	9.4%	4.4%	2.8%	1.6%	1.1%

**Washington Forecast Comparison**

	2024Q1	2024Q2	2024Q3	2024Q4
<b>Real Personal Income (Billions of 2017 Dollars)</b>				
June Forecast, Final	521.6	524.9	528.9	532.5
Percent Change	2.9%	2.6%	3.1%	2.8%
February Forecast <sup>1</sup>	494.1	500.8	505.4	509.1
Percent Change	3.7%	5.5%	3.8%	2.9%
<b>Personal Income (Billions of Dollars)</b>				
June Forecast, Final	638.1	647.1	655.1	663.6
Percent Change	6.3%	5.7%	5.1%	5.3%
February Forecast	636.5	647.8	657.0	665.3
Percent Change	5.3%	7.3%	5.8%	5.2%
<b>Disposable Personal Income (Billions of Dollars)</b>				
June Forecast, Final	558.3	566.0	573.1	580.6
Percent Change	3.5%	5.6%	5.1%	5.3%
February Forecast	563.2	573.0	581.3	588.7
Percent Change	5.5%	7.1%	5.9%	5.2%
<b>Nonfarm Payroll Employment (Thousands)</b>				
June Forecast, Final	3622.8	3641.0	3650.7	3660.0
Percent Change	2.4%	2.0%	1.1%	1.0%
February Forecast	3652.7	3661.6	3665.6	3670.9
Percent Change	1.8%	1.0%	0.4%	0.6%
<b>Unemployment Rate (Percent of Labor Force)</b>				
June Forecast, Final	4.7	4.9	4.9	4.9
February Forecast	4.3	4.4	4.5	4.5
<b>Manufacturing Employment (Thousands)</b>				
June Forecast, Final	277.0	277.7	277.0	275.1
Percent Change	3.3%	0.9%	-1.0%	-2.7%
February Forecast	282.1	282.3	281.3	279.5
Percent Change	3.3%	0.4%	-1.5%	-2.5%
<b>Construction Employment (Thousands)</b>				
June Forecast, Final	230.5	232.6	235.5	237.9
Percent Change	3.4%	3.8%	5.0%	4.1%
February Forecast	237.5	239.6	240.6	241.9
Percent Change	1.2%	3.5%	1.8%	2.1%
<b>Housing Permits (Thousands)</b>				
June Forecast, Final	38.0	35.5	36.8	37.7
Percent Change	50.0%	-24.1%	15.7%	10.7%
February Forecast	38.7	40.7	42.6	43.7
Percent Change	76.8%	21.5%	20.3%	10.9%

<sup>1</sup> Real forecasts in February were in 2012 dollars

	2023	2024	2025	2026	2027	2028	2029
June Forecast, Final	513.6	527.0	542.9	564.3	582.4	599.6	618.4
Percent Change	2.1%	2.6%	3.0%	3.9%	3.2%	3.0%	3.1%
February Forecast <sup>1</sup>	485.7	502.4	518.5	539.4	556.7	572.3	589.5
Percent Change	2.1%	3.4%	3.2%	4.0%	3.2%	2.8%	3.0%
June Forecast, Final	618.2	651.0	686.9	731.3	771.4	812.1	855.1
Percent Change	5.9%	5.3%	5.5%	6.5%	5.5%	5.3%	5.3%
February Forecast	618.5	651.6	686.6	729.7	768.9	807.2	848.6
Percent Change	5.9%	5.4%	5.4%	6.3%	5.4%	5.0%	5.1%
June Forecast, Final	544.9	569.5	600.6	638.8	671.6	705.7	742.7
Percent Change	8.1%	4.5%	5.5%	6.4%	5.1%	5.1%	5.2%
February Forecast	546.7	576.6	606.9	643.8	675.8	707.8	743.6
Percent Change	8.5%	5.5%	5.3%	6.1%	5.0%	4.7%	5.1%
June Forecast, Final	3595	3644	3677	3715	3748	3784	3822
Percent Change	1.9%	1.3%	0.9%	1.0%	0.9%	1.0%	1.0%
February Forecast	3612	3663	3689	3728	3757	3788	3821
Percent Change	2.4%	1.4%	0.7%	1.1%	0.8%	0.8%	0.9%
June Forecast, Final	4.1	4.8	4.9	4.9	4.9	4.7	4.5
February Forecast	4.0	4.4	4.6	4.5	4.4	4.4	4.3
June Forecast, Final	273.9	276.7	272.0	275.2	275.5	275.3	275.9
Percent Change	1.9%	1.0%	-1.7%	1.2%	0.1%	-0.1%	0.2%
February Forecast	276.0	281.3	276.7	278.7	277.9	276.9	277.8
Percent Change	2.7%	1.9%	-1.7%	0.7%	-0.3%	-0.3%	0.3%
June Forecast, Final	232.2	234.1	241.9	249.6	258.3	266.8	275.2
Percent Change	-0.1%	0.8%	3.3%	3.2%	3.5%	3.3%	3.2%
February Forecast	236.2	239.9	245.0	253.7	261.1	268.7	276.8
Percent Change	1.6%	1.6%	2.1%	3.6%	2.9%	2.9%	3.0%
June Forecast, Final	37.1	37.0	39.9	42.0	43.6	44.5	45.1
Percent Change	-24.3%	-0.3%	7.9%	5.2%	3.9%	2.1%	1.3%
February Forecast	37.2	41.4	44.4	45.1	45.9	45.8	45.6
Percent Change	-24.2%	11.5%	7.2%	1.5%	1.7%	-0.2%	-0.3%

U.S. Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
<b>Real GDP</b>						
Billions of 2017 dollars						
June Forecast	22,695	23,096	23,552	24,015	24,489	24,952
<i>Growth</i>	3.0%	1.8%	2.0%	2.0%	2.0%	1.9%
February Forecast	22,625	22,963	23,420	23,882	24,341	24,789
<i>Growth</i>	2.6%	1.5%	2.0%	2.0%	1.9%	1.8%
Difference in level	70	133	132	133	149	163
<b><i>Difference in growth forecast</i></b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>Real Consumption</b>						
Billions of 2017 dollars						
June Forecast	15,615	15,921	16,240	16,576	16,904	17,246
<i>Growth</i>	2.5%	2.0%	2.0%	2.1%	2.0%	2.0%
February Forecast	15,633	15,932	16,222	16,561	16,893	17,220
<i>Growth</i>	2.6%	1.9%	1.8%	2.1%	2.0%	1.9%
Difference in level	-17	-11	18	15	11	26
<b><i>Difference in growth forecast</i></b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>
<b>PCE Price Index</b>						
2017 = 100						
June Forecast	121.9	125.0	128.1	131.0	133.9	136.9
<i>Growth</i>	2.8%	2.5%	2.5%	2.3%	2.2%	2.2%
February Forecast	121.7	124.1	126.7	129.4	132.2	134.9
<i>Growth</i>	2.6%	1.9%	2.2%	2.1%	2.1%	2.1%
Difference in level	0.2	0.9	1.4	1.6	1.8	2.0
<b><i>Difference in growth forecast</i></b>	<b>0.2%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Unemployment Rate</b>						
Percent of Labor Force						
June Forecast	3.8%	4.0%	4.1%	4.4%	4.4%	4.3%
February Forecast	3.8%	4.0%	4.2%	4.2%	4.1%	4.1%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.2%</b>
<b>30 Year Fixed Mortgage Rate</b>						
Annual Average						
June Forecast	7.0%	6.2%	5.5%	5.0%	5.1%	4.9%
February Forecast	6.8%	5.7%	5.3%	4.9%	4.9%	4.9%
<b><i>Difference in forecast</i></b>	<b>0.2%</b>	<b>0.5%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>3 Month T-Bill Rate</b>						
Annual Average						
June Forecast	5.3%	4.9%	3.4%	2.4%	2.3%	2.4%
February Forecast	5.3%	4.1%	2.7%	2.4%	2.3%	2.4%
<b><i>Difference in forecast</i></b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

## Washington Forecast Comparison

Fiscal Years

	2024	2025	2026	2027	2028	2029
<b>Real Personal Income</b>						
Billions of 2017 dollars						
June Forecast	519.1	534.9	553.1	573.8	590.4	609.4
<i>Growth</i>	2.4%	3.0%	3.4%	3.7%	2.9%	3.2%
February Forecast <sup>1</sup>	492.3	511.0	528.4	548.7	564.0	581.3
<i>Growth</i>	2.7%	3.8%	3.4%	3.8%	2.8%	3.1%
Difference in level	NA	NA	NA	NA	NA	NA
<b><i>Difference in growth forecast</i></b>	<b>-0.3%</b>	<b>-0.8%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Nominal Personal Income</b>						
Billions of dollars						
June Forecast	633.1	668.5	708.7	751.8	790.9	834.0
<i>Growth</i>	5.3%	5.6%	6.0%	6.1%	5.2%	5.5%
February Forecast	633.0	669.5	707.3	749.9	787.2	828.2
<i>Growth</i>	5.3%	5.8%	5.6%	6.0%	6.0%	5.2%
Difference in level	0.1	-1.1	1.4	1.9	3.7	5.9
<b><i>Difference in growth forecast</i></b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>0.3%</b>
<b>Nonfarm Payroll Employment</b>						
Thousands						
June Forecast	3,616.6	3,662.6	3,694.6	3,731.5	3,765.4	3,803.6
<i>Growth</i>	1.2%	1.3%	0.9%	1.0%	0.9%	1.0%
February Forecast	3,643.6	3,674.6	3,707.6	3,743.7	3,770.9	3,804.8
<i>Growth</i>	1.9%	0.9%	0.9%	1.0%	0.7%	0.9%
Difference in level	-27.0	-11.9	-13.0	-12.2	-5.5	-1.2
<b><i>Difference in growth forecast</i></b>	<b>-0.7%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.1%</b>
<b>Housing Permits</b>						
Units Authorized, Thousands						
June Forecast	35.8	38.3	41.0	42.9	44.2	44.8
<i>Growth</i>	-11.7%	7.0%	7.0%	4.7%	2.9%	1.6%
February Forecast	37.1	43.7	44.8	45.5	46.0	45.6
<i>Growth</i>	-8.8%	18.0%	2.5%	1.5%	1.1%	-0.8%
Difference in level	-1.3	-5.4	-3.8	-2.6	-1.8	-0.7
<b><i>Difference in growth forecast</i></b>	<b>-2.9%</b>	<b>-10.9%</b>	<b>4.5%</b>	<b>3.2%</b>	<b>1.8%</b>	<b>2.4%</b>

<sup>1</sup> Real forecasts in February were in 2012 dollars

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

**Calendar Years**

	2024	2025	2026	2027	2028	2029
<b>U.S.</b>						
<b>Real GDP</b>						
<i>Growth</i>						
ERFC	2.3	1.8	2.0	2.0	1.9	1.9
GCEA Average	2.4	2.0	2.0	2.0	2.0	2.1
<b>Real Consumption</b>						
<i>Growth</i>						
ERFC	2.3	1.9	2.1	2.0	2.0	2.0
GCEA Average	2.2	1.8	2.2	2.0	1.9	2.1
<b>PCE Price Index</b>						
<i>Growth</i>						
ERFC	2.6	2.4	2.4	2.2	2.2	2.1
GCEA Average	2.7	2.3	2.3	2.3	2.4	2.2
<b>Mortgage Rate</b>						
<i>Percent</i>						
ERFC	6.7	5.8	5.1	5.1	5.0	4.9
GCEA Average	7.0	6.4	5.6	5.4	5.2	5.1
<b>Oil Price (Brent)</b>						
<i>Dollars per barrel</i>						
ERFC	82.4	77.9	74.8	72.7	71.2	70.2
GCEA Average	83.3	81.6	81.1	79.5	78.9	79.0

**Washington State**

**Real Personal Income**

<i>Growth</i>						
ERFC	2.6	3.0	3.9	3.2	3.0	3.1
GCEA Average	2.5	2.9	4.0	3.1	2.9	3.0

**Wage and Salary Employment**

<i>Growth</i>						
ERFC	1.3	0.9	1.0	0.9	1.0	1.0
GCEA Average	1.4	1.2	1.1	1.0	1.0	1.0

**Manufacturing Employment**

<i>Growth</i>						
ERFC	1.0	-1.7	1.2	0.1	-0.1	0.2
GCEA Average	0.9	-0.8	1.0	0.5	0.5	0.6

**Construction Employment**

<i>Growth</i>						
ERFC	0.8	3.3	3.2	3.5	3.3	3.2
GCEA Average	1.1	2.8	3.0	3.2	3.2	3.2

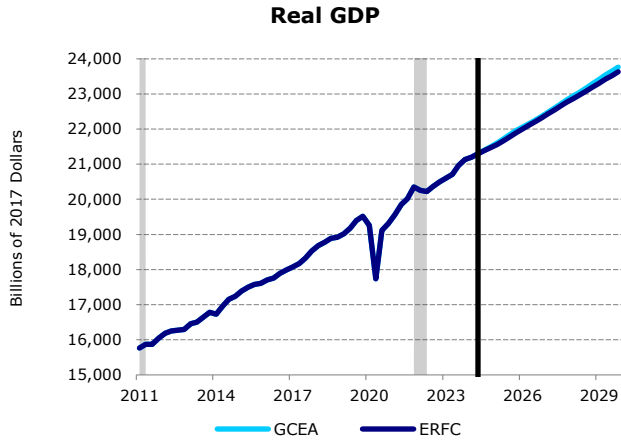
**Housing Permits**

<i>Thousands of authorized units</i>						
ERFC	37.0	39.9	42.0	43.6	44.5	45.1
GCEA Average	38.0	41.0	43.2	44.7	45.3	45.8

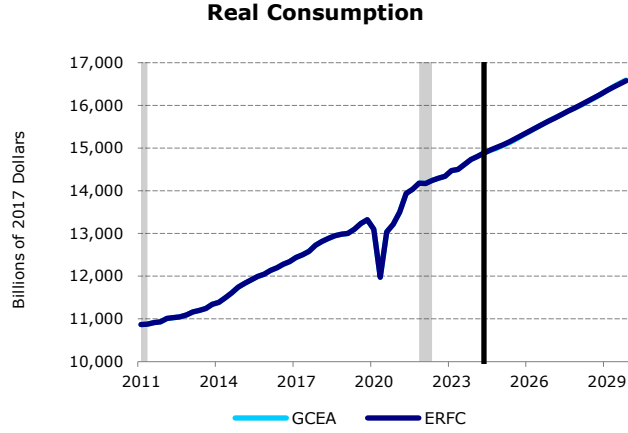
**Washington Average Annual Wage**

<i>Growth</i>						
ERFC	4.3	3.8	4.9	4.1	3.9	4.3
GCEA Average	4.4	4.0	4.5	4.1	3.9	4.0

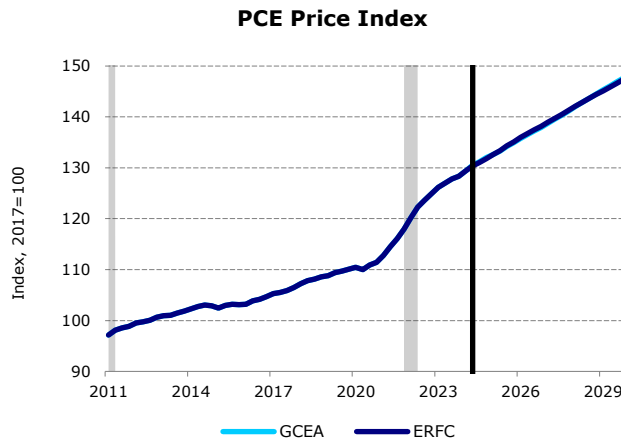
# U.S. Forecast Comparison



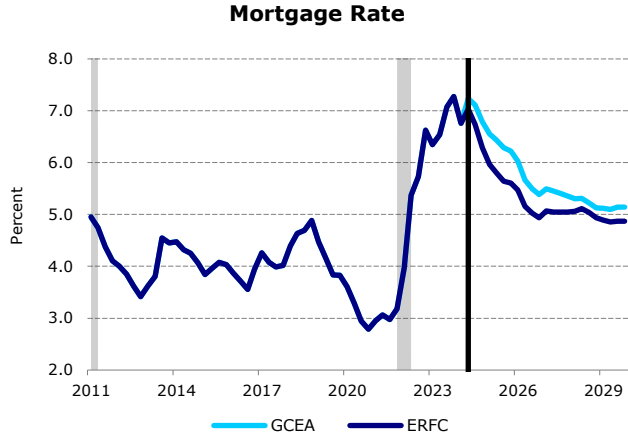
Source: BEA, ERFC, GCEA; data through 2023Q4



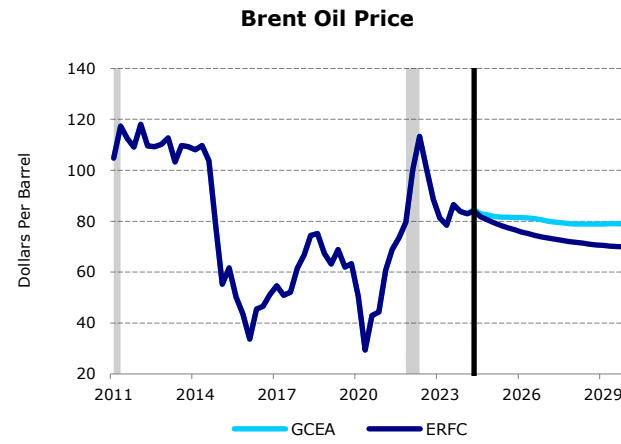
Source: BEA, ERFC, GCEA; data through 2023Q4



Source: BEA, ERFC, GCEA; data through 2023Q4



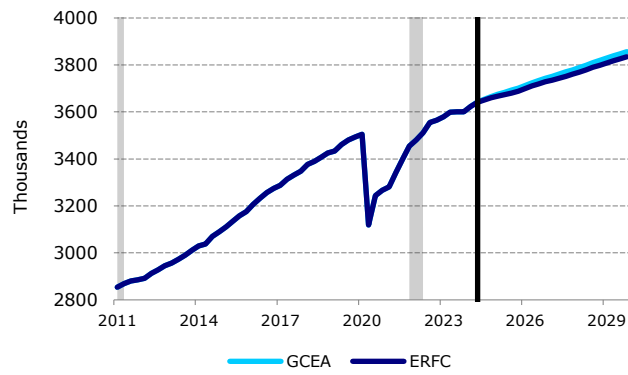
Source: Freddie Mac, ERFC, GCEA; data through 2023Q4



Source: EIA, ERFC, GCEA; data through 2023Q4

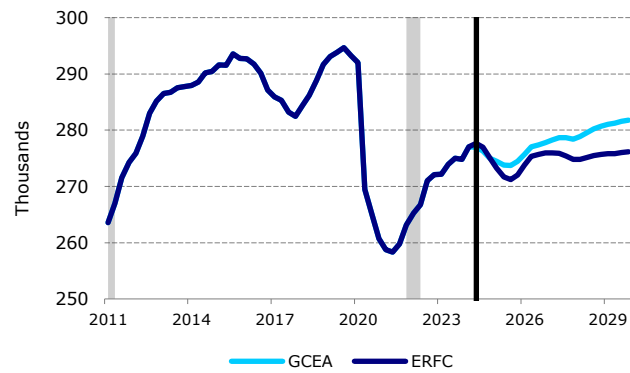
# Washington Forecast Comparison

### Nonfarm Payroll Employment



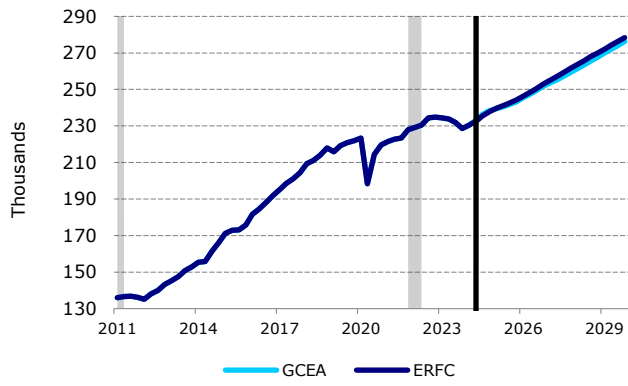
Source: ESD, ERFC, GCEA; data through 2023Q4

### Manufacturing Employment



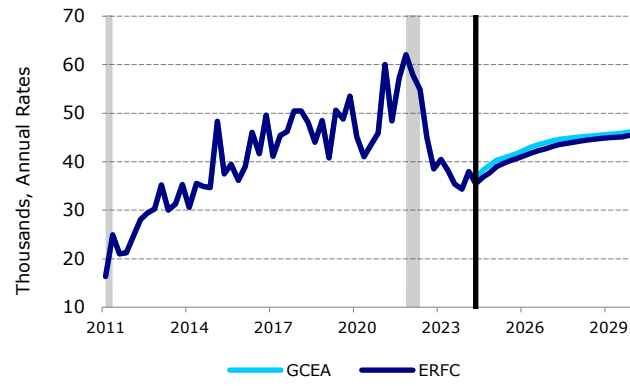
Source: ESD, ERFC, GCEA; data through 2023Q4

### Construction Employment



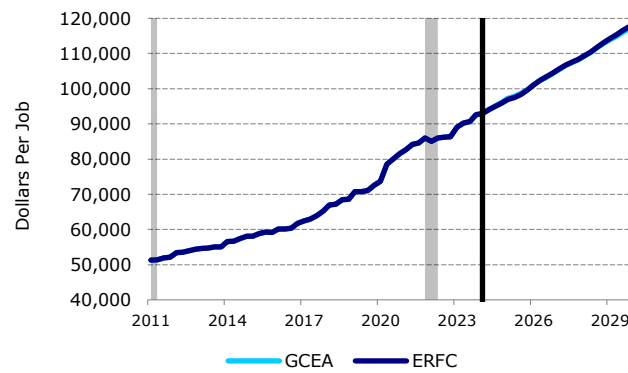
Source: ESD, ERFC, GCEA; data through 2023Q4

### Housing Units Authorized



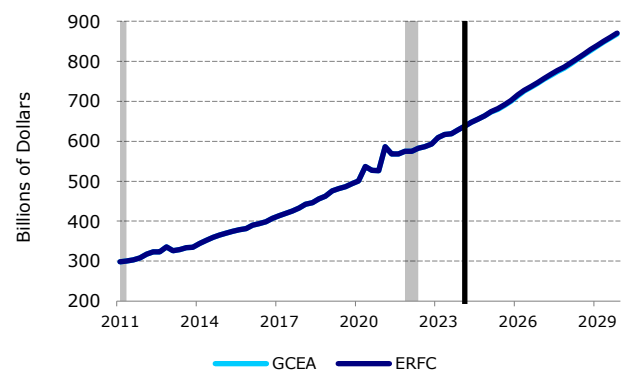
Source: Census, ERFC, GCEA; data through 2023Q4

### Average Annual Wage



Source: BEA, ERFC, GCEA; data through 2023Q3

### Personal Income



Source: BEA, ERFC, GCEA; data through 2023Q3



## 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 <sup>(1)</sup>	TOTAL
<b>RESOURCES</b>			
<b>Beginning Fund Balance</b>	4,184.7	1,102.4	5,287.0
February 2024 Revenue Forecast	63,582.2	3,422.9	67,005.1
June 2024 Revenue Forecast Change	(252.4)	(190.4)	(442.8)
<b>Current Revenue Totals</b>	<b>63,329.8</b>	<b>3,232.5</b>	<b>66,562.3</b>
Transfers to Budget Stabilization Account (1% of GSR)	(639.7)	-	(639.7)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Prior Enacted Fund Transfers	50.7	-	50.7
Prior WRPTA Fund Transfer	1,302.0	-	1,302.0
Actual/Assumed Prior Period Adjustments	40.8	-	40.8
<b>2024 Legislative Session - Enacted Budgets</b>			
Revenue Legislation	(32.6)	(0.2)	(32.8)
Budget Driven Revenue	(1.0)	(0.1)	(1.1)
New Fund Transfers	(58.0)	-	(58.0)
New WRPTA Fund Transfer	798.0	-	798.0
Prior Period Adjustment - Gain Share <sup>(3)</sup>	71.5	-	71.5
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>69,046.1</b>	<b>4,334.6</b>	<b>73,380.7</b>
<b>EXPENDITURES</b>			
<b>Enacted Budgets</b>			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
2024 Supplemental Budget	1,795.3	347.6	2,142.9
2024 Supplemental Budget - Governor's Vetoes / Lapses	(2.1)	-	(2.1)
Actual/Assumed Reversions <sup>(2)</sup>	(482.7)	-	(482.7)
<b>Total Expenditures</b>	<b>67,565.9</b>	<b>3,896.5</b>	<b>71,462.4</b>
<b>RESERVES</b>			
<b>Projected Ending Balance</b>	<b>1,480.2</b>	<b>438.1</b>	<b>1,918.2</b>
<b>Budget Stabilization Account</b>			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	639.7	-	639.7
Transfers from General Fund (EGSR)	-	-	-
Appropriations	(21.1)	-	(21.1)
Actual/Assumed Biennium - Interest Earnings	60.5	-	60.5
<b>Projected BSA Ending Balance</b>	<b>1,331.4</b>	<b>-</b>	<b>1,331.4</b>
<b>Washington Rescue Plan Transition Account</b>			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(2,100.0)	-	(2,100.0)
<b>Projected WRPTA Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Reserves Including BSA and WRPTA</b>	<b>2,811.6</b>	<b>438.1</b>	<b>3,249.7</b>

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

(2) Reversion amounts are consistent with the ERFC's adopted enacted budget outlook.

(3) Gain Share amount reflects FY24 actuals.

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account