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Revenue Review

February 14, 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**

February 14, 2024  
11:00 a.m.

- Call to order
- Approval of meeting minutes from January 29, 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 January 29, 2024

### **Economic and Revenue Forecast Council**

Lynda Wilson, Senate, Chair  
April Berg, House of Representatives  
Chris Gildon, Senate  
Timm Ormsby, House of Representatives  
June Robinson, Senate  
Ed Orcutt, House of Representatives  
Yasmin Trudeau, Senate  
Mike Pellicciotti, Treasurer  
Drew Shirk, Department of Revenue

### *Staff*

Dave Reich, Executive Director

### **Call to Order**

Senator Wilson called the meeting to order at 2:02 p.m.

### **Approval of the Minutes**

Representative Ormsby moved, seconded by Senator Wilson, to adopt the meeting minutes from January 26, 2024. Motion passed at 2:02 p.m.

### **Economic Forecast Presentation**

Dr. Reich presented information on the economic and revenue forecast. Dr. Reich summarized the forecast changes.

### **Adjournment**

With no further business, the meeting adjourned at 2:19 p.m.

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## Economic & Revenue Forecast Council State of Washington



### Economic Review: February 14, 2024

#### Executive Summary

##### United States

- This forecast is based on a modified version of S&P Global Market Intelligence's February 2024 Control forecast for the U.S. economy. The forecast for GDP growth in 2024 is now 2.4%, up from 1.2% in the November forecast. We have adjusted real gross domestic product (GDP) to be consistent with the January Blue Chip "Consensus" GDP forecast for 2025 and beyond. For 2025, real GDP growth is 1.7%, unchanged from the November forecast and for 2026 real GDP growth is 2.1%, also unchanged from the November forecast. Our forecast for real GDP growth for 2027-29 is based on the most recent long-term forecast from Blue Chip which was released in October 2023. We expect growth rates of 1.9%, 1.9%, and 1.8% in 2027 through 2029.
- 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 Friday, February 2, 2024 closing prices for Brent and WTI futures. Oil prices are slightly lower than in the November forecast. As in November, oil prices are expected to decline throughout the forecast. The latest futures prices indicate that the refiner acquisition price of crude oil will average \$73 per barrel in the first quarter of 2024 compared to \$75 in the November forecast. By the fourth quarter of 2027 the refiner acquisition price of crude is now expected to average \$64 per barrel compared to \$65 in the November forecast.
- National employment in January increased by 353,000 net jobs. Employment in November and December was revised up due to additional data and the annual benchmarking process by a combined 126,000 jobs. Payroll employment rose 3.1 million in 2023 and average monthly employment increased by 255,000 during the year. Sectors with the largest job gains in January included manufacturing (+23,000), healthcare (+70,000), administration (+29,000), general merchandise retailers (+24,000), social assistance (+30,000), and professional, scientific, and technical services (+42,000). Sectors with declining employment in January included mining (-5,000), heavy construction (-8,000), business support (-5,000), and accommodation and food services (-6,000).
- Two key measures of consumer confidence increased this month. The University of Michigan (UM) consumer sentiment survey increased by 9.3 points to 79.0 in January. Consumers indicated they had a better outlook for both inflation and personal income. The Conference Board index of consumer confidence increased by 6.8 points in January to 114.8. Survey results indicated that concerns about inflation have declined and anticipated lower interest rates and continued strong employment markets are a positive for consumers.
- Consumer prices in January increased 0.3% (SA) compared to December. Over the last 12 months, prices are up 3.1%. Core prices, which exclude food and energy, rose by 3.9% compared to January 2023.

- Initial claims for unemployment insurance decreased by 9,000 to 218,000 (SA) in the week ending February 3rd. The four-week moving average of initial claims increased by 3,750 to 212,250.
- Industrial production increased by 0.1% (SA) in December following no change in November. Industrial production is 1.0% (SA) above its December 2022 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which is a proxy for business investment, increased by 0.2% (SA) in December following a revised 0.9% increase in November according to U.S. Census Bureau data. New orders for core capital goods were 1.6% above their December 2022 level.
- Residential construction activity picked up in December but existing home sales slowed. December housing starts decreased by 4.3% (SA) compared to November but were 7.6% above their December 2022 level. Housing units authorized by building permits in December were 1.9% (SA) above their November level and 6.1% above their year-ago level. New home sales in December increased by 8.0% (SA) compared to November and were 4.4% above their year-ago level. Existing home sales in December decreased by 1.0% (SA) compared to November and were down 6.2% compared to December 2022. The seasonally adjusted Case-Shiller national home price index for November was 0.2% above its October level and 5.2% above its year-ago level.
- The major risks to the U.S. and Washington economies are the impact of elevated interest rates, the Ukraine-Russia and Middle East conflicts, and slower consumer spending.

## Washington

- Washington job growth has been stronger than expected compared to the November forecast. Total seasonally adjusted nonfarm payroll employment increased 17,200 in November and December which was 9,900 more than the increase of 7,300 expected in the forecast. The construction sector declined by 500 jobs while manufacturing employment increased by 3,000 in the two months since the forecast. The increase in manufacturing was fueled by a 1,700 job gain in aerospace. Arts, entertainment, and recreation had the largest increase in the private service sector, gaining 4,300 jobs over the two months. The largest decline was in administrative and support services with a loss of 2,400 jobs. Government employment increased by 5,000, with a decline of 600 jobs in federal government and a loss of 400 jobs in local government partially offsetting a 6,000 job gain in state government.
- Revisions to employment data subtracted 2,900 (-0.1%) to the estimated level of total employment in October 2023. The combined effect of the downward revision to historical data and stronger than expected employment growth in November and December is that December employment is 7,000 (0.2%) higher than expected in the November forecast.
- Washington's unemployment rate has increased in each of the past three months. The unemployment rate increased to 4.2% in December from a recent trough of 3.6% in September. The September jobless rate was at a historic all-time low at 3.6% with data going back to 1958. Labor force participation remained at 64.3% in December from the month before, although it is down from the recent peak of 64.8% in May.



- The February forecast calls for a 1.4% increase in Washington employment this year, up from the 1.1% growth rate expected in the November forecast. We expect slower growth during the remainder of the forecast as the U.S. economy slows. The forecast has employment growth average 0.9% per year in 2025 through 2029. We assume the 4.0% unemployment rate in 2023 was the trough. Going forward, we expect the unemployment rate to increase to 4.4% this year and then average 4.4% from 2025 through 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 15,100 jobs, bringing the level to 81,900 in December 2023. We expect aerospace employment to continue to expand into 2028, reaching a peak of 87,400 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 December, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the third quarter of 2023. Washington personal income increased from \$621.3 billion (SAAR) in the second quarter of 2023 to \$622.7 billion in the third quarter. The 0.9% increase (SAAR) in Washington personal income was the 4th lowest among the states and trailed the 3.5% rate of increase for the U.S. as a whole. At 1.7% (SAAR), growth in Washington net earnings trailed the 5.9% national average rate. Transfer receipts fell at a 3.1% annual rate in Washington compared to a 2.5% decline for the nation. Property income (dividends, interest, and rent) also trailed the nation, growing 1.3% (SAAR) in Washington compared to 1.5% for the national average.
- The forecast for nominal personal income growth this year is 5.4%, up from 5.1% in the November forecast. We expect nominal personal income growth of 5.4% in 2025 as well, down from 5.9% in the previous forecast. The February forecast then has nominal personal income growth average 5.8% in 2026 and 2027, up from 5.4% in the November forecast. We then expect nominal personal income growth to slow and average 5.1% in 2028 and 2029.
- Seattle-area home prices declined 0.8% in November after increasing in each of the previous seven months. Home prices in Seattle remain up 1.6% since last year. In comparison, growth in the composite-20 index slowed in November to 0.1%, but has remained positive in each of the past ten months. The composite-20 index was up 5.4% year-over-year in November.
- Seattle-area consumer price inflation continues to outpace the national average. From December 2022 to December 2023, the Seattle CPI rose 4.4% compared to the 3.4% increase in the U.S. City average index. Inflation has come down sharply since reaching a peak in June of last year at 10.1% for Seattle and 9.1% for the U.S. Shelter costs in both Washington and the U.S. continue to outpace topline inflation, increasing 6.0% and 6.2% respectively. Core inflation (excluding food and energy) remains elevated. Seattle core CPI rose 4.9% in December compared to 3.9% for the U.S. City average.

- Washington exports increased 6.8% from the fourth quarter of 2022 to the fourth quarter of 2023. The increase was fueled by a 40.7% increase in transportation equipment exports. Agricultural exports declined 15.6% over the year, the fifth consecutive decline. Excluding transportation equipment and agricultural products, Washington exports increased 5.5% year-over-year in the fourth quarter of 2023.
- Washington car and truck sales declined in January but remain on an upward trend. The seasonally adjusted number of new vehicle registrations fell 4.8% in January to 271,400 (SAAR). Passenger car registrations fell 5.6% while light truck registrations increased 1.8%. The number of total registrations remained up 13.8% over the year in January.
- Washington housing construction continued to slow in the fourth quarter of 2023. A total of 33,600 units (SAAR) were permitted in October, November, and December, down from 35,200 units (SAAR) in the third quarter. Permits in the fourth quarter consisted of 19,900 single-family units and 13,700 multi-family units. The November forecast assumed 36,300 units for the fourth quarter as a whole, consisting of 19,700 single-family units and 16,500 multi-family units.
- We expect 2023 to be the trough in housing permits with 37,200 units. The forecast calls for growth in housing permits through 2027, reaching 45,900 units. The previous forecast called for total housing permits to reach 44,800 units in 2027. We then expect total housing permits to average 45,700 units in 2028 and 2029.

## Revenue

- Cumulative major General Fund-State revenue (GF-S) since the November 2023 forecast came in \$70.8 million (0.9%) higher than forecasted. Collections of Revenue Act taxes (the main category of GF-S taxes including retail sales and use, business and occupation (B&O), public utility and non-cigarette tobacco products) came in \$71.5 million (1.2%) higher than forecasted. Property taxes came in \$5.9 million (0.3%) higher than forecasted and real estate excise tax (REET) collections came in \$2.6 million (1.4%) higher than forecasted. Many other sources, however, such as liquor and cigarette taxes, came in below the forecast.
- For the 2024 and 2025 fiscal years, the February economic forecast projects slightly lower personal income than expected in November, and projected housing permits were lower in FY 2024. This has resulted in slight decreases in forecasted Revenue Act taxes for the rest of FY24 and part of FY 2025. These decreases, however, were not enough to offset the surplus in collections since the November forecast, so forecasted Revenue Act collections increased for the biennium. In FY 2026 onward, both forecasted personal income and permits have increased, resulting in slight increases in forecasted collections for those years. Forecasted increases in Revenue Act collections are \$48.0 million for the current biennium and \$156.3 million for the 2025-27 biennium.
- Forecasted REET collections have increased slightly due to forecasted lower interest rates and higher construction. Forecasted property tax increased slightly in this biennium and decreased slightly for the next. Forecasted liquor and cigarette taxes decreased in both biennia.

- Forecasted GF-S revenue is now \$63.582 billion for the 2023-25 biennium, an increase of \$53.4 million from the November forecast. Forecasted GF-S revenue is \$68.057 billion for the 2025-27 biennium, an increase of \$168.6 million. The initial forecast of GF-S revenue for the 2027-29 biennium is \$72.982 billion.
- Forecasted Education Legacy Trust Account (ELTA) revenue has increased by \$31.5 million in the 2023-25 biennium, due mainly to higher recent estate tax collections, and \$6.0 million in the 2025-27 biennium due to slight increases in forecasted REET and capital gains taxes. Forecasted ELTA revenue is now \$2.173 billion for the 2023-25 biennium and \$2.378 billion for the 2025-27 biennium. The initial forecast of ELTA revenue for the 2027-29 biennium is \$2.596 billion.
- The forecast of revenue dedicated to the Opportunity Pathways Account (OPA) was increased by \$23.9 million in the 2023-25 biennium and \$9.9 million in the 2025-27 biennia due to higher forecasted Lottery sales. Estimated OPA revenue is now \$394.1 million for the 2023-25 biennium and \$375.9 million for the 2025-27 biennium. The initial forecast of OPA revenue for the 2027-29 biennium is \$393.1 million.
- The forecast of revenue dedicated to the Workforce Education Investment Account (WEIA) was increased by \$13.0 million in the 2023-25 biennium and \$31.0 million in the 2025-27 biennium. Estimated WEIA revenue is now \$855.7 million for the 2023-25 biennium and \$909.9 million for the 2025-27 biennium. The initial forecast of WEIA revenue for the 2027-29 biennium is \$977.6 million.
- 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 \$121.8 million in the 2023-25 biennium and \$215.4 million in the 2025-27 biennium.
- The forecasted total of GF-S, ELTA, OPA and WEIA revenue for the 2023-25 biennium is \$67.005 billion, an increase of 3.5% over 2021-23 biennial revenue. Forecasted total revenue for the 2025-27 biennium is \$71.721 billion, an increase of 7.0% over the prior biennium, and forecasted total revenue for the 2027-29 biennium is \$76.948 billion, an increase of 7.3% over the prior biennium.

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# Revenue Review

Presented to the  
Economic and Revenue Forecast Council

Dave Reich  
Executive Director

February 14, 2024



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## Overview

### U.S. Economy

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

### Washington

- The WA economic outlook for personal income is slightly lower in the near term; employment is improved from November

### Revenue

- The forecast of funds subject to the budget outlook is increased by \$337 million (0.2%) for 2023-27 biennia

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## Since the November forecast...

The economic forecast incorporates Nov. 2023 and Dec. 2023 employment data for WA; Nov. 2023, Dec. 2023 and Jan. 2024 for the U.S.

### Positives:

- U.S. employment has increased by 870,000 jobs
- WA employment has increased by 17,200 jobs
- WA unemployment rate remains low-4.2% (Dec.)
- Revenue collections have been above forecast

### Negatives:

- Despite higher than forecasted revenues, revenue collections growth is slow
- Inflation continues to trend down but remains above desired levels

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## Data updates since preliminary economic forecast

### **U.S.**

- January employment: +353,000 jobs
- January unemployment rate: 3.7%, unchanged from December
- GDP growth: 2023:4Q increased by 3.3% and 2023 annual GDP growth was 2.5%

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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 energy prices

### Downside

- Elevated interest rates push economy into recession
- Russia – Ukraine, Middle East conflicts intensify, leading to higher prices for energy
- Inflation doesn't decrease as quickly as expected

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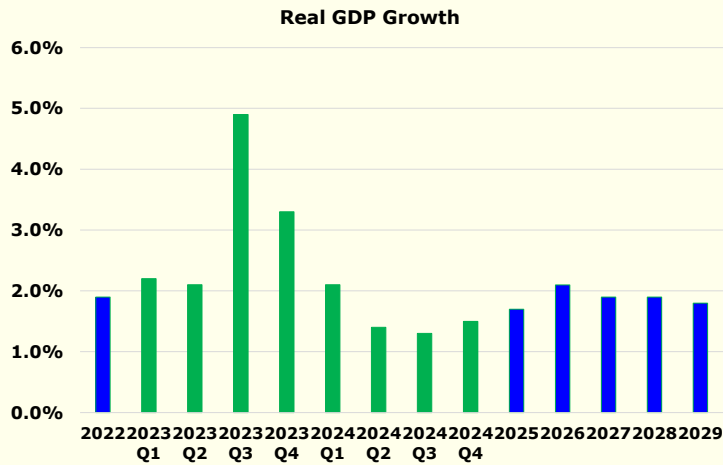


## GDP forecast calls for positive quarterly growth in 2024 and beyond

Growth in the fourth quarter of 2023 was 3.3% SAAR and for the year growth was 2.5%

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Source: IHS Markit, ERFC February 2024 forecast; historical data through 2023 Q4

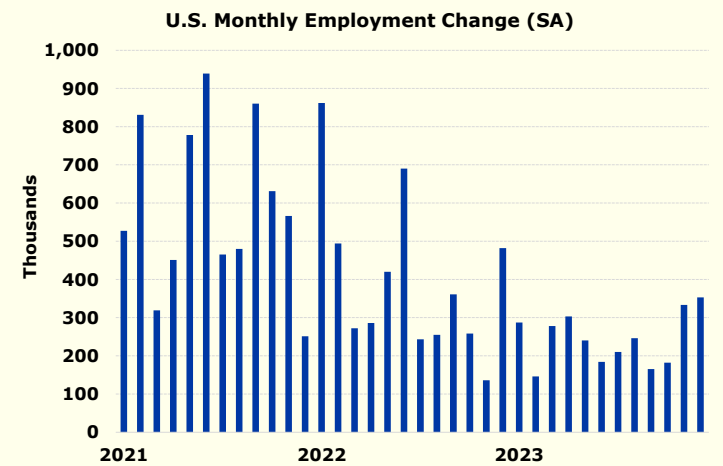
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## U.S. employment – trending down but stronger than expected in December and January

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Source: U.S. Bureau of Labor Statistics, WA Employment Security Dept., ERFC; data through January 2024

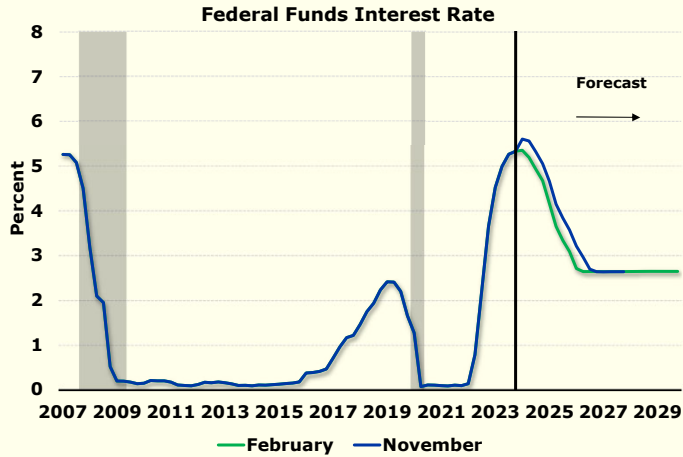
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## The Federal Reserve is assumed to begin reducing interest rates in the second quarter of 2024

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



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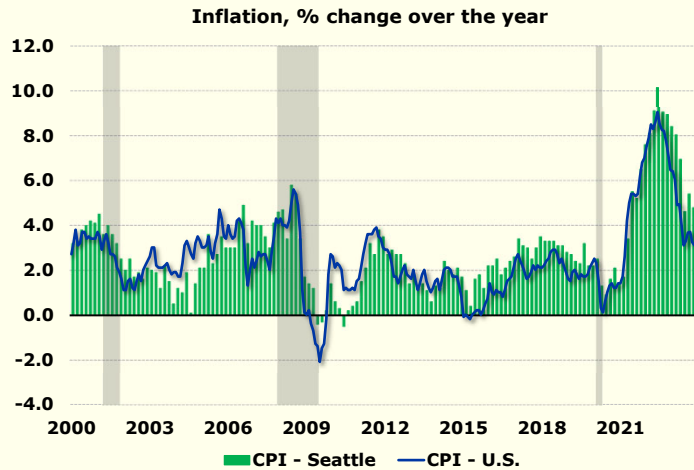
Source: ERFC February 2024 forecast; historical data through 2023 Q4

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## Inflation has slowed significantly but remains above the target rate



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Source: U.S. Bureau of Labor Statistics, data through January 2024

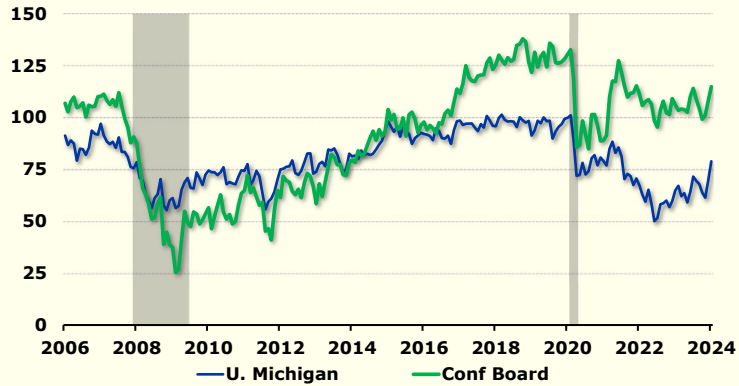
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# Consumer confidence has been down but increased significantly in December and January

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



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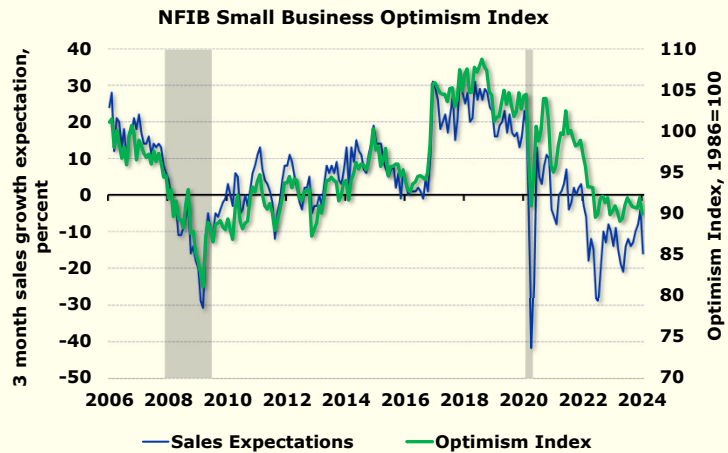
Sources: Data through January 2024

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# Inflation and labor quality remains top concern for small businesses



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Source: National Federation of Independent Business; data through January 2024

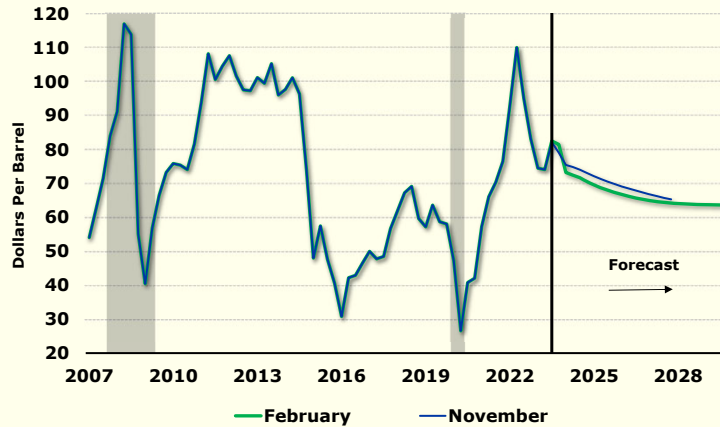
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## Oil prices are lower than in the November forecast

Oil prices in the fourth quarter of 2023 were slightly higher than expected in the November forecast



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Source: Energy Information Administration, IHS Markit, ERFC; data through 2023 Q4  
Note: Vertical black line indicates last actual

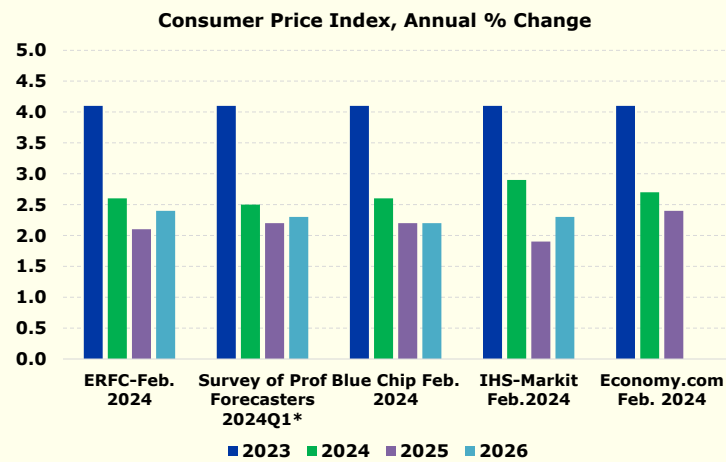
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## Inflation should continue to moderate

The Consumer Price Index increased by 4.1% in 2023



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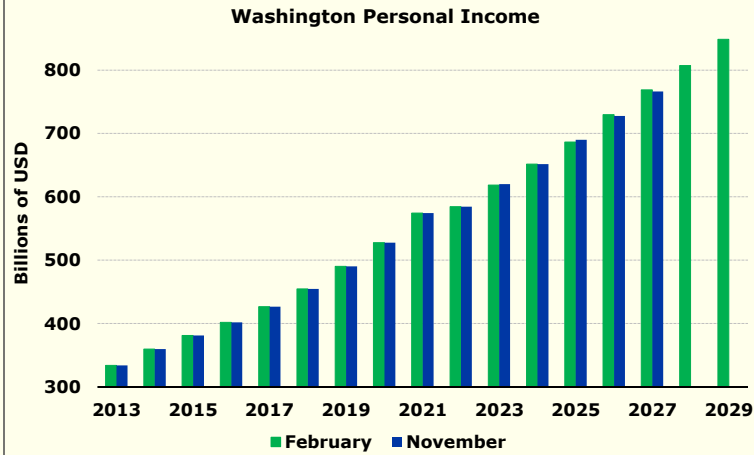
Survey of Professional Forecasters reflects change in price level in 4<sup>th</sup> quarter compared to 4<sup>th</sup> quarter of prior year; all others reflect average change over the year compared to prior year.

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# WA personal income forecast slightly lower in 2023-2025; higher after



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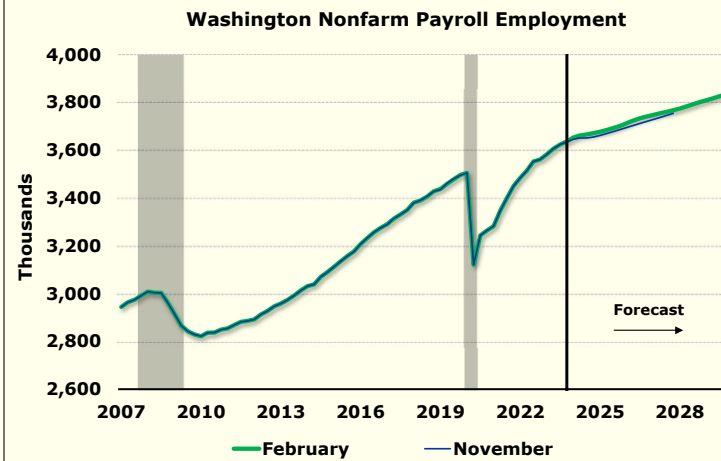
Source: ERFC February 2024 forecast; historical data through 2023 3Q

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# WA employment forecast is slightly stronger over the forecast period



Average annual employment growth, 2024 to 2027:

U.S. = 0.1%

WA = 0.8%.

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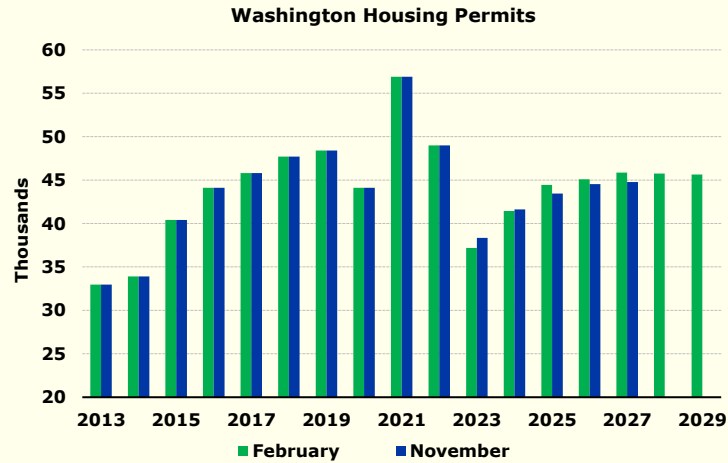
Source: ERFC February 2024 forecast; historical data through 2024 Q4

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## WA housing permit forecast; slightly lower in the short-run, slightly higher in the longer-run



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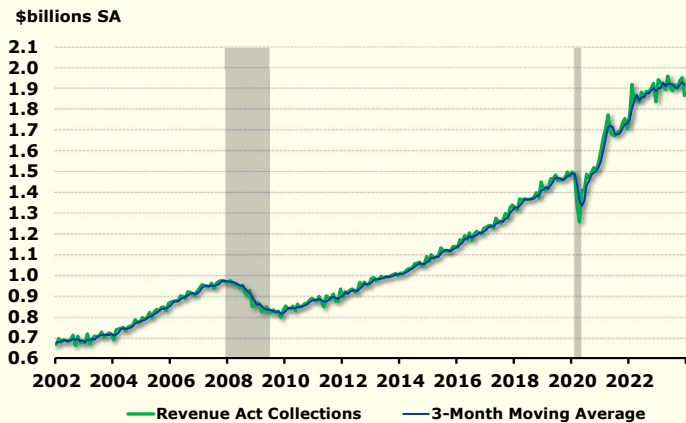
Source: ERFC February 2024 forecast; historical data through 2023

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## Revenue Act collections growth has slowed; December activity was up 0.2% compared with December 2022



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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 December 2023 activity

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## Both residential and commercial taxable real estate activity increased in January

Transactions of \$10 million or more were about \$900M in January 2024



Source: ERFC; Monthly data through January 2024 estimate

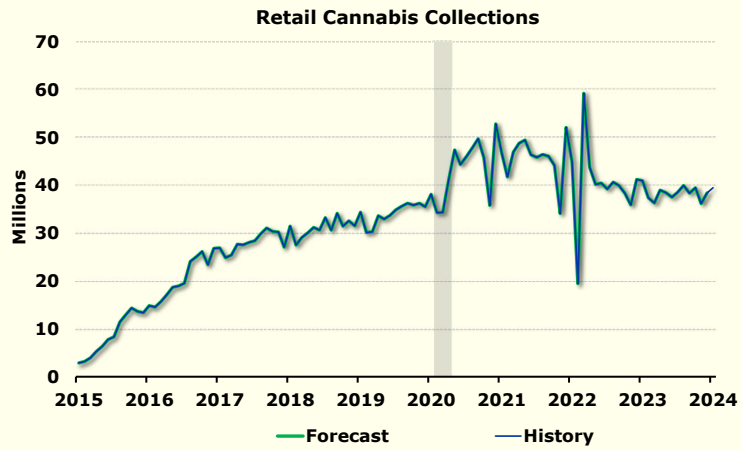
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## Cannabis revenues have moderated



Source: Historical data through January 2024

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## Cannabis excise tax and license fee estimates

Total change since November forecast:

- 2023-25  
-\$8.0 M
- 2025-27  
-\$60.0 M

\$Millions

### Cannabis Forecast

	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>
GF-S share of excise tax and license fees	\$284	\$315	\$336
Non-GF	\$722	\$735	\$781
<b>Total</b>	<b>\$1,006</b>	<b>\$1,050</b>	<b>\$1,117</b>

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

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

The forecast increase represents 0.2% of biennial revenue

\$Millions	<u>Nov. 2023 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Feb. 2024 Forecast</u>	<u>Total Change</u> <sup>#</sup>
General Fund-State	\$63,529	n/a	\$53	\$63,582	\$53
Education Legacy Trust Account	\$2,142	n/a	\$31	\$2,173	\$31
WA Opportunity Pathways Account	\$370	n/a	\$24	\$394	\$24
Workforce Education Investment Account	\$843	n/a	\$13	\$856	\$13
<b>Total</b>	<b>\$66,883</b>	<b>n/a</b>	<b>\$122</b>	<b>\$67,005</b>	<b>\$122</b>

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# Detail may not add to total due to rounding

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

The forecast increase represents 0.3% of biennial revenue

<b>\$Millions</b>	<u>Nov. 2023 Forecast</u>	<u>Non-economic Change</u>	<u>Forecast Change</u>	<u>Feb. 2024 Forecast</u>	<u>Total Change<sup>#</sup></u>
General Fund-State	\$67,889	n/a	\$169	\$68,057	\$169
Education Legacy Trust Account	\$2,372	n/a	\$6	\$2,378	\$6
WA Opportunity Pathways Account	\$366	n/a	\$10	\$376	\$10
Workforce Education Investment Account	\$879	n/a	\$31	\$910	\$31
<b>Total</b>	<b>\$71,506</b>	<b>n/a</b>	<b>\$215</b>	<b>\$71,721</b>	<b>\$215</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?

- Total actual revenues since the November forecast have come in stronger than expected
- WA total employment higher but personal income forecast lower in the near term than in the November forecast which lowered some forecasts
- Forecast adjustments are modest: +0.2% for 2023-25 biennium and +0.3% for 2025-27 biennium

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

\$Millions (cash basis)	2023-25 Biennium	Difference From the baseline*
<b>February 2024 Baseline (55%)</b>	<b>\$67,005</b>	
<b><u>February 2024 Alternative Forecasts</u></b>		
<b>Optimistic (15%)</b>	<b>\$69,818</b>	<b>\$2,812</b>
<b>Pessimistic (30%)</b>	<b>\$63,589</b>	<b>(\$3,417)</b>
<b>Probability Weighted Average</b>	<b>\$66,402</b>	<b>(\$603)</b>
<b>GCEA*</b>	<b>\$66,865</b>	<b>(\$140)</b>

Revenue Review  
Feb. 14, 2024

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

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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

\$Millions (cash basis)	2025-27 Biennium	Difference From the baseline*
<b>February 2024 Baseline (55%)</b>	<b>\$71,721</b>	
<b><u>February 2024 Alternative Forecasts</u></b>		
<b>Optimistic (15%)</b>	<b>\$78,042</b>	<b>\$6,321</b>
<b>Pessimistic (30%)</b>	<b>\$64,724</b>	<b>(\$6,997)</b>
<b>Probability Weighted Average</b>	<b>\$70,570</b>	<b>(\$1,151)</b>
<b>GCEA*</b>	<b>\$71,132</b>	<b>(\$589)</b>

Revenue Review  
Feb. 14, 2024

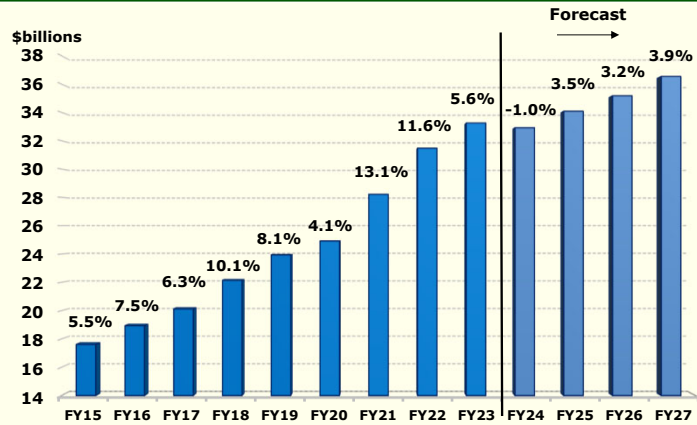
\*Based on the Governor's Council of Economic Advisors' economic assumptions  
#May not add to total due to rounding

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

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## 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, February 2024

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Summary

- U.S. GDP, employment forecasts stronger than November; inflation and oil prices lower
- WA employment higher, personal income slightly lower in near-term than Nov. forecast; residential construction forecast stronger in 2025 and beyond
- Impacts of the Russia-Ukraine and Israel-Hamas conflicts, and lower spending or more rate increases pose risks to the forecast
- Total state revenues are expected to grow 3.5% between the 2021-23 and 2023-25 biennia and 7.0% between the 2023-25 and 2025-27 biennia

Revenue Review  
Feb. 14, 2024

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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



## Questions

Revenue Review  
Feb. 14, 2024  
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**Economic & Revenue Forecast Council**  
**PO BOX 40912**  
**Olympia WA 98504-0912**

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**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 February 2024 to the November 2023 Forecast

2023-25 Biennium

Cash Forecast; Millions of Dollars

	<u>November 2023 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>February 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$63,528.8	\$0.0	\$53.4	\$63,582.2	\$53.4
Education Legacy Trust Account	\$2,141.6	\$0.0	\$31.5	\$2,173.1	\$31.5
WA Opportunity Pathways Account	\$370.2	\$0.0	\$23.9	\$394.1	\$23.9
Workforce Education Investment Account	\$842.7	\$0.00	\$13.0	\$855.7	\$13.0
<b>Total</b>	<b>\$66,883.3</b>	<b>\$0.0</b>	<b>\$121.8</b>	<b>\$67,005.1</b>	<b>\$121.8</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 February 2024 to the November 2023 Forecast

2025-27 Biennium

Cash Forecast; Millions of Dollars

	<u>November 2023 Forecast</u>	<u>Non-economic Changes</u>	<u>Forecast Change</u>	<u>February 2024 Forecast</u>	<u>Total Change*</u>
General Fund-State	\$67,888.6	\$0.0	\$168.6	\$68,057.2	\$168.6
Education Legacy Trust Account	\$2,372.3	\$0.0	\$6.0	\$2,378.3	\$6.0
WA Opportunity Pathways Account	\$366.0	\$0.0	\$9.9	\$375.9	\$9.9
Workforce Education Investment Account	\$878.9	\$0.0	\$31.0	\$909.9	\$31.0
<b>Total</b>	<b>\$71,505.8</b>	<b>\$0.0</b>	<b>\$215.4</b>	<b>\$71,721.2</b>	<b>\$215.4</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 February 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
<b>Total change:</b>								
From February 2020	6,051	221	76	188	6,536	626	7,162	
Percent change	10.4	23.8	23.8	28.2	10.9	1.0	12.0	
<b>Change in forecast since initial 23-25 biennial budget**</b>								
	<b>981</b>	<b>165</b>	<b>46</b>	<b>72</b>	<b>1,264</b>	<b>0</b>	<b>1,264</b>	
Percent change	1.6	8.2	13.3	9.1	1.9	0.0	1.9	

\* 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

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**February 2024**Alternative forecasts of funds subject to the budget outlook  
Millions of Dollars

Cash Basis

**2023-25 Biennium**

	2023-25 <u>Biennium</u>	Difference From the <u>February 2024 Baseline</u>
February 2024 Baseline (55%)	\$67,005	
February 2024 Alternative Forecasts		
Optimistic (15%)	\$69,818	\$2,812
Pessimistic (30%)	\$63,589	(\$3,417)
Probability Weighted Average	\$66,402	(\$603)
GCEA*	\$66,865	(\$140)

**2025-27 Biennium**

	2025-27 <u>Biennium</u>	Difference From the <u>February 2024 Baseline</u>
February 2024 Baseline (55%)	\$71,721	
February 2024 Alternative Forecasts		
Optimistic (15%)	\$78,042	\$6,321
Pessimistic (30%)	\$64,724	(\$6,997)
Probability Weighted Average	\$70,570	(\$1,151)
GCEA*	\$71,132	(\$589)

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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)

February 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	\$31,230	0.8%	\$1,061	-37.0%	\$206	9.2%	\$422	2.8%		\$32,919	-1.0%
FY 2025	\$32,352	3.6%	\$1,112	4.7%	\$188	-8.4%	\$434	2.8%		\$34,086	3.5%
FY 2026	\$33,386	3.2%	\$1,160	4.3%	\$182	-3.5%	\$447	3.0%		\$35,174	3.2%
FY 2027	\$34,672	3.9%	\$1,218	5.0%	\$194	6.7%	\$463	3.6%		\$36,547	3.9%
FY 2028	\$35,864	3.4%	\$1,273	4.5%	\$196	1.0%	\$480	3.7%		\$37,813	3.5%
FY 2029	\$37,118	3.5%	\$1,323	3.9%	\$197	0.7%	\$498	3.7%		\$39,136	3.5%
<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>\$63,582</b>	<b>4.2%</b>	<b>\$2,173</b>	<b>-15.6%</b>	<b>\$394</b>	<b>4.2%</b>	<b>\$856</b>	<b>9.8%</b>		<b>\$67,005</b>	<b>3.5%</b>
<b>25-27 Biennium</b>	<b>\$68,057</b>	<b>7.0%</b>	<b>\$2,378</b>	<b>9.4%</b>	<b>\$376</b>	<b>-4.6%</b>	<b>\$910</b>	<b>6.3%</b>		<b>\$71,721</b>	<b>7.0%</b>
<b>27-29 Biennium</b>	<b>\$72,982</b>	<b>7.2%</b>	<b>\$2,596</b>	<b>9.1%</b>	<b>\$393</b>	<b>4.6%</b>	<b>\$978</b>	<b>7.4%</b>		<b>\$76,948</b>	<b>7.3%</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.

**Lottery transfers by fund**

February 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>
2006	125.1	1.9	4.4	7.9	0.0	107.8	0.2	3.0	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
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
2008	124.1	0.0	4.7	8.5	0.0	106.9	0.3	3.7	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
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
2010	126.4	12.9	5.1	9.2	0.0	95.6	0.3	3.3	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
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
2012	135.1	0.0	2.7	10.0	0.0	0.0	0.3	3.3	118.5	0.2	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
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
2014	147.9	9.3	0.0	10.8	0.0	0.0	0.3	3.7	113.7	0.0	10.1
2015	143.1	0.6	0.0	11.2	0.0	0.0	0.3	4.7	120.2	0.0	6.1
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
2016	171.6	17.1	0.0	11.7	0.0	0.0	0.3	3.3	139.1	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
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
2018	183.6	38.5	0.0	12.6	0.0	0.0	0.3	3.5	128.5	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
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
2020	186.4	16.7	0.0	13.7	0.0	0.0	0.4	3.1	152.5	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
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
2022	228.7	32.6	0.0	0.0	0.0	0.0	0.4	6.0	189.7	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
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
2024	261.3	50.4	0.0	0.0	0.0	0.0	0.8	4.5	205.7	0.0	0.0
2025	235.7	41.1	0.0	0.0	0.0	0.0	0.9	5.2	188.4	0.0	0.0
2023-25 Biennium	497.0	91.5	0.0	0.0	0.0	0.0	1.7	9.7	394.1	0.0	0.0
2026	225.8	37.7	0.0	0.0	0.0	0.0	1.0	5.2	181.9	0.0	0.0
2027	237.4	37.2	0.0	0.0	0.0	0.0	1.0	5.2	194.0	0.0	0.0
2025-27 Biennium	463.2	74.9	0.0	0.0	0.0	0.0	1.9	10.5	375.9	0.0	0.0
2028	239.4	37.2	0.0	0.0	0.0	0.0	1.0	5.2	195.9	0.0	0.0
2029	240.9	37.4	0.0	0.0	0.0	0.0	1.0	5.2	197.2	0.0	0.0
2027-29 Biennium	480.2	74.7	0.0	0.0	0.0	0.0	2.0	10.5	393.1	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 February 2024 and November 2023 forecasts  
2023-25 Biennium  
(Amounts in Millions)

Source/Agency	November 2023 Baseline	Non-Economic Changes	Economic Changes	February 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,704.9	\$0.0	\$0.0	\$1,704.9	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$621.7	\$0.0	(\$21.0)	\$600.7	(\$21.0)
Lottery Commission Lottery Revenue	\$83.7	\$0.0	\$7.8	\$91.5	\$7.8
State Treasurer Interest Earnings	\$587.2	\$0.0	\$35.4	\$622.6	\$35.4
Office of Financial Management Other Agencies	\$0.4	\$0.0	(\$29.7)	(\$29.2)	(\$29.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$81.9	\$0.0	\$18.9	\$100.7	\$18.9
<b>Total General Fund-State</b>	<b>\$3,079.9</b>	<b>\$0.0</b>	<b>\$11.4</b>	<b>\$3,091.2</b>	<b>\$11.4</b>

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

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

Source/Agency	November 2023 Baseline	Non-Economic Changes	Economic Changes	February 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,704.9	\$0.0	\$0.0	\$1,704.9	\$0.0
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$621.7	\$0.0	(\$21.0)	\$600.7	(\$21.0)
Lottery Commission Lottery Revenue	\$86.7	\$0.0	\$5.7	\$92.3	\$5.7
State Treasurer Interest Earnings	\$580.2	\$0.0	\$37.6	\$617.8	\$37.6
Office of Financial Management Other Agencies	\$0.4	\$0.0	(\$29.7)	(\$29.2)	(\$29.7)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$81.9	\$0.0	\$18.9	\$100.7	\$18.9
<b>Total General Fund-State</b>	<b>\$3,075.9</b>	<b>\$0.0</b>	<b>\$11.4</b>	<b>\$3,087.3</b>	<b>\$11.4</b>

\* Detail may not total due to rounding.

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

Comparison of the February 2024 and November 2023 forecasts  
2025-27 Biennium  
(Amounts in Millions)

Source/Agency	November 2023 Baseline	Non-Economic Changes	Economic Changes	February 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,793.8	\$0.0	\$3.2	\$1,797.0	\$3.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$679.5	\$0.0	(\$19.8)	\$659.7	(\$19.8)
Lottery Commission Lottery Revenue	\$72.6	\$0.0	\$2.3	\$74.9	\$2.3
State Treasurer Interest Earnings	\$396.6	\$0.0	\$19.9	\$416.5	\$19.9
Office of Financial Management Other Agencies	(\$122.6)	\$0.0	(\$8.0)	(\$130.6)	(\$8.0)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$79.7	\$0.0	\$23.1	\$102.8	\$23.1
<b>Total General Fund-State</b>	<b>\$2,899.8</b>	<b>\$0.0</b>	<b>\$20.7</b>	<b>\$2,920.4</b>	<b>\$20.7</b>

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

Comparison of the February 2024 and November 2023 forecasts  
2025-27 Biennium  
(Amounts in Millions)

Source/Agency	November 2023 Baseline	Non-Economic Changes	Economic Changes	February 2024 Baseline	Total Changes
Insurance Commissioner Insurance Premiums	\$1,793.8	\$0.0	\$3.2	\$1,797.0	\$3.2
Liquor & Cannabis Board Taxes, Licenses, and Fees	\$679.5	\$0.0	(\$19.8)	\$659.7	(\$19.8)
Lottery Commission Lottery Revenue	\$72.2	\$0.0	\$2.3	\$74.4	\$2.3
State Treasurer Interest Earnings	\$389.8	\$0.0	\$18.7	\$408.5	\$18.7
Office of Financial Management Other Agencies	(\$122.6)	\$0.0	(\$8.0)	(\$130.6)	(\$8.0)
Washington Court System GF-S Share of Fines, Fees, and Forfeiture:	\$79.7	\$0.0	\$23.1	\$102.8	\$23.1
<b>Total General Fund-State</b>	<b>\$2,892.5</b>	<b>\$0.0</b>	<b>\$19.4</b>	<b>\$2,911.9</b>	<b>\$19.4</b>

\* Detail may not total due to rounding.

## U.S. Forecast Comparison

	2023Q4	2024Q1	2024Q2	2024Q3
<b>Real GDP (Billions of 2012 Dollars)</b>				
February Forecast, Final	21,126	21,237	21,313	21,381
Percent Change	3.3%	2.1%	1.4%	1.3%
February Forecast, Preliminary	20,999	21,065	21,109	21,157
Percent Change	0.8%	1.3%	0.8%	0.9%
<b>Real Consumption (Billions of 2012 Dollars)</b>				
February Forecast, Final	14,719	14,835	14,917	14,980
Percent Change	2.8%	3.2%	2.2%	1.7%
February Forecast, Preliminary	14,695	14,740	14,773	14,807
Percent Change	2.2%	1.2%	0.9%	0.9%
<b>PCE Price Index (2012=100)</b>				
February Forecast, Final	128.3	128.8	129.4	130.0
Percent Change	1.7%	1.5%	1.7%	1.9%
February Forecast, Preliminary	128.3	128.7	129.4	130.1
Percent Change	1.7%	1.2%	2.3%	2.1%
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
February Forecast, Final	18,148	18,319	18,500	18,664
Percent Change	2.3%	3.8%	4.0%	3.6%
February Forecast, Preliminary	18,145	18,344	18,481	18,617
Percent Change	2.2%	4.5%	3.0%	3.0%
<b>Nonfarm Payroll Employment (Millions)</b>				
February Forecast, Final	157.1	157.8	157.9	157.9
Percent Change	1.6%	2.0%	0.1%	0.1%
February Forecast, Preliminary	157.1	157.3	157.3	157.4
Percent Change	1.4%	0.6%	0.1%	0.1%
<b>Unemployment Rate (Percent of Labor Force)</b>				
February Forecast, Final	3.8	3.8	3.9	3.9
February Forecast, Preliminary	3.8	3.9	4.0	4.0
<b>Oil Price, Refiner's Acquisition</b>				
February Forecast, Final	79.9	73.2	72.4	71.6
February Forecast, Preliminary	81.5	73.1	72.7	72.0
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
February Forecast, Final	7.3	6.6	6.4	6.1
February Forecast, Preliminary	7.1	6.6	6.4	6.0
<b>3 Month T-Bill Rate (Percent, average)</b>				
February Forecast, Final	5.3	5.3	5.2	4.8
February Forecast, Preliminary	5.3	5.3	5.1	4.7

	2023	2024	2025	2026	2027	2028	2029
20,848	21,348	21,701	22,156	22,577	23,006	23,420	
2.5%	2.4%	1.7%	2.1%	1.9%	1.9%	1.8%	
20,817	21,141	21,490	21,941	22,358	22,783	23,193	
2.4%	1.6%	1.7%	2.1%	1.9%	1.9%	1.8%	
14,579	14,942	15,178	15,497	15,807	16,123	16,430	
2.2%	2.5%	1.6%	2.1%	2.0%	2.0%	1.9%	
14,573	14,793	15,027	15,343	15,650	15,963	16,266	
2.2%	1.5%	1.6%	2.1%	2.0%	2.0%	1.9%	
127.3	129.7	132.4	135.3	138.1	141.0	143.9	
3.7%	1.9%	2.1%	2.2%	2.1%	2.1%	2.1%	
127.3	129.8	132.5	135.4	138.3	141.2	144.2	
3.7%	1.9%	2.1%	2.2%	2.1%	2.1%	2.1%	
18,036	18,566	19,071	19,715	20,249	20,723	21,247	
1.4%	2.9%	2.7%	3.4%	2.7%	2.3%	2.5%	
18,035	18,540	19,027	19,596	20,170	20,680	21,192	
1.4%	2.8%	2.6%	3.0%	2.9%	2.5%	2.5%	
156.1	157.9	158.0	158.2	158.5	158.9	159.3	
2.3%	1.2%	0.1%	0.1%	0.2%	0.3%	0.2%	
156.2	157.3	157.3	157.7	158.2	158.6	159.0	
2.3%	0.7%	0.0%	0.2%	0.3%	0.3%	0.3%	
3.6	3.9	4.1	4.2	4.1	4.1	4.1	
3.6	4.0	4.1	4.2	4.2	4.1	4.1	
77.7	71.9	68.3	65.9	64.5	63.9	63.6	
78.1	72.2	69.0	66.6	65.0	64.1	63.7	
6.8	6.2	5.5	5.1	4.9	4.9	4.8	
6.8	6.2	5.3	5.0	4.9	4.9	4.8	
5.1	4.9	3.2	2.5	2.3	2.4	2.4	
5.1	4.8	3.3	2.4	2.4	2.4	2.4	

**U.S. Forecast Comparison**

	2023Q4	2024Q1	2024Q2	2024Q3
<b>Real GDP (Billions of 2012 Dollars)</b>				
February Forecast	21,126	21,237	21,313	21,381
Percent Change	3.3%	2.1%	1.4%	1.3%
November Forecast	20,985	21,001	21,022	21,074
Percent Change	0.5%	0.3%	0.4%	1.0%
<b>Real Consumption (Billions of 2012 Dollars)</b>				
February Forecast	14,719	14,835	14,917	14,980
Percent Change	2.8%	3.2%	2.2%	1.7%
November Forecast	14,700	14,717	14,735	14,773
Percent Change	1.5%	0.5%	0.5%	1.0%
<b>PCE Price Index (2012=100)</b>				
February Forecast	128.3	128.8	129.4	130.0
Percent Change	1.7%	1.5%	1.7%	1.9%
November Forecast	128.6	129.3	130.2	130.9
Percent Change	2.3%	2.2%	2.6%	2.3%
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
February Forecast	18,148	18,319	18,500	18,664
Percent Change	2.3%	3.8%	4.0%	3.6%
November Forecast	18,100	18,263	18,386	18,517
Percent Change	1.2%	3.7%	2.7%	2.9%
<b>Nonfarm Payroll Employment (Millions)</b>				
February Forecast	157.1	157.8	157.9	157.9
Percent Change	1.6%	2.0%	0.1%	0.1%
November Forecast	157.0	157.2	157.2	157.0
Percent Change	1.3%	0.4%	0.0%	-0.4%
<b>Unemployment Rate (Percent of Labor Force)</b>				
February Forecast	3.8	3.8	3.9	3.9
November Forecast	3.9	4.1	4.3	4.4
<b>Oil Price, Refiner's Acquisition</b>				
February Forecast	79.9	73.2	72.4	71.6
November Forecast	79.0	75.4	74.8	74.0
<b>30 Year Fixed Mortgage Rate (Percent, average)</b>				
February Forecast	7.3	6.6	6.4	6.1
November Forecast	7.6	7.5	7.2	6.8
<b>3 Month T-Bill Rate (Percent, average)</b>				
February Forecast	5.3	5.3	5.2	4.8
November Forecast	5.5	5.6	5.5	5.1

	2023	2024	2025	2026	2027	2028	2029
February Forecast	20,848	21,348	21,701	22,156	22,577	23,006	23,420
Percent Change	2.5%	2.4%	1.7%	2.1%	1.9%	1.9%	1.8%
November Forecast	20,814	21,065	21,423	21,873	22,289		
Percent Change	2.4%	1.2%	1.7%	2.1%	1.9%		
February Forecast	14,579	14,942	15,178	15,497	15,807	16,123	16,430
Percent Change	2.2%	2.5%	1.6%	2.1%	2.0%	2.0%	1.9%
November Forecast	14,582	14,765	15,016	15,332	15,638		
Percent Change	2.2%	1.3%	1.7%	2.1%	2.0%		
February Forecast	127.3	129.7	132.4	135.3	138.1	141.0	143.9
Percent Change	3.7%	1.9%	2.1%	2.2%	2.1%	2.1%	2.1%
November Forecast	127.4	130.6	133.4	136.3	139.2		
Percent Change	3.8%	2.4%	2.2%	2.2%	2.1%		
February Forecast	18,036	18,566	19,071	19,715	20,249	20,723	21,247
Percent Change	1.4%	2.9%	2.7%	3.4%	2.7%	2.3%	2.5%
November Forecast	18,027	18,448	19,021	19,524	20,043		
Percent Change	1.3%	2.3%	3.1%	2.6%	2.7%		
February Forecast	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%
November Forecast	156.2	157.1	157.1	157.5	158.1		
Percent Change	2.3%	0.6%	0.0%	0.3%	0.4%		
February Forecast	3.6	3.9	4.1	4.2	4.1	4.1	4.1
November Forecast	3.7	4.3	4.3	4.2	4.2		
February Forecast	77.7	71.9	68.3	65.9	64.5	63.9	63.6
November Forecast	77.4	74.3	70.9	68.2	66.0		
February Forecast	6.8	6.2	5.5	5.1	4.9	4.9	4.8
November Forecast	6.9	7.0	5.7	5.1	4.9		
February Forecast	5.1	4.9	3.2	2.5	2.3	2.4	2.4
November Forecast	5.1	5.3	3.8	2.6	2.4		



**Washington Forecast Comparison**

	2023Q4	2024Q1	2024Q2	2024Q3
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
February Forecast, Final	489.7	494.1	500.8	505.4
Percent Change	4.4%	3.7%	5.5%	3.8%
February Forecast, Preliminary	489.1	495.5	499.6	503.6
Percent Change	3.7%	5.3%	3.4%	3.2%
<b>Personal Income (Billions of Dollars)</b>				
February Forecast, Final	628.4	636.5	647.8	657.0
Percent Change	6.1%	5.3%	7.3%	5.8%
February Forecast, Preliminary	627.7	637.7	646.7	655.2
Percent Change	5.5%	6.6%	5.7%	5.4%
<b>Disposable Personal Income (Billions of Dollars)</b>				
February Forecast, Final	555.7	563.2	573.0	581.3
Percent Change	6.2%	5.5%	7.1%	5.9%
February Forecast, Preliminary	555.8	565.0	573.0	580.8
Percent Change	6.0%	6.8%	5.8%	5.5%
<b>Nonfarm Payroll Employment (Thousands)</b>				
February Forecast, Final	3636.2	3652.7	3661.6	3665.6
Percent Change	1.4%	1.8%	1.0%	0.4%
February Forecast, Preliminary	3636.2	3651.6	3658.3	3663.7
Percent Change	1.4%	1.7%	0.7%	0.6%
<b>Unemployment Rate (Percent of Labor Force)</b>				
February Forecast, Final	4.0	4.3	4.4	4.5
February Forecast, Preliminary	4.0	4.4	4.4	4.5
<b>Manufacturing Employment (Thousands)</b>				
February Forecast, Final	279.8	282.1	282.3	281.3
Percent Change	2.8%	3.3%	0.4%	-1.5%
February Forecast, Preliminary	279.8	282.3	282.4	281.2
Percent Change	2.8%	3.6%	0.2%	-1.7%
<b>Construction Employment (Thousands)</b>				
February Forecast, Final	236.8	237.5	239.6	240.6
Percent Change	0.3%	1.2%	3.5%	1.8%
February Forecast, Preliminary	236.8	237.7	239.3	239.9
Percent Change	0.3%	1.6%	2.6%	1.1%
<b>Housing Permits (Thousands)</b>				
February Forecast, Final	33.6	38.7	40.7	42.6
Percent Change	-16.7%	76.8%	21.5%	20.3%
February Forecast, Preliminary	33.0	37.2	42.0	42.5
Percent Change	-27.0%	61.5%	62.9%	4.8%

	2023	2024	2025	2026	2027	2028	2029
February Forecast, Final	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%
February Forecast, Preliminary	485.9	501.4	516.8	535.1	553.5	570.1	586.9
Percent Change	2.0%	3.2%	3.1%	3.5%	3.4%	3.0%	2.9%
February Forecast, Final	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%
February Forecast, Preliminary	618.7	650.7	684.9	724.6	765.4	805.1	846.1
Percent Change	5.9%	5.2%	5.3%	5.8%	5.6%	5.2%	5.1%
February Forecast, Final	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%
February Forecast, Preliminary	547.2	576.7	607.0	640.6	673.5	705.0	739.1
Percent Change	8.4%	5.4%	5.3%	5.5%	5.1%	4.7%	4.8%
February Forecast, Final	3612	3663	3689	3728	3757	3788	3821
Percent Change	2.4%	1.4%	0.7%	1.1%	0.8%	0.8%	0.9%
February Forecast, Preliminary	3612	3661	3683	3718	3749	3778	3811
Percent Change	2.4%	1.3%	0.6%	0.9%	0.8%	0.8%	0.9%
February Forecast, Final	4.0	4.4	4.6	4.5	4.4	4.4	4.3
February Forecast, Preliminary	4.0	4.4	4.5	4.5	4.4	4.4	4.3
February Forecast, Final	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%
February Forecast, Preliminary	276.0	281.0	274.8	274.6	276.0	276.6	278.1
Percent Change	2.7%	1.8%	-2.2%	0.0%	0.5%	0.2%	0.5%
February Forecast, Final	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%
February Forecast, Preliminary	236.2	239.4	242.8	250.6	257.0	264.3	271.8
Percent Change	1.6%	1.3%	1.4%	3.2%	2.6%	2.8%	2.8%
February Forecast, Final	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%
February Forecast, Preliminary	37.5	41.4	44.1	44.6	45.1	45.3	45.1
Percent Change	-23.5%	10.2%	6.7%	1.1%	1.1%	0.3%	-0.4%

**Washington Forecast Comparison**

	2023Q4	2024Q1	2024Q2	2024Q3
<b>Real Personal Income (Billions of 2012 Dollars)</b>				
February Forecast	489.7	494.1	500.8	505.4
Percent Change	4.4%	3.7%	5.5%	3.8%
November Forecast	488.6	493.5	497.2	501.1
Percent Change	0.8%	4.1%	3.0%	3.2%
<b>Personal Income (Billions of Dollars)</b>				
February Forecast	628.4	636.5	647.8	657.0
Percent Change	6.1%	5.3%	7.3%	5.8%
November Forecast	628.5	638.3	647.2	656.0
Percent Change	3.1%	6.3%	5.7%	5.6%
<b>Disposable Personal Income (Billions of Dollars)</b>				
February Forecast	555.7	563.2	573.0	581.3
Percent Change	6.2%	5.5%	7.1%	5.9%
November Forecast	554.2	563.3	571.8	580.3
Percent Change	2.5%	6.7%	6.1%	6.1%
<b>Nonfarm Payroll Employment (Thousands)</b>				
February Forecast	3636.2	3652.7	3661.6	3665.6
Percent Change	1.4%	1.8%	1.0%	0.4%
November Forecast	3634.8	3645.9	3650.7	3650.7
Percent Change	1.2%	1.2%	0.5%	0.0%
<b>Unemployment Rate (Percent of Labor Force)</b>				
February Forecast	4.0	4.3	4.4	4.5
November Forecast	3.8	4.2	4.5	4.7
<b>Manufacturing Employment (Thousands)</b>				
February Forecast	279.8	282.1	282.3	281.3
Percent Change	2.8%	3.3%	0.4%	-1.5%
November Forecast	278.6	280.5	280.9	280.1
Percent Change	1.0%	2.8%	0.6%	-1.1%
<b>Construction Employment (Thousands)</b>				
February Forecast	236.8	237.5	239.6	240.6
Percent Change	0.3%	1.2%	3.5%	1.8%
November Forecast	237.3	238.8	239.2	238.8
Percent Change	1.1%	2.6%	0.7%	-0.7%
<b>Housing Permits (Thousands)</b>				
February Forecast	33.6	38.7	40.7	42.6
Percent Change	-16.7%	76.8%	21.5%	20.3%
November Forecast	36.3	41.3	41.4	41.6
Percent Change	6.6%	68.2%	0.3%	2.1%

	2023	2024	2025	2026	2027	2028	2029
<b>Real Personal Income (Billions of 2012 Dollars)</b>							
February Forecast	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%
November Forecast	486.6	499.1	517.3	533.9	550.7		
Percent Change	2.2%	2.6%	3.6%	3.2%	3.1%		
<b>Personal Income (Billions of Dollars)</b>							
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%
November Forecast	620.1	651.7	690.1	727.6	766.3		
Percent Change	6.1%	5.1%	5.9%	5.4%	5.3%		
<b>Disposable Personal Income (Billions of Dollars)</b>							
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%
November Forecast	547.6	576.1	610.2	641.7	673.7		
Percent Change	8.5%	5.2%	5.9%	5.2%	5.0%		
<b>Nonfarm Payroll Employment (Thousands)</b>							
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%
November Forecast	3612	3651	3674	3707	3741		
Percent Change	2.4%	1.1%	0.6%	0.9%	0.9%		
<b>Unemployment Rate (Percent of Labor Force)</b>							
February Forecast	4.0	4.4	4.6	4.5	4.4	4.4	4.3
November Forecast	4.0	4.5	4.7	4.6	4.5		
<b>Manufacturing Employment (Thousands)</b>							
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%
November Forecast	275.7	280.0	276.6	275.7	275.3		
Percent Change	2.5%	1.5%	-1.2%	-0.3%	-0.1%		
<b>Construction Employment (Thousands)</b>							
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%
November Forecast	236.3	239.2	243.0	250.8	257.0		
Percent Change	1.7%	1.2%	1.6%	3.2%	2.5%		
<b>Housing Permits (Thousands)</b>							
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%
November Forecast	38.3	41.6	43.4	44.5	44.8		
Percent Change	-21.8%	8.5%	4.4%	2.5%	0.6%		



U.S. Forecast Comparison	Fiscal Years					
	2024	2025	2026	2027	2028	2029
<b>Real GDP</b>						
Billions of 2012 dollars						
February Forecast	21,158	21,504	21,932	22,365	22,794	23,215
<i>Growth</i>	3.0%	1.6%	2.0%	2.0%	1.9%	1.8%
November Forecast	20,991	21,216	21,649	22,083		
<i>Growth</i>	2.2%	1.1%	2.0%	2.0%		
Difference in level	167	288	283	282		
<b><i>Difference in growth forecast</i></b>	<b>0.8%</b>	<b>0.6%</b>	<b>-0.1%</b>	<b>0.0%</b>		
<b>Real Consumption</b>						
Billions of 2012 dollars						
February Forecast	14,772	15,058	15,332	15,652	15,966	16,275
<i>Growth</i>	2.5%	1.9%	1.8%	2.1%	2.0%	1.9%
November Forecast	14,700	14,872	15,173	15,486		
<i>Growth</i>	2.0%	1.2%	2.0%	2.1%		
Difference in level	72	187	159	166		
<b><i>Difference in growth forecast</i></b>	<b>0.5%</b>	<b>0.8%</b>	<b>-0.2%</b>	<b>0.0%</b>		
<b>PCE Price Index</b>						
2012 = 100						
February Forecast	128.6	131.0	133.8	136.7	139.6	142.5
<i>Growth</i>	2.5%	1.9%	2.2%	2.1%	2.1%	2.1%
November Forecast	129.0	132.0	134.8	137.7		
<i>Growth</i>	2.8%	2.3%	2.1%	2.1%		
Difference in level	-0.4	-1.0	-1.0	-1.0		
<b><i>Difference in growth forecast</i></b>	<b>-0.3%</b>	<b>-0.4%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Unemployment Rate</b>						
Percent of Labor Force						
February Forecast	3.8%	4.0%	4.2%	4.2%	4.1%	4.1%
November Forecast	4.0%	4.4%	4.3%	4.2%		
<b><i>Difference in forecast</i></b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>0.0%</b>		
<b>30 Year Fixed Mortgage Rate</b>						
Annual Average						
February Forecast	6.8%	5.7%	5.3%	4.9%	4.9%	4.9%
November Forecast	7.4%	6.3%	5.4%	5.0%		
<b><i>Difference in forecast</i></b>	<b>-0.5%</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>0.0%</b>		
<b>3 Month T-Bill Rate</b>						
Annual Average						
February Forecast	5.3%	4.1%	2.7%	2.4%	2.3%	2.4%
November Forecast	5.5%	4.6%	3.1%	2.4%		
<b><i>Difference in forecast</i></b>	<b>-0.2%</b>	<b>-0.5%</b>	<b>-0.4%</b>	<b>0.0%</b>		

## Washington Forecast Comparison

Fiscal Years

	2024	2025	2026	2027	2028	2029
<b>Real Personal Income</b>						
Billions of 2012 dollars						
February Forecast	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%
November Forecast	491.7	507.9	525.9	542.0		
<i>Growth</i>	2.5%	3.3%	3.5%	3.1%		
Difference in level	0.6	3.1	2.5	6.6		
<b><i>Difference in growth forecast</i></b>	<b>0.2%</b>	<b>0.5%</b>	<b>-0.1%</b>	<b>0.8%</b>		
<b>Nominal Personal Income</b>						
Billions of dollars						
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%	5.0%	5.2%
November Forecast	634.4	670.7	709.1	746.5		
<i>Growth</i>	5.4%	5.7%	5.7%	5.3%		
Difference in level	-1.4	-1.1	-1.8	3.5		
<b><i>Difference in growth forecast</i></b>	<b>-0.1%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>0.8%</b>		
<b>Nonfarm Payroll Employment</b>						
Thousands						
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%
November Forecast	3,638.9	3,659.3	3,690.5	3,723.9		
<i>Growth</i>	1.8%	0.6%	0.9%	0.9%		
Difference in level	4.7	15.3	17.1	19.8		
<b><i>Difference in growth forecast</i></b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.1%</b>		
<b>Housing Permits</b>						
Units Authorized, Thousands						
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%
November Forecast	38.7	42.5	44.2	44.6		
<i>Growth</i>	-5.7%	9.8%	4.0%	1.1%		
Difference in level	-1.6	1.2	0.6	0.8		
<b><i>Difference in growth forecast</i></b>	<b>-3.1%</b>	<b>8.1%</b>	<b>-1.6%</b>	<b>0.5%</b>		

**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	2.4	1.7	2.1	1.9	1.9	1.8
GCEA Average	1.7	1.6	2.1	2.0	2.1	1.9
<b>Real Consumption</b>						
<i>Growth</i>						
ERFC	2.5	1.6	2.1	2.0	2.0	1.9
GCEA Average	1.7	1.5	2.1	2.0	2.1	2.0
<b>PCE Price Index</b>						
<i>Growth</i>						
ERFC	1.9	2.1	2.2	2.1	2.1	2.1
GCEA Average	2.2	2.2	2.2	2.1	2.1	2.1
<b>Mortgage Rate</b>						
<i>Percent</i>						
ERFC	6.2	5.5	5.1	4.9	4.9	4.8
GCEA Average	6.4	5.5	5.2	5.0	5.0	4.9
<b>Oil Price (Brent)</b>						
<i>Dollars per barrel</i>						
ERFC	76.6	72.9	70.7	69.4	68.8	68.6
GCEA Average	80.7	75.8	73.4	71.4	70.5	70.0

**Washington State**

**Real Personal Income**

<i>Growth</i>						
ERFC	3.4	3.2	4.0	3.2	2.8	3.0
GCEA Average	3.2	3.2	3.5	3.4	3.0	2.9

**Wage and Salary Employment**

<i>Growth</i>						
ERFC	1.4	0.7	1.1	0.8	0.8	0.9
GCEA Average	1.3	0.7	1.0	0.9	0.9	0.9

**Manufacturing Employment**

<i>Growth</i>						
ERFC	1.9	-1.7	0.7	-0.3	-0.3	0.3
GCEA Average	1.6	-1.6	0.2	0.5	0.3	0.5

**Construction Employment**

<i>Growth</i>						
ERFC	1.6	2.1	3.6	2.9	2.9	3.0
GCEA Average	1.3	1.3	2.9	2.5	2.8	2.8

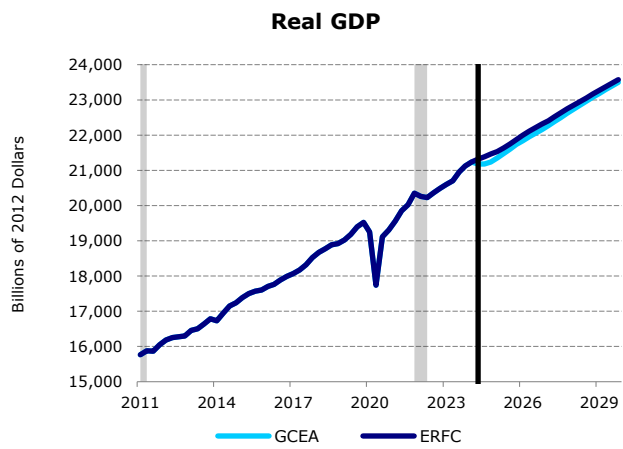
**Housing Permits**

<i>Thousands of authorized units</i>						
ERFC	41.4	44.4	45.1	45.9	45.8	45.6
GCEA Average	41.6	43.4	44.6	45.1	45.2	45.2

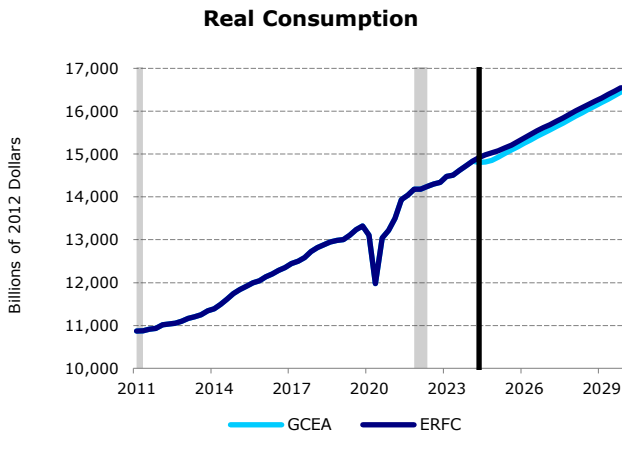
**Washington Average Annual Wage**

<i>Growth</i>						
ERFC	4.1	3.4	4.6	4.2	3.8	4.2
GCEA Average	3.5	3.7	4.1	4.4	4.2	4.2

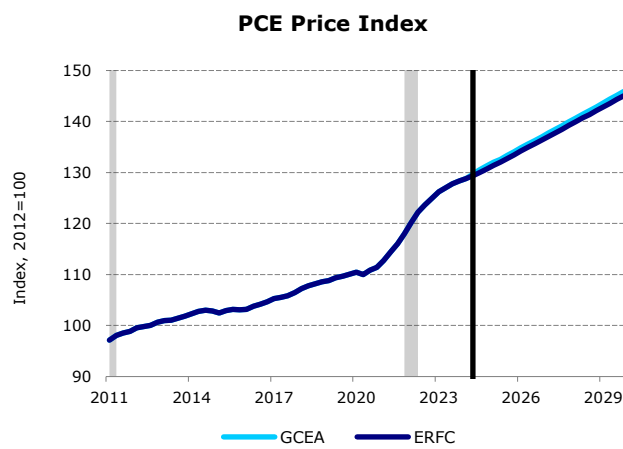
# U.S. Forecast Comparison



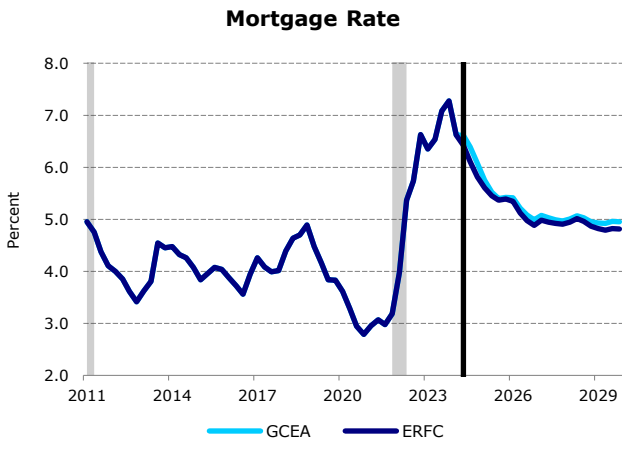
Source: BEA, ERFC, GCEA; data through 2023Q4



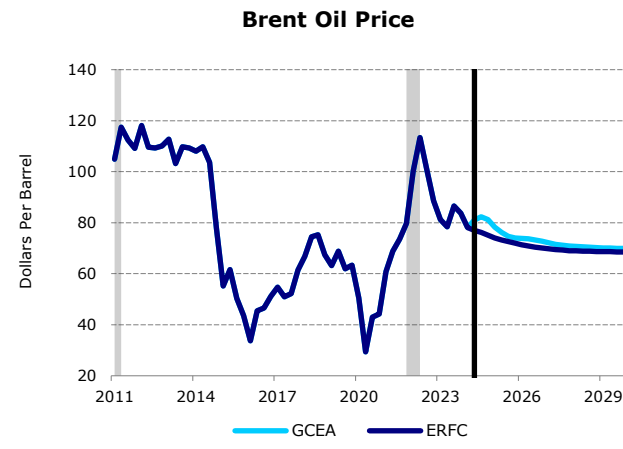
Source: BEA, ERFC, GCEA; data through 2023Q4



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



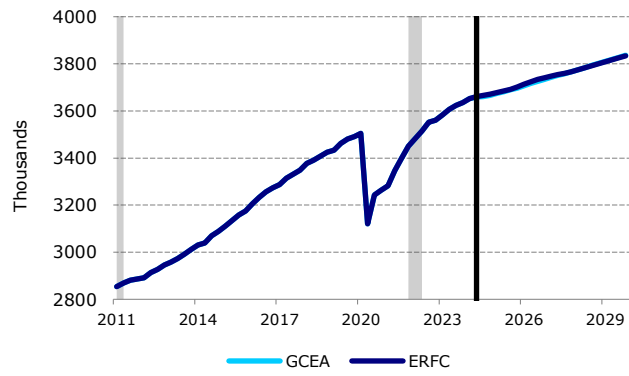
Source: Freddie Mac, ERFC, GCEA; data through 2023Q4



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

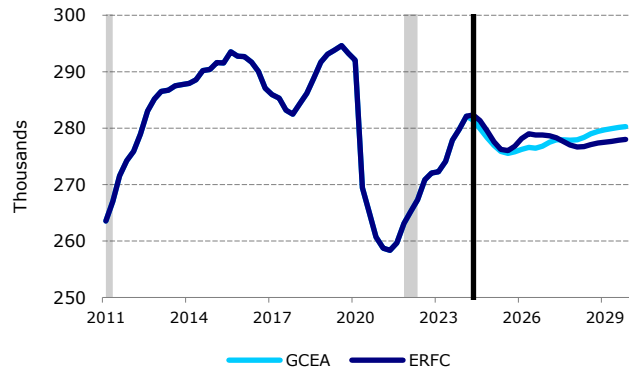
# Washington Forecast Comparison

### Nonfarm Payroll Employment



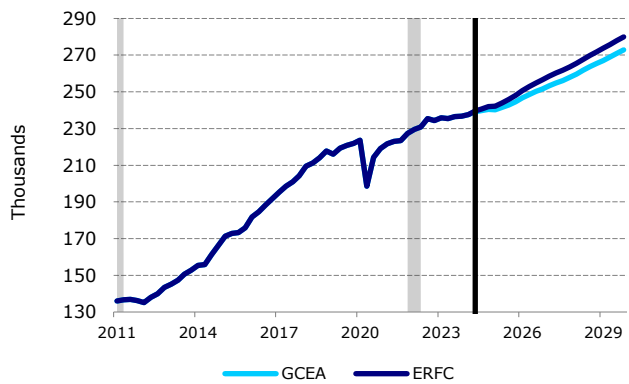
Source: ESD, ERFC, GCEA; data through 2023Q4

### Manufacturing Employment



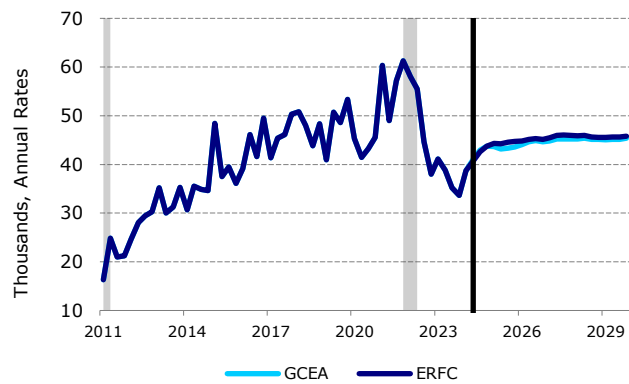
Source: ESD, ERFC, GCEA; data through 2023Q4

### Construction Employment



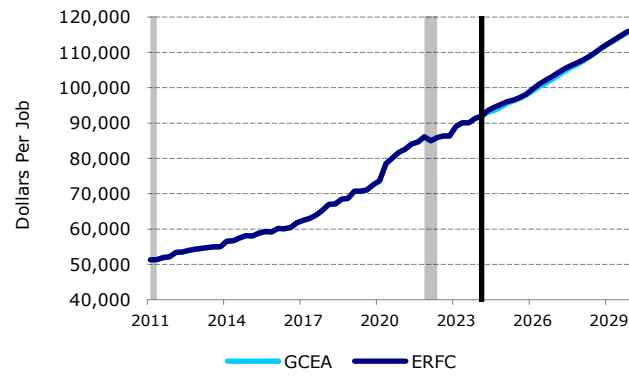
Source: ESD, ERFC, GCEA; data through 2023Q4

### Housing Units Authorized



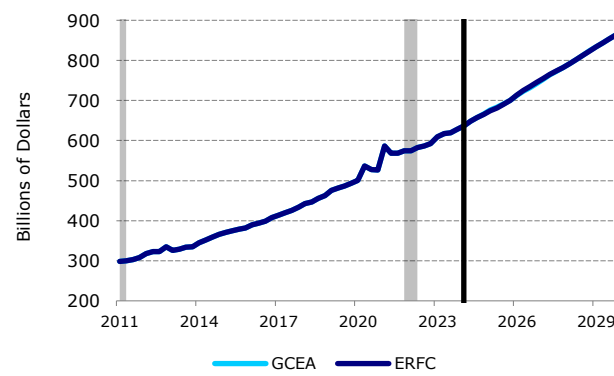
Source: Census, ERFC, GCEA; data through 2023Q4

### 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
November 2023 Revenue Forecast	63,528.8	3,354.5	66,883.3
February 2024 Revenue Forecast Change	53.4	68.4	121.8
<b>Current Revenue Totals</b>	<b>63,582.2</b>	<b>3,422.9</b>	<b>67,005.1</b>
Transfers to Budget Stabilization Account (1% of GSR)	(639.6)	-	(639.6)
Transfers to Budget Stabilization Account (EGSR)	-	-	-
Enacted Fund Transfers	50.7	-	50.7
WRPTA Fund Transfer	1,302.0	-	1,302.0
Actual/Assumed Prior Period Adjustments	40.8	-	40.8
<b>Total Resources (Including Beginning Fund Balance)</b>	<b>68,520.8</b>	<b>4,525.3</b>	<b>73,046.1</b>
<b>EXPENDITURES</b>			
<b>Enacted Budgets</b>			
2023-25 Biennium	66,255.5	3,548.9	69,804.4
Actual/Assumed Reversions <sup>(2)</sup>	(493.3)	-	(493.3)
<b>Total Expenditures</b>	<b>65,762.2</b>	<b>3,548.9</b>	<b>69,311.0</b>
<b>RESERVES</b>			
<b>Projected Ending Balance</b>	<b>2,758.7</b>	<b>976.4</b>	<b>3,735.0</b>
<b>Budget Stabilization Account</b>			
Beginning Balance	652.4	-	652.4
Transfers from General Fund (1% of GSR)	639.6	-	639.6
Transfers from General Fund (EGSR)	-	-	-
Actual/Assumed Biennium - Interest Earnings	58.3	-	58.3
<b>Projected BSA Ending Balance</b>	<b>1,350.3</b>	<b>-</b>	<b>1,350.3</b>
<b>Washington Rescue Plan Transition Account</b>			
Beginning Balance	2,100.0	-	2,100.0
Transfer to General Fund	(1,302.0)	-	(1,302.0)
<b>Projected WRPTA Ending Balance</b>	<b>798.0</b>	<b>-</b>	<b>798.0</b>
<b>Total Reserves Including BSA and WRPTA</b>	<b>4,906.9</b>	<b>976.4</b>	<b>5,883.3</b>

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

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

Acronyms

BSA - Budget Stabilization Account

GSR - General State Revenues

EGSR - Extraordinary General State Revenues

WRPTA - Washington Rescue Plan Transition Account