# Office of Economic & Revenue Forecasts

# 2024 Work Program

## April 8, 2024

# Office of Economic and Revenue Forecasts - Background

Office of Economic and Revenue Forecasts was established in 2021. It is structured similarly as King County's Office of Economic and Financial Analysis and Washington State's Economic and Revenue Forecast Council.

**Purpose, per the authorizing legislation:**

"The Office shall staff the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program. Such analyses shall be nonpartisan, and confidential to the extent allowed by law."

Over the past two years, the staff of the Forecast Office has worked with Central Staff and CBO and successfully established new working relationships and protocols. Policies put in place ensure that the Forecast Office can provide truly independent revenue forecasting and assist both legislative and executive branches with policy analyses.

# Office of Economic and Revenue Forecasts - Background

**Revenue sources within OERF's purview:**

- Retail Sales Tax
- Business & Occupations Tax
- Payroll Expense Tax
- Real Estate Excise Tax
- Private Utility Taxes
- Admission Tax
- Business License Fees
- Assessed Value of real and personal property (as input to Property Tax forecast)
- Value of new construction (as input to Property Tax forecast)

City of Seattle

# Overview of the 2024 work program

**Forecasts**

- Regional economic forecasts: updated in January, March, July, and October.

- Revenue forecasts, based on regional economic forecasts: updated in April, August, and October.

- Proposed dates when forecasts are presented to Forecast Council: April 8, August 5, October date is still TBD

**Monitoring and reports**

- Quarterly revenue reports comparing actual revenue received to revenue expected based on historical patterns.

- Ongoing monitoring of the state of the economy, revenue monitoring, assessment of revenue forecast accuracy.

# Overview of the 2024 work program

**Refinements to the forecasting processes and forecasting models**

- Payroll Expense Tax Forecasting: work with Seattle IT and Washington State Employment Security Department to obtain relevant employment and wage data; development of the forecasting model.

- Ongoing work to improve the accuracy of other forecasting models, between the work on the forecasts.
    - Monitoring the accuracy of existing forecast models and on efforts to improve the forecasting process.
    - Development and refinements of the existing models, both in terms of methodology and data inputs.

**Policy analysis and supporting the work of other departments**

- The Forecast Office conducts special analyses at the request of the Forecast Council and provides analytical support on economic and revenue estimation for legislative and executive staff. This work is done as needs arise throughout the year, but consideration has to be given to available staffing. These analyses are nonpartisan, and confidential to the extent allowed by law.

- The office also supports City Finance in preparing the Limited Tax General Obligation Bond ratings presentations to Moody's, S&P, and Fitch