

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

September 28, 2018

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 306  
Washington, DC 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

**Re: September 2018 Revenue Estimates**

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies, as of September 2018, revised revenue estimates for the FY 2018 - 2022 District of Columbia Budget and Financial Plan. The local fund forecast for FY 2018 was revised upward from the June 2018 estimate by \$58.3 million due to greater income tax collections and higher investment returns on reserve fund balances. Real property taxes remain largely unchanged from the June forecast with minor increases in sales and deed taxes. The forecast is increased by \$44.3 million in FY 2019 and by \$47.1 million to \$49.5 million each year for the rest of the financial period. This forecast reflects policies adopted by the Mayor and Council in the FY 2019 Budget Support Act which was enacted after the June 2018 revenue estimate. The table below compares the September 2018 estimate with the adjusted February and June 2018 revenue estimates.

**September 2018 Revenue Estimate Compared to Prior Estimate**

Local Source, General Fund Revenue Estimate (\$M)	Actual		Estimate		Projected	
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>February 2018 Revenue estimate</b>		<b>7,578.2</b>	<b>7,810.6</b>	<b>8,039.7</b>	<b>8,294.8</b>	<b>8,567.6</b>
<i>Legislative (BSA FY 2019)</i>		<i>19.5</i>	<i>-75.4</i>	<i>-73.9</i>	<i>-79.9</i>	<i>-85.0</i>
<b>February 2018 Revenue Estimate Adjusted for Legislation</b>		<b>7,597.7</b>	<b>7,735.2</b>	<b>7,965.7</b>	<b>8,215.0</b>	<b>8,482.5</b>
<i>June 2018 revision to estimate</i>		<i>77.5</i>	<i>41.0</i>	<i>51.2</i>	<i>66.4</i>	<i>76.9</i>
<i>September revision to estimate</i>		<i>58.3</i>	<i>44.3</i>	<i>47.1</i>	<i>49.5</i>	<i>49.1</i>
<b>September 2018 Estimate</b>	<b>7,478.1</b>	<b>7,733.4</b>	<b>7,820.6</b>	<b>8,064.1</b>	<b>8,330.9</b>	<b>8,608.5</b>
<b>Revenue Change from Previous Year</b>						
Amount		255.3	87.1	243.5	266.8	277.7
<i>Year-Over Year Percent Change</i>		<i>3.4%</i>	<i>1.1%</i>	<i>3.1%</i>	<i>3.3%</i>	<i>3.3%</i>

Although the forecasted growth in revenue for the period of the financial plan has improved, the outlook remains cautious. A variety of sources provide the basis for this estimate including: cash collection reports, federal data on District population, employment and income, forecasts of the U.S. and regional economies prepared by private-sector firms, and real estate and hotel data. The economic outlook over the period of the financial plan improved modestly from June, with additional population and income expected over the next several fiscal years.

The federal government remains the major engine of the District's economy and the outlook for this sector is a continuing source of concern. The bipartisan budget resolution enacted in February increased the FY 2018 and FY 2019 ceilings for discretionary spending and raised the debt ceiling, removing one source of uncertainty around federal fiscal policy. However, recent Congressional discussions regarding spending and possible major restructuring of federal agencies add uncertainty. Whether increased appropriations for domestic programs will benefit the District's economy is not yet clear. Furthermore, although the federal tax reform legislation is expected to provide an immediate boost to economic growth, it also adds to the national debt, increases the risks of inflation and a steeper rise in interest rates, and may eventually lead to additional efforts to control domestic spending.

We continue to be somewhat cautious in our outlook, particularly as it relates to federal spending and growth of total jobs in the city. Despite this, the increase in private sector jobs and of employed DC residents are expected to result in personal income growth in the District of Columbia that is close to the nation's growth rate over the period of the financial plan and reflects the District's 10-year average growth rate.

### **Revenue Forecast: FY 2018- 2022**

The estimate for FY 2018 is revised upward by \$58.3 million. Income taxes and higher interest income are the main sources of the higher estimate, with \$44 million to \$49 million added each year of the financial plan. As the economic outlook has not changed significantly, the forecasted growth rates for FY 2019 through FY 2022 are mostly unchanged.

Increases in some revenues, particularly real property and sales tax revenues, were due to legislated changes in the FY 2019 Budget Support Act to support the District's commitment to WMATA capital funding. Although gross revenue is expected to grow 3.9 percent in FY 2019, local fund revenue (net of new taxes that offset the dedication of sales taxes to WMATA) is expected to grow only 1.1 percent. Legislative changes are discussed in detail in the FY 2019 Budget Book, available on the OCFO website.

#### *Individual income tax*

Individual income tax revenue was revised upward by approximately \$7 million, or less than one-half percent. Collections from withholding and estimated payments are both slightly higher than estimated in June. In FY 2019, individual income tax is expected to grow by 4.8 percent due to the strong economy stimulated by federal tax cuts and performance of the stock market which correlates with capital gains realizations. Growth over the financial plan is expected to be approximately 4 percent annually.

Business tax revenue in FY 2018 was revised upward by \$13.9 million. Corporate franchise tax revenue was \$22.4 million higher while unincorporated business franchise tax was \$8.5 million lower. Tax planning in response to federal tax changes has shifted income and makes estimating business tax revenue more challenging. Not only are businesses changing their structures but, to the extent possible, have shifted costs to last year and income to FY 2018.

### *Non-tax Revenue*

The estimate for non-tax revenue was revised upward by \$25.8 million in FY 2018 due to a one-time lease payment to the Department of General Services for District-owned property and an increase in investment interest income. Higher interest rates increase the interest earned on District reserve investments. The outlook is for higher interest rates increasing investment interest income by about \$12 million annually.

The estimate for licenses and permits increased due to the recently enacted rate change on private for-hire vehicles and the re-categorization of this revenue source as non-tax revenue rather than gross receipts.

### **National and Regional Economies**

The national economy has continued its pattern of steady growth which has now lasted for nine years. Real GDP was 2.9 percent higher in the June 2018 quarter than a year earlier, the highest year-over-year growth rate in three years. In nominal terms, GDP growth in the June quarter year-over-year was 5.4 percent higher, the highest rate in twelve years. Employment is increasing, and the unemployment rate remains low. Interest rates and inflation, however, have started to rise.

The outlook is for continued moderate growth in the national economy for the next several years. In August 2018, the consensus forecast of fifty economists contributing to the Blue Chip Economic Indicators was that national real GDP growth would rise 2.7 percent in FY 2018 and 2.8 percent in FY 2019, up from the 2.1 percent rate of FY 2017. Nominal growth is expected to be 5.0 percent in FY 2018 and 5.2 percent in FY 2019, up from 3.9 percent in FY 2017.

- The U.S. economy added 2.3 million jobs (1.6%) from August 2017 to August 2018.
- The U.S. unemployment rate (seasonally adjusted) was 3.9 percent in August 2018, down from 4.4 percent a year earlier.
- U.S. Personal Income in the June 2018 quarter was 4.6 percent above a year ago.
- The S&P 500 stock market index average for August 2018 was 5.8 percent above the level of three months earlier, and 16.4 percent above a year earlier. The market has been volatile over much of this calendar year, but at the end of August had gained 8.5% from the end of 2017.
- Employment in the Washington metropolitan area has increased during the past year. In the three-month period ending July, wage and salary jobs in the region grew by 57,567 (1.7%) compared to a year earlier. The District of Columbia accounted for about 10 percent of the increase in area employment.
- The DC metropolitan area unemployment rate was 3.5 percent in July (not seasonally adjusted), down from 3.9 percent a year earlier.

### **The District of Columbia Economy**

In recent months, job growth in the District has been moderate and unemployment has held steady. More apartment units have been rented and housing sales appear to be improving after a slow start to the year. Hotel stays continue to outpace those in the prior year.

- In the three months ending July 2018, there were 5,800 (0.7%) more wage and salary jobs located in the District than a year earlier.
- Federal government jobs in July were down by 3,933 (2.0%) from a year earlier, and private sector jobs increased by 9,200 (1.7%).
- The largest increases in private-sector jobs in July over the prior year were in professional and technical services (excluding legal services) and food service which were both up by 2,567. The education sector added 1,133 and non-profit organizations added 833.

- District resident employment in the three months ending July 2018 increased by 10,308 (2.7%) compared to a year earlier.
- The July unemployment rate was 5.6 percent (seasonally adjusted), down from 6.2 percent a year ago.
- Wages earned in the District grew 2.6 percent in the March 2018 quarter, compared to the prior year. DC Personal Income was 2.8 percent higher.
- Single-family home sales for the three-month period ending August 2018 were down 2.4 percent from a year ago, with a 1.2 percent increase in the average selling price. Condominium sales were up 3.1 percent, while the average selling price was 2.3 percent higher. The value of all home sale settled contracts for the three-month period ending August 2018 was 2.3 percent more than a year ago. For the past twelve months, the value of all sales increased 3.5 percent.
- For the twelve-month period ending July 2018, 4,838 housing permits were issued, up 0.7 percent from a year ago; the 3-month total of 941 was 19.0 percent less than in the same period of 2017.
- According to CoStar, occupied commercial office space in June 2018 was up 1.8 percent from a year ago, while the vacancy rate fell slightly over the past year from 11.1 percent in the June quarter of 2017 to 11 percent in the June quarter of this year. Average rents were 0.9 percent higher in the June quarter than a year earlier.
- The market value of real property transfers subject to the deed transfer and economic interest taxes was 4.6 percent higher than a year earlier for the twelve months ending August. For the last three months, the value was 6.7 percent more than a year earlier.
- Hotel room-days sold for the three months ending July 2018 were 4.2 percent above the prior year, and hotel room revenues were up 2.1 percent.

## Outlook

The economic forecasting services IHS Global Insight and Moody's Analytics assume that the federal sector will play a smaller role in the economy and that annual increases in population will be slower in the coming years. This revenue estimate anticipates continued growth in jobs, population and income. The outlook includes:

- Job growth increases of 0.8 percent in FY 2018 and 1.0 percent in FY 2019, compared to a 1.0 percent rate of increase in FY 2017. Federal employment is expected to continue falling in FY 2018 and for the remainder of the period of the financial plan.
- Population growth continues with 18,700—2.7 percent—added over fiscal years 2018 and 2019. This pace is somewhat slower than the 3.2% growth from FY 2015 to FY 2017.
- Resident employment grows by 3.2 percent over fiscal years 2018 and 2019, and the unemployment rate declines to 5.6% in FY 2019 from 6.1% that occurred in FY 2017.
- DC Personal Income growth increases by 4.1 percent in FY 2018 and 4.6 percent in FY 2019, compared to 3.7 percent in FY 2017.

## Risks and Uncertainties

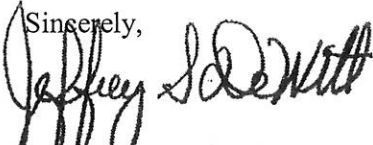
As noted, federal government spending policies and their potential effect on the District's economy remain a primary concern. Other risks to the forecast include lower than expected population and earnings growth of District residents.

Developments outside of the local economy also create uncertainty to the forecast. The increased tension on global trade will not affect the District directly but could slow the national economy, which would be felt here. Volatility in the stock market, increases in interest rates and other financial market problems as the Federal Reserve phases in tighter monetary policy measures also contribute to uncertainty, along with possible disruptions arising from uncertainties around the world and potential national security events.

The economy has entered the tenth year of expansion. While this forecast does not predict recession, one may occur during the financial plan period, which could adversely affect the District's tax base. The Blue-Chip consensus forecast places the odds of a recession at one in four by 2019, and one in three by 2020. Because of the size of the federal deficit, federal spending may be limited in an economic downturn. In previous years, this spending has offset some of the impact of recession on the District's economy.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,



Jeffrey S. DeWitt

*Enclosures*

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**TABLE 1: REVENUE SUMMARY TABLE**

\$ in Thousands	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>PROPERTY:</b>	2,569,101	2,684,416	2,811,720	2,903,124	2,990,194	3,080,627
Real Property	2,473,328	2,585,129	2,713,005	2,802,982	2,888,588	2,977,518
Personal Property	63,305	65,780	64,136	64,456	64,778	65,102
Public Space Rental	32,468	33,507	34,579	35,686	36,828	38,007
<i>Dedicated to other funds</i>	(45,586)	(44,556)	(49,221)	(59,206)	(65,481)	(56,645)
<b>PROPERTY (NET)</b>	<b>2,523,515</b>	<b>2,639,860</b>	<b>2,762,498</b>	<b>2,843,918</b>	<b>2,924,714</b>	<b>3,023,982</b>
<b>SALES &amp; EXCISE</b>	<b>1,527,381</b>	<b>1,595,108</b>	<b>1,703,964</b>	<b>1,777,317</b>	<b>1,859,231</b>	<b>1,920,874</b>
General Sales	1,419,197	1,487,318	1,591,371	1,666,070	1,749,083	1,811,973
Alcohol	6,641	6,758	6,879	7,003	7,122	7,239
Cigarette	29,530	29,750	34,590	33,226	31,934	30,660
Motor Vehicle	45,915	45,521	45,698	45,923	46,323	46,555
Motor Fuel	26,098	25,761	25,426	25,095	24,769	24,447
<i>Dedicated to other funds</i>	(294,530)	(306,470)	(537,599)	(553,771)	(577,434)	(593,735)
<b>SALES &amp; EXCISE (NET)</b>	<b>1,232,851</b>	<b>1,288,638</b>	<b>1,166,366</b>	<b>1,223,546</b>	<b>1,281,797</b>	<b>1,327,139</b>
<b>INCOME</b>	<b>2,512,522</b>	<b>2,604,170</b>	<b>2,685,068</b>	<b>2,792,272</b>	<b>2,901,350</b>	<b>3,019,708</b>
Individual Income	1,958,277	2,072,309	2,171,604	2,257,705	2,352,617	2,445,506
Corporate Franchise	389,218	385,326	363,958	380,502	389,640	409,906
U.B. Franchise	165,027	146,535	149,505	154,066	159,093	164,296
<b>INCOME (NET)</b>	<b>2,512,522</b>	<b>2,604,170</b>	<b>2,685,068</b>	<b>2,792,272</b>	<b>2,901,350</b>	<b>3,019,708</b>
<b>GROSS RECEIPTS</b>	<b>361,776</b>	<b>359,759</b>	<b>374,449</b>	<b>363,826</b>	<b>367,265</b>	<b>370,756</b>
Public Utilities	138,124	143,234	143,951	144,670	145,394	146,121
Toll Telecommunications	49,543	37,613	49,761	49,979	50,197	50,416
Insurance Premiums	108,212	110,324	112,433	114,583	116,776	119,011
Ballpark Fee	31,107	35,900	33,900	33,900	33,900	33,900
Health Related Taxes	34,790	32,688	34,404	20,694	20,998	21,309
<i>Dedicated to other funds</i>	(121,786)	(126,526)	(125,690)	(113,117)	(114,579)	(116,066)
<b>GROSS RECEIPTS (NET)</b>	<b>239,990</b>	<b>233,233</b>	<b>248,758</b>	<b>250,709</b>	<b>252,686</b>	<b>254,690</b>
<b>OTHER TAX</b>	<b>502,072</b>	<b>523,300</b>	<b>500,910</b>	<b>502,225</b>	<b>519,170</b>	<b>536,191</b>
Estate	41,215	40,482	23,524	24,041	25,048	26,132
Deed Recordation	250,740	263,625	263,900	264,717	273,829	282,941
Deed Transfer	188,781	204,240	198,553	198,553	205,398	212,242
Economic Interest	21,336	14,953	14,933	14,914	14,895	14,876
<i>Dedicated to other funds</i>	(65,927)	(72,570)	(70,718)	(69,750)	(72,083)	(74,483)
<b>OTHER TAX (NET)</b>	<b>436,145</b>	<b>450,730</b>	<b>430,192</b>	<b>432,475</b>	<b>447,087</b>	<b>461,708</b>
<b>NONTAX</b>	<b>487,513</b>	<b>471,209</b>	<b>481,596</b>	<b>474,535</b>	<b>476,139</b>	<b>473,720</b>
Licenses & Permits	92,549	94,134	133,127	129,530	135,279	134,959
Fines & Forfeits	167,385	168,070	152,469	148,589	144,814	141,135
Charges for Services	81,371	88,568	77,413	78,697	78,452	78,840
Miscellaneous	146,208	120,437	118,587	117,720	117,593	118,787
<b>NONTAX (NET)</b>	<b>487,513</b>	<b>471,209</b>	<b>481,596</b>	<b>474,535</b>	<b>476,139</b>	<b>473,720</b>
<b>LOTTERY: Lottery</b>	<b>45,600</b>	<b>45,600</b>	<b>46,100</b>	<b>46,600</b>	<b>47,100</b>	<b>47,600</b>
<b>GROSS REVENUE</b>	<b>8,005,965</b>	<b>8,283,563</b>	<b>8,603,806</b>	<b>8,859,900</b>	<b>9,160,449</b>	<b>9,449,476</b>
<b>OTHER FUNDS (See Table 2 for Details)</b>	<b>527,829</b>	<b>550,123</b>	<b>783,228</b>	<b>795,844</b>	<b>829,576</b>	<b>840,929</b>
<b>LOCAL FUND REVENUE</b>	<b>7,478,136</b>	<b>7,733,440</b>	<b>7,820,578</b>	<b>8,064,055</b>	<b>8,330,872</b>	<b>8,608,547</b>

**TABLE 1: REVENUE SUMMARY TABLE (Continued)**

% Change from Prior Fiscal Year	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS		
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
<b>PROPERTY</b>	4.6%	4.5%	4.7%	3.3%	3.0%	3.0%	
Real Property	4.9%	4.5%	4.9%	3.3%	3.1%	3.1%	
Personal Property	7.1%	3.9%	-2.5%	0.5%	0.5%	0.5%	
Public Space Rental	-19.6%	3.2%	3.2%	3.2%	3.2%	3.2%	
<i>Dedicated to other funds</i>	34.5%	-2.3%	10.5%	20.3%	10.6%	-13.5%	
<b>PROPERTY (NET)</b>	4.1%	4.6%	4.6%	2.9%	2.8%	3.4%	
<b>SALES &amp; EXCISE</b>	5.2%	4.4%	6.8%	4.3%	4.6%	3.3%	
General Sales	5.7%	4.8%	7.0%	4.7%	5.0%	3.6%	
Alcohol	2.7%	1.8%	1.8%	1.8%	1.7%	1.6%	
Cigarette	-3.0%	0.7%	16.3%	-3.9%	-3.9%	-4.0%	
Motor Vehicle	-0.2%	-0.9%	0.4%	0.5%	0.9%	0.5%	
Motor Fuel	3.0%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	
<i>Dedicated to other funds</i>	6.1%	4.1%	75.4%	3.0%	4.3%	2.8%	
<b>SALES &amp; EXCISE (NET)</b>	5.0%	4.5%	-9.5%	4.9%	4.8%	3.5%	
<b>INCOME</b>	2.0%	3.6%	3.1%	4.0%	3.9%	4.1%	
Individual Income	2.6%	5.8%	4.8%	4.0%	4.2%	3.9%	
Corporate Franchise	0.6%	-1.0%	-5.5%	4.5%	2.4%	5.2%	
U.B. Franchise	-2.6%	-11.2%	2.0%	3.1%	3.3%	3.3%	
<b>INCOME (NET)</b>	2.0%	3.6%	3.1%	4.0%	3.9%	4.1%	
<b>GROSS RECEIPTS</b>	-0.3%	-0.6%	4.1%	-2.8%	0.9%	1.0%	
Public Utilities	1.9%	3.7%	0.5%	0.5%	0.5%	0.5%	
Toll Telecommunications	-2.7%	-24.1%	32.3%	0.4%	0.4%	0.4%	
Insurance Premiums	3.1%	2.0%	1.9%	1.9%	1.9%	1.9%	
Ballpark Fee	-5.1%	15.4%	-5.6%	0.0%	0.0%	0.0%	
Health Related Taxes	-10.1%	-6.0%	5.2%	-39.8%	1.5%	1.5%	
<i>Dedicated to other funds</i>	-3.7%	3.9%	-0.7%	-10.0%	1.3%	1.3%	
<b>GROSS RECEIPTS (NET)</b>	1.5%	-2.8%	6.7%	0.8%	0.8%	0.8%	
<b>OTHER TAX</b>	0.8%	4.2%	-4.3%	0.3%	3.4%	3.3%	
Estate	-23.6%	-1.8%	-41.9%	2.2%	4.2%	4.3%	
Deed Recordation	0.3%	5.1%	0.1%	0.3%	3.4%	3.3%	
Deed Transfer	8.1%	8.2%	-2.8%	0.0%	3.4%	3.3%	
Economic Interest	9.7%	-29.9%	-0.1%	-0.1%	-0.1%	-0.1%	
<i>Dedicated to other funds</i>	3.5%	10.1%	-2.6%	-1.4%	3.3%	3.3%	
<b>OTHER TAX (NET)</b>	0.4%	3.3%	-4.6%	0.5%	3.4%	3.3%	
<b>NONTAX</b>	-4.2%	-3.3%	2.2%	-1.5%	0.3%	-0.5%	
Licenses & Permits	2.3%	1.7%	41.4%	-2.7%	4.4%	-0.2%	
Fines & Forfeits	-15.2%	0.4%	-9.3%	-2.5%	-2.5%	-2.5%	
Charges for Services	1.4%	8.8%	-12.6%	1.7%	-0.3%	0.5%	
Miscellaneous	3.8%	-17.6%	-1.5%	-0.7%	-0.1%	1.0%	
<b>NONTAX (NET)</b>	-4.2%	-3.3%	2.2%	-1.5%	0.3%	-0.5%	
<b>LOTTERY</b> Lottery	-14.4%	0.0%	1.1%	1.1%	1.1%	1.1%	
<b>GROSS REVENUE</b>	2.7%	3.5%	3.9%	3.0%	3.4%	3.2%	
<b>OTHER FUNDS</b> (See Table 2 for Details)	5.2%	4.2%	42.4%	1.6%	4.2%	1.4%	
<b>LOCAL FUND REVENUE</b>	2.5%	3.4%	1.1%	3.1%	3.3%	3.3%	

TABLE 2: DEDICATED REVENUE

DEDICATION	Tax Type	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
TIF	Real Property	19,563	17,975	18,245	18,871	23,189	28,990
	General Sales	32,102	30,934	34,828	38,604	44,211	42,377
PILOT	Real Property	25,826	25,927	30,302	39,622	41,722	29,656
	General Sales		7,855	19,399	20,048	20,560	21,084
Downtown TIF	Real Property	197	655	674	713	570	-
Convention Center	General Sales	138,128	136,987	144,060	150,760	157,275	164,045
Convention Center-DestinationDC	General Sales		5,711	6,006	6,285	6,557	6,840
Ballpark	General Sales	17,764	16,900	15,900	15,900	15,900	15,900
	Public Utility	7,938	8,649	8,736	8,823	8,910	8,999
	Toll Telecommunication	2,484	2,203	2,327	2,451	2,575	2,699
	Ballpark Fee	31,107	35,900	33,900	33,900	33,900	33,900
Healthy DC	General Sales	835	824	808	825	841	858
	Insurance Premium	45,467	47,086	46,323	47,250	48,195	49,159
WMATA - Operations	General Sales	74,187	75,663	79,096	82,997	87,332	91,616
WMATA - Capital	General Sales		-	178,500	178,500	183,855	189,371
Healthy Schools	General Sales	4,266	4,666	4,266	4,266	4,266	4,266
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Council on Arts and Humanities	General Sales	-	-	28,138	29,320	30,698	31,742
Highway Trust Fund	Motor Fuel	26,099	25,761	25,426	25,095	24,769	24,447
Nursing Facility Quality of Care	Health Related	13,949	14,523	14,917	15,215	15,519	15,830
Hospital Fund	Health Related	10,400	8,800	8,501	-	-	-
Hospital Provider Fee Fund	Health Related	5,528	5,507	5,507			
ICF-IDD Stevie Sellows	Health Related	4,913	3,859	5,479	5,479	5,479	5,479
Housing Production Trust Fund (HPTF)	Deed Recordation	31,919	33,954	33,991	34,113	35,482	36,848
	Deed Transfer	26,095	28,393	27,538	27,538	28,566	29,592
HPTF-Debt Service	Deed Recordation	5,603	5,589	5,594	5,594	5,592	5,593
	Deed Transfer	2,222	2,243	2,245	2,245	2,244	2,244
West End Maintenance	Deed Recordation	44	1,195	675	130	100	103
	Deed Transfer	44	1,195	675	130	100	103
	Property	45,587	44,556	49,221	59,206	65,481	56,645
	Sales & Excise	294,531	306,470	537,599	553,771	577,434	593,735
	Gross Receipts	121,786	126,626	126,690	113,117	114,579	116,066
	Other taxes	65,927	72,570	70,718	69,750	72,083	74,483



### Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2013 through FY 2022

Fiscal Years	Actual					Estimate		Forecast		
	2013 act	2014 act	2015 act	2016 act	2017 act	2018 est	2019 est	2020 est	2021 est	2022 est
Gross State Product (\$ billion)	110.98 1.4%	115.06 3.7%	120.72 4.9%	124.87 3.4%	129.13 3.4%	135.83 5.2%	142.53 4.9%	149.05 4.6%	155.16 4.1%	161.57 4.1%
Real Gross State Product (billions \$2005)	103.37 -0.5%	104.62 1.2%	107.15 2.4%	108.51 1.3%	109.81 1.2%	112.79 2.7%	115.12 2.1%	117.25 1.8%	118.71 1.2%	120.26 1.3%
Personal Income (\$ billion)	43.08 2.8%	45.30 5.1%	48.86 7.9%	51.35 5.1%	53.27 3.7%	55.47 4.1%	58.04 4.6%	60.61 4.4%	63.28 4.4%	65.92 4.2%
Real Personal Income (billions \$2005)	34.39 2.0%	35.32 2.7%	38.01 7.6%	40.17 5.7%	41.20 2.5%	42.06 2.1%	43.04 2.3%	44.00 2.2%	44.93 2.1%	45.84 2.0%
Per Capita Income (\$)	66,473 0.6%	68,672 3.3%	72,787 6.0%	75,204 3.3%	76,888 2.2%	78,992 2.7%	81,593 3.3%	84,186 3.2%	86,917 3.2%	89,642 3.1%
Real Per Capita Income (\$2005)	53,069 -0.3%	53,547 0.9%	56,627 5.8%	58,838 3.9%	59,469 1.1%	59,888 0.7%	60,503 1.0%	61,110 1.0%	61,713 1.0%	62,332 1.0%
Wages earned in D.C. (\$ billion)	62.08 2.4%	63.91 2.9%	66.88 4.6%	69.39 3.8%	71.45 3.0%	74.74 4.6%	77.92 4.2%	81.04 4.0%	84.21 3.9%	87.27 3.6%
Wages earned by D.C. residents (\$ billion)	21.7 4.1%	22.8 5.5%	24.5 7.2%	25.6 4.7%	26.6 3.8%	28.0 5.1%	29.3 4.7%	30.5 4.3%	31.9 4.6%	33.3 4.4%
Population ('000)	648.1 2.3%	659.5 1.8%	671.2 1.8%	682.8 1.7%	692.7 1.5%	702.2 1.4%	711.4 1.3%	719.9 1.2%	728.0 1.1%	735.3 1.0%
Households ('000)	286.5 2.2%	291.8 1.9%	297.1 1.8%	301.1 1.3%	305.0 1.3%	309.1 1.3%	313.3 1.4%	316.9 1.2%	320.6 1.1%	323.8 1.0%
Civilian Labor Force ('000)	374.1 4.1%	375.9 0.5%	386.2 2.7%	393.3 1.8%	399.6 1.6%	405.0 1.4%	410.5 1.4%	415.3 1.2%	420.1 1.1%	424.3 1.0%
At-Place Employment ('000)	745.2 1.9%	751.7 0.9%	764.7 1.7%	780.9 2.1%	788.6 1.0%	795.0 0.8%	802.9 1.0%	809.1 0.8%	812.9 0.5%	816.0 0.4%
Resident Employment ('000)	341.8 4.9%	346.1 1.3%	358.5 3.6%	368.8 2.9%	375.3 1.8%	382.0 1.8%	387.3 1.4%	392.1 1.2%	396.8 1.2%	401.0 1.1%
Unemployment Rate	8.6	7.9	7.2	6.2	6.1	5.7	5.6	5.6	5.5	5.5
Housing Starts	3,542	4,497	3,966	4,401	4,504	6,662	3,531	3,218	3,137	3,103
Housing Stock ('000)	308.6 1.9%	312.8 1.4%	316.1 1.1%	319.5 1.1%	323.0 1.1%	326.9 1.2%	331.3 1.3%	335.2 1.2%	338.8 1.1%	342.2 1.0%
Home sales	7,466 17.6%	7,616 2.0%	7,929 4.1%	8,340 5.2%	8,598 3.1%	8,976 4.4%	9,245 3.0%	9,245 0.0%	9,245 0.0%	9,245 0.0%
Average home sale price ('000)	0.7 13.1%	0.7 3.3%	0.8 4.3%	0.8 3.5%	0.8 3.8%	0.8 0.0%	0.9 4.0%	0.9 4.1%	0.9 4.4%	1.0 4.2%
Change in S & P 500 Index of Common Stock*	24.8%	13.6%	2.0%	6.4%	19.2%	3.9%	1.7%	1.7%	1.7%	1.7%
Interest rate on 10-year Treasury notes (%)	2.1	2.7	2.2	1.9	2.3	2.8	3.4	3.6	3.8	4.0
Washington Area Consumer Prices: % change from prior year	1.3	1.8	-0.1	0.0	2.0	2.2	2.3	2.4	2.4	2.4

\* Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2017 is the % change from CY 2016.4 to CY 2017.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Global Insight (August 2018) and Moody's Analytics (Economy.com) (August 2018); forecasts of the national economy prepared by the Congressional Budget Office (August 2018) and Blue Chip Economic Indicators (August 2018); BLS labor market information from July 2018; the Census Bureau estimates of the D.C. population (2017); Bureau of Economic Analysis estimates of D.C. Personal Income (March 2017); Metropolitan Regional Information System (MRIS) D.C. home sales data (July 2017), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); CoStar information on commercial office buildings and residential property in D.C. (June 2018); and Delta Associates commercial office buildings and apartments in DC (June 2018).