

### ***Supreme Court finds state moving too slow on McCleary***

The Washington State Supreme Court released its latest [decision](#) on the state's constitutional obligation to fund basic education on 11/15. In a 9-0 ruling, the Court ruled that, while the overall framework and funding the Legislature passed this year will eventually fully fund basic education, the framework does not move fast enough for compliance with its earlier decision holding the state in contempt of court. Specifically, the Court has ordered the state to fund roughly \$1 billion towards teacher compensation by September 2018. This is one year earlier than full implementation that is scheduled under the Legislature's plan passed earlier this year. The Court will now maintain oversight of the case, in addition to the \$100,000-per-day contempt of court fine that was imposed in September 2015. And the state will have to report back to the court on its activities in April 2018.

### ***Revenue collections increase again***

The Economic & Revenue Forecast Council (ERFC) released its [monthly collections report](#) on 11/13. Major general fund-state (GF-S) revenue collections for the October 11 – November 10 collection period came in \$73.6 million (4.5%) above the September forecast. The increase was largely credited to earlier than anticipated payments, which is expected to reduce collections next month. However, cumulative collections are now \$119.1 million (3.9%) higher than was forecasted in September.

Washington's nonfarm and construction sectors added less jobs than anticipated in the September forecast, while manufacturing gained 1,200 jobs (including 200 aerospace) and private, service-providing sectors added 4,200 jobs. Housing construction across the state has remained steady, and Seattle area home prices continue to rise very rapidly. Washington exports were down 5.2% from the third quarter of 2016, which was attributed to a reduction in transportation equipment exports (primarily Boeing planes). However, exports of all other commodities increased 7.1% over the year. Finally, car and truck sales increased for the fourth consecutive month in October, and are up 4.6% over the year, but down 2.3% since the post-recession peak in January 2016. The next quarterly revenue forecast will be released on 11/20.