

**ESHB 1838** - S COMM AMD

By Committee on Transportation

**NOT ADOPTED 04/10/2023**

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"Sec. 1.** RCW 82.33.010 and 2012 1st sp.s. c 8 s 2 are each  
4 amended to read as follows:

5 (1) (a) The economic and revenue forecast council is hereby  
6 created. The council shall consist of ~~((two individuals appointed by~~  
7 ~~the governor, the state treasurer, and four individuals, one of whom~~  
8 ~~is appointed by the chairperson of each of the two largest political~~  
9 ~~caucuses in the senate and house of representatives. The))~~ the  
10 following members:

11 (i) The director of the office of financial management;

12 (ii) The state treasurer;

13 (iii) The chair and ranking member of the house appropriations  
14 committee, the chair and ranking member of the house finance  
15 committee, the chair and ranking member of the senate ways and means  
16 committee, and the vice-chair and assistant ranking member of the  
17 senate ways and means committee, who shall sit with the council and  
18 serve as voting members only at such time as the consideration of the  
19 economic and revenue forecast for the operating budget and the state  
20 budget outlook;

21 (iv) The director of the department of revenue, who shall sit  
22 with the council and serve as a voting member only at such times as  
23 the consideration of the economic and revenue forecast for the  
24 operating budget and the state budget outlook;

25 (v) The chair and ranking member of the house transportation  
26 committee, and chair and ranking member of the senate transportation  
27 committee, who shall sit with the council and serve as voting members  
28 only at such time as the consideration of the transportation revenue  
29 forecast for the transportation budget; and

30 (vi) The director of the department of licensing, who shall sit  
31 with the council and serve as a voting member only at such times as

1 the consideration of the transportation revenue forecast for the  
2 transportation budget.

3 (b) Except as provided in (c) of this subsection, the chair of  
4 the council shall be selected from among the four caucus appointees.  
5 The council may select such other officers as the members deem  
6 necessary.

7 (c) The chair of the council when conducting business related to  
8 the transportation revenue forecast for the transportation budget  
9 shall be selected from among the four legislative appointees from the  
10 transportation budget committees.

11 (d) A quorum of the council consists of a majority of members  
12 appointed for the business to be conducted.

13 (2) The council shall employ an economic and revenue forecast  
14 supervisor to supervise the preparation of all economic and revenue  
15 forecasts and the presentation of state budget outlooks. As used in  
16 this chapter, "supervisor" means the economic and revenue forecast  
17 supervisor. Approval by an affirmative vote of at least ~~((five))~~ nine  
18 members of the council is required for any decisions regarding  
19 employment of the supervisor. For purposes of this vote, all members  
20 of the council set forth in subsection (1)(a) of this section are  
21 voting members. Employment of the supervisor shall terminate after  
22 each term of three years. At the end of the first year of each three-  
23 year term the council shall consider extension of the supervisor's  
24 term by one year. The council may fix the compensation of the  
25 supervisor. The supervisor shall employ staff sufficient to  
26 accomplish the purposes of this section.

27 (3) The economic and revenue forecast council shall oversee  
28 ~~((the))~~ :

29 (a) The preparation of and approve, by an affirmative vote of at  
30 least ~~((five))~~ seven members eligible to vote for the economic and  
31 revenue forecast for the operating budget, the official, optimistic,  
32 and pessimistic state economic and revenue forecasts prepared under  
33 RCW 82.33.020; and

34 (b) The preparation of and approval, by an affirmative vote of at  
35 least five members of those members eligible to vote for, the  
36 transportation revenue forecast for the transportation budget  
37 prepared under RCW 82.33.020.

38 If the council is unable to approve ~~((a))~~ any forecast before a  
39 date required in RCW 82.33.020, the supervisor shall submit the

1 forecast without approval and the forecast shall have the same effect  
2 as if approved by the council.

3 (4) The economic and revenue forecast council shall oversee the  
4 preparation of and approve, by an affirmative vote of at least  
5 (~~five~~) seven members of those members eligible to vote for, the  
6 state budget outlook prepared under RCW 82.33.060. If the council is  
7 unable to approve a state budget outlook before a date required in  
8 RCW 82.33.060, the supervisor shall submit the outlook prepared under  
9 RCW 82.33.060 without approval and the outlook shall have the same  
10 effect as if approved by the council.

11 (5) A councilmember who does not cast an affirmative vote for  
12 approval of the official economic and revenue forecast (~~or~~) for the  
13 operating budget, the state budget outlook, or the transportation  
14 revenue forecast for the transportation budget may request, and the  
15 supervisor shall provide, an alternative economic and revenue  
16 forecast or state budget outlook based on assumptions specified by  
17 the member including, for purposes of the state budget outlook,  
18 revenues to and expenditures from additional funds.

19 (6) Members of the economic and revenue forecast council shall  
20 serve without additional compensation but shall be reimbursed for  
21 travel expenses in accordance with RCW 44.04.120 while attending  
22 sessions of the council or on official business authorized by the  
23 council. Nonlegislative members of the council shall be reimbursed  
24 for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

25 **Sec. 2.** RCW 82.33.020 and 2015 c 3 s 14 are each reenacted and  
26 amended to read as follows:

27 (1) Four times each year the supervisor must prepare, subject to  
28 the approval of the economic and revenue forecast council under RCW  
29 82.33.010:

30 (a) An official state economic and revenue forecast;

31 (b) An unofficial state economic and revenue forecast based on  
32 optimistic economic and revenue projections; (~~and~~)

33 (c) An unofficial state economic and revenue forecast based on  
34 pessimistic economic and revenue projections; and

35 (d) Beginning with the September 2024 forecast, an official  
36 transportation revenue forecast for the transportation budget.  
37 Additionally, potential unofficial projections as determined  
38 warranted by the supervisor, which may include optimistic and  
39 pessimistic assumptions. For purposes of this subsection, the

1 transportation revenue forecast for the transportation budget  
2 includes, but is not limited to, transportation taxes, vehicle fees,  
3 drivers' fees, fares and tolls, and aircraft and vessel fees.

4 (2) The supervisor must submit forecasts prepared under this  
5 section, along with any unofficial forecasts provided under RCW  
6 82.33.010, to the governor and the members of the ~~((committees on))~~  
7 ways and means committee of the senate and appropriations committee  
8 of the house of representatives and the chairs of the committees on  
9 transportation of the senate and house of representatives, including  
10 one copy to the staff of each of the committees, on or before  
11 November 20th, February 20th in the even-numbered years, March 20th  
12 in the odd-numbered years, June 27th, and September 27th. ~~((In fiscal~~  
13 ~~year 2015, the March 20th forecast shall be submitted on or before~~  
14 ~~February 20, 2015.))~~ All forecasts must be based on the most recent  
15 economic and revenue forecast council economic forecast. All  
16 forecasts must include both estimated receipts and estimated revenues  
17 in conformance with generally accepted accounting principles as  
18 provided by RCW 43.88.037. In odd-numbered years, the period covered  
19 by forecasts for the state general fund and related funds must cover  
20 the current fiscal biennium and the next ensuing fiscal biennium, and  
21 the period for the transportation related funds must cover the  
22 current fiscal biennium and the next two ensuing fiscal biennia. In  
23 even-numbered years, the period covered by the forecasts for the  
24 state general fund and related funds shall be current fiscal and the  
25 next two ensuing fiscal biennia, and the period for the  
26 transportation related funds shall be the current fiscal and the next  
27 two ensuing fiscal biennia.

28 (3) All agencies of state government must provide to the  
29 supervisor immediate access to all information relating to economic  
30 and revenue forecasts. Revenue collection information must be  
31 available to the supervisor the first business day following the  
32 conclusion of each collection period.

33 (4) The economic and revenue forecast supervisor and staff must  
34 ~~((colocate and))~~ share information, data, and files with the tax  
35 research section of the department of revenue and the department of  
36 licensing but may not duplicate the duties and functions of one  
37 another.

38 (5) As part of its forecasts under subsection (1) of this  
39 section, the supervisor must provide estimated revenue from tuition  
40 fees as defined in RCW 28B.15.020.

1 (6) The economic and revenue forecast council must, in  
2 consultation with the economic and revenue forecast work group  
3 created in RCW 82.33.040, review the existing economic and revenue  
4 forecast council revenue model, data, and methodologies and in light  
5 of recent economic changes, engage outside experts if necessary, and  
6 recommend changes to the economic and revenue forecast council  
7 revenue forecasting process to increase confidence and promote  
8 accuracy in the revenue forecast. The recommendations are due by  
9 September 30, 2012, and every five years thereafter.

10 **Sec. 3.** RCW 82.33.040 and 1986 c 158 s 23 are each amended to  
11 read as follows:

12 (1) To promote the free flow of information and to promote  
13 legislative input in the preparation of forecasts, immediate access  
14 to all information relating to economic and revenue forecasts shall  
15 be available to the economic and revenue forecast work group, hereby  
16 created. Revenue collection information shall be available to the  
17 economic and revenue forecast work group the first business day  
18 following the ~~((conclusion of each collection period))~~ close of each  
19 fiscal month. The economic and revenue forecast work group shall  
20 consist of one staff member selected by the executive head or  
21 chairperson of each of the following agencies or committees:

- 22 (a) Department of revenue;  
23 (b) Office of financial management;  
24 (c) Legislative evaluation and accountability program committee;  
25 (d) Ways and means committee of the senate; ~~((and))~~  
26 (e) ~~((Ways and means))~~ Appropriations committee of the house of  
27 representatives;  
28 (f) Transportation committee of the senate;  
29 (g) Transportation committee of the house of representatives;  
30 (h) Washington state department of transportation; and  
31 (i) Department of licensing.

32 (2) The economic and revenue forecast work group shall provide  
33 technical support to the economic and revenue forecast council.  
34 Meetings of the economic and revenue forecast work group may be  
35 called by any member of the group for the purpose of assisting the  
36 economic and revenue forecast council, reviewing the state economic  
37 and revenue forecasts, or reviewing monthly revenue collection data  
38 or for any other purpose which may assist the economic and revenue  
39 forecast council.

1       (3) Staff members from the Washington state department of  
2 transportation, department of licensing, transportation committee of  
3 the senate, and transportation committee of the house of  
4 representatives shall only provide technical support for the  
5 transportation revenue forecast for the transportation budget.

6       **Sec. 4.** RCW 43.88.020 and 2005 c 319 s 107 are each amended to  
7 read as follows:

8       (1) "Budget" means a proposed plan of expenditures for a given  
9 period or purpose and the proposed means for financing these  
10 expenditures.

11       (2) "Budget document" means a formal statement, either written or  
12 provided on any electronic media or both, offered by the governor to  
13 the legislature, as provided in RCW 43.88.030.

14       (3) "Director of financial management" means the official  
15 appointed by the governor to serve at the governor's pleasure and to  
16 whom the governor may delegate necessary authority to carry out the  
17 governor's duties as provided in this chapter. The director of  
18 financial management shall be head of the office of financial  
19 management which shall be in the office of the governor.

20       (4) "Agency" means and includes every state office, officer, each  
21 institution, whether educational, correctional, or other, and every  
22 department, division, board, and commission, except as otherwise  
23 provided in this chapter.

24       (5) "Public funds", for purposes of this chapter, means all  
25 moneys, including cash, checks, bills, notes, drafts, stocks, and  
26 bonds, whether held in trust, for operating purposes, or for capital  
27 purposes, and collected or disbursed under law, whether or not such  
28 funds are otherwise subject to legislative appropriation, including  
29 funds maintained outside the state treasury.

30       (6) "Regulations" means the policies, standards, and  
31 requirements, stated in writing, designed to carry out the purposes  
32 of this chapter, as issued by the governor or the governor's  
33 designated agent, and which shall have the force and effect of law.

34       (7) "Ensuing biennium" means the fiscal biennium beginning on  
35 July 1st of the same year in which a regular session of the  
36 legislature is held during an odd-numbered year pursuant to Article  
37 II, section 12 of the Constitution and which biennium next succeeds  
38 the current biennium.

1 (8) "Dedicated fund" means a fund in the state treasury, or a  
2 separate account or fund in the general fund in the state treasury,  
3 that by law is dedicated, appropriated, or set aside for a limited  
4 object or purpose; but "dedicated fund" does not include a revolving  
5 fund or a trust fund.

6 (9) "Revolving fund" means a fund in the state treasury,  
7 established by law, from which is paid the cost of goods or services  
8 furnished to or by a state agency, and which is replenished through  
9 charges made for such goods or services or through transfers from  
10 other accounts or funds.

11 (10) "Trust fund" means a fund in the state treasury in which  
12 designated persons or classes of persons have a vested beneficial  
13 interest or equitable ownership, or which was created or established  
14 by a gift, grant, contribution, devise, or bequest that limits the  
15 use of the fund to designated objects or purposes.

16 (11) "Administrative expenses" means expenditures for: (a)  
17 Salaries, wages, and related costs of personnel and (b) operations  
18 and maintenance including but not limited to costs of supplies,  
19 materials, services, and equipment.

20 (12) "Fiscal year" means the year beginning July 1st and ending  
21 the following June 30th.

22 (13) "Lapse" means the termination of authority to expend an  
23 appropriation.

24 (14) "Legislative fiscal committees" means the joint legislative  
25 audit and review committee, the legislative evaluation and  
26 accountability program committee, and the ways and means and  
27 transportation committees of the senate and house of representatives.

28 (15) "Fiscal period" means the period for which an appropriation  
29 is made as specified within the act making the appropriation.

30 (16) "Primary budget driver" means the primary determinant of a  
31 budget level, other than a price variable, which causes or is  
32 associated with the major expenditure of an agency or budget unit  
33 within an agency, such as a caseload, enrollment, workload, or  
34 population statistic.

35 (17) "State tax revenue limit" means the limitation created by  
36 chapter 43.135 RCW.

37 (18) "General state revenues" means the revenues defined by  
38 Article VIII, section 1(c) of the state Constitution.

39 (19) "Annual growth rate in real personal income" means the  
40 estimated percentage growth in personal income for the state during

1 the current fiscal year, expressed in constant value dollars, as  
2 published by the office of financial management or its successor  
3 agency.

4 (20) "Estimated revenues" means estimates of revenue in the most  
5 recent official economic and revenue forecast, and transportation  
6 revenue forecast, prepared under RCW 82.33.020 (~~(, and prepared by the~~  
7 ~~office of financial management for those funds, accounts, and sources~~  
8 ~~for which the office of the economic and revenue forecast council~~  
9 ~~does not prepare an official forecast, that are prepared by the~~  
10 ~~office of financial management in consultation with the~~  
11 ~~transportation revenue forecast council)~~).

12 (21) "Estimated receipts" means the estimated receipt of cash in  
13 the most recent official economic and revenue forecast prepared under  
14 RCW 82.33.020, and prepared by the office of financial management for  
15 those funds, accounts, and sources for which the office of the  
16 economic and revenue forecast council does not prepare an official  
17 forecast.

18 (22) "State budgeting, accounting, and reporting system" means a  
19 system that gathers, maintains, and communicates fiscal information.  
20 The system links fiscal information beginning with development of  
21 agency budget requests through adoption of legislative appropriations  
22 to tracking actual receipts and expenditures against approved plans.

23 (23) "Allotment of appropriation" means the agency's statement of  
24 proposed expenditures, the director of financial management's review  
25 of that statement, and the placement of the approved statement into  
26 the state budgeting, accounting, and reporting system.

27 (24) "Statement of proposed expenditures" means a plan prepared  
28 by each agency that breaks each appropriation out into monthly detail  
29 representing the best estimate of how the appropriation will be  
30 expended.

31 (25) "Undesignated fund balance (or deficit)" means unreserved  
32 and undesignated current assets or other resources available for  
33 expenditure over and above any current liabilities which are expected  
34 to be incurred by the close of the fiscal period.

35 (26) "Internal audit" means an independent appraisal activity  
36 within an agency for the review of operations as a service to  
37 management, including a systematic examination of accounting and  
38 fiscal controls to assure that human and material resources are  
39 guarded against waste, loss, or misuse; and that reliable data are



1 gathered, maintained, and fairly disclosed in a written report of the  
2 audit findings.

3 (27) "Performance verification" means an analysis that (a)  
4 verifies the accuracy of data used by state agencies in quantifying  
5 intended results and measuring performance toward those results, and  
6 (b) verifies whether or not the reported results were achieved.

7 (28) "Performance audit" has the same meaning as it is defined in  
8 RCW 44.28.005.

9 NEW SECTION. **Sec. 5.** The following acts or parts of acts are  
10 each repealed:

11 (1) RCW 43.88.125 (Study of transportation-related funds or  
12 accounts—Coordination of activities) and 2005 c 319 s 114, 1996 c 288  
13 s 49, 1981 c 270 s 15, 1977 ex.s. c 235 s 6, 1975 1st ex.s. c 293 s  
14 19, & 1971 ex.s. c 195 s 2; and

15 (2) RCW 43.88.122 (Transportation agency revenue forecasts—  
16 Variances) and 2000 2nd sp.s. c 4 s 14 & 1991 c 358 s 7."

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**NOT ADOPTED 04/10/2023**

17 On page 1, line 3 of the title, after "council;" strike the  
18 remainder of the title and insert "amending RCW 82.33.010, 82.33.040,  
19 and 43.88.020; reenacting and amending RCW 82.33.020; and repealing  
20 RCW 43.88.125 and 43.88.122."

**EFFECT:** (1) In addition to the official forecast, allows for the  
potential unofficial transportation revenue projections, which may  
include optimistic and pessimistic assumptions.

(2) Removes an inconsistent reference regarding the Office of  
Financial Management continuing to prepare the transportation revenue  
forecast.

(3) Repeals a statute dealing with the Office of Financial  
Management resolving differences in transportation revenue forecasts.

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