

FINAL BILL REPORT

ESHB 1838

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Synopsis as Enacted

Brief Description: Transferring the responsibilities for the transportation revenue forecast for the transportation budget to the economic and revenue forecast council.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Fey, Barkis, Berg and Ortiz-Self).

House Committee on Transportation
Senate Committee on Transportation
Senate Committee on Ways & Means

Background:

The Economic and Revenue Forecast Council (ERFC) consists of the State Treasurer, four legislators representing the two largest political caucuses of the Senate and House of Representatives, and two individuals appointed by the Governor. The Chair of the ERFC is selected from among the four caucus appointees.

The ERFC Director prepares, on a quarterly basis, state economic and revenue forecasts for the omnibus operating budget subject to the approval of the ERFC. To facilitate compliance with the four-year balanced budget requirement, the ERFC must approve budget outlooks of the proposed Governor's budget and the enacted budget. An affirmative vote of at least five members is needed to approve an economic and revenue forecast, the budget outlook, and the appointment of the ERFC director. A councilmember who does not cast an affirmative vote for approval of the official economic and revenue forecast or state budget outlook may request an alternative forecast or outlook based on assumptions specified by the councilmember.

The ERFC Director must share information, data, and files with the Department of Revenue (DOR). The ERFC Workgroup receives revenue collection information the first business day following the conclusion of the collection period. The members of the ERFC Workgroup include one staff member appointed by the executive or chairperson of the

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DOR, the Office of Financial Management (OFM), the Legislative Evaluation and Accountability Program Committee, and the Ways and Means Committees of the Senate and House of Representatives.

The Transportation Revenue Forecast Council consists of staff who forecast transportation revenues collected by the Washington State Department of Transportation (WSDOT), the Department of Licensing (DOL), the OFM, the DOR, and the Washington State Patrol. The transportation revenue forecast is prepared quarterly on the same schedule as the ERFC forecast and uses the economic forecast approved by the ERFC. The transportation revenue forecast is for a 10 year period. House and Senate Transportation Committee staff are included in the process for legislative input and to ensure access to the forecast information.

Summary:

The ERFC legislative members appointed by the two largest political caucuses of the Senate and House of Representatives for consideration and approval of the economic and revenue forecast for the omnibus operating budget and the four-year budget outlook are increased from four to eight. The number of votes needed to approve an economic and revenue forecast, budget outlook, and the appointment of the ERFC director is increased from five to seven.

The Transportation Economic and Revenue Forecast Council (TERFC) is created. The TERFC must work with the ERFC Director to supervise the preparation of all transportation economic and revenue forecasts. Membership on the Transportation Revenue Forecast Council consists of the following members:

- the Director of OFM;
- the Director of DOL;
- the State Treasurer;
- the Chair and Ranking Member of the House Transportation Committee; and
- the Chair and Ranking Member of the Senate Transportation Committee.

The chair of the TERFC is selected from among the four legislators. The TERFC must approve, by an affirmative vote of at least five members, the official, optimistic and pessimistic transportation economic and revenue forecasts.

Beginning with the September 2024 revenue forecast, the ERFC Director must prepare and approve the quarterly transportation economic and revenue forecast. Additionally, the ERFC Director may prepare unofficial projections for the transportation economic and revenue forecast, which may include optimistic and pessimistic assumption. If the TERFC is unable to approve a quarterly forecast, the ERFC Director must submit the transportation economic and revenue forecast without approval and the forecast shall have the same effect as if approved by the TERFC. The provision that a council member who does not cast an affirmative vote may request an alternative forecast is extended to the TERFC.

Staff of the House and Senate Transportation Committees, the WSDOT, and the DOL are added to the technical Workgroup for the transportation revenue forecast.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 23, 2023
July 1, 2024 (Section 6)