

**ESHB 1838 - S AMD 404**

By Senator Rolfes

**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))~~  
8 eight legislators, two of whom ~~((is))~~ shall be appointed by the  
9 chairperson of each of the two largest political caucuses in the  
10 senate and house of representatives.

11 (b) The chair of the council shall be selected from among the  
12 ~~((four))~~ eight caucus appointees. The council may select such other  
13 officers as the members deem necessary.

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

28 (3) The economic and revenue forecast council shall oversee the  
29 preparation of and approve, by an affirmative vote of at least  
30 ~~((five))~~ seven members, the official, optimistic, and pessimistic  
31 state economic and revenue forecasts prepared under RCW 82.33.020. If  
32 the council is unable to approve a forecast before a date required in

1 RCW 82.33.020, the supervisor shall submit the forecast without  
2 approval and the forecast shall have the same effect as if approved  
3 by the council.

4 (4) The economic and revenue forecast council shall oversee the  
5 preparation of and approve, by an affirmative vote of at least  
6 (~~five~~) seven members, the state budget outlook prepared under RCW  
7 82.33.060. If the council is unable to approve a state budget outlook  
8 before a date required in RCW 82.33.060, the supervisor shall submit  
9 the outlook prepared under RCW 82.33.060 without approval and the  
10 outlook shall have the same 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 the state  
13 budget outlook may request, and the supervisor shall provide, an  
14 alternative economic and revenue forecast or state budget outlook  
15 based on assumptions specified by the member including, for purposes  
16 of the state budget outlook, revenues to and expenditures from  
17 additional funds.

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

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.33  
25 RCW to read as follows:

26 (1)(a) The transportation economic and revenue forecast council  
27 is hereby created. The council shall consist of the following  
28 members:

- 29 (i) The director of the office of financial management;
- 30 (ii) The director of the department of licensing;
- 31 (iii) The state treasurer;
- 32 (iv) The chair and ranking member of the house transportation  
33 committee; and
- 34 (v) The chair and ranking member of the senate transportation  
35 committee.

36 (b) The chair of the council shall be selected from among the  
37 legislative members of the council identified in (a)(iv) and (v) of  
38 this subsection. The council may select such other officers as the  
39 members deem necessary.

1 (2) The council shall work with the economic, revenue, and  
2 transportation revenue forecast supervisor identified under RCW  
3 82.33.010 to supervise the preparation of all transportation economic  
4 and revenue forecasts. The supervisor shall employ staff sufficient  
5 to accomplish the purposes of this section.

6 (3)(a) The transportation economic and revenue forecast council  
7 shall oversee the preparation of and approve, by an affirmative vote  
8 of at least five members, the official, optimistic, and pessimistic  
9 transportation economic and revenue forecasts prepared under RCW  
10 82.33.020.

11 (b) If the council is unable to approve a forecast before a date  
12 required in RCW 82.33.020, the supervisor shall submit the forecast  
13 without approval and the forecast shall have the same effect as if  
14 approved by the council.

15 (4) A councilmember who does not cast an affirmative vote for  
16 approval of the official transportation economic and revenue forecast  
17 may request, and the supervisor shall provide, an alternative  
18 economic and revenue forecast based on assumptions specified by the  
19 member.

20 (5) Members of the transportation economic and revenue forecast  
21 council shall serve without additional compensation but shall be  
22 reimbursed for travel expenses in accordance with RCW 44.04.120 while  
23 attending sessions of the council or on official business authorized  
24 by the council. Nonlegislative members of the council shall be  
25 reimbursed for travel expenses in accordance with RCW 43.03.050 and  
26 43.03.060.

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

29 (1) Four times each year the supervisor must prepare, subject to  
30 the approval of the economic and revenue forecast council under RCW  
31 82.33.010:

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

33 (b) An unofficial state economic and revenue forecast based on  
34 optimistic economic and revenue projections; and

35 (c) An unofficial state economic and revenue forecast based on  
36 pessimistic economic and revenue projections.

37 (2) Beginning with the September 2024, and four times each year  
38 thereafter, the supervisor must prepare, subject to the approval of  
39 the transportation economic and revenue forecast council created

1 under section 2 of this act, an official transportation revenue  
2 forecast for the transportation budget. Additionally, the supervisor  
3 must prepare unofficial projections as deemed warranted by the  
4 supervisor, which may include optimistic and pessimistic assumptions.  
5 For purposes of this subsection, the transportation revenue forecast  
6 for the transportation budget includes, but is not limited to,  
7 transportation taxes, vehicle fees, drivers' fees, fares and tolls,  
8 and aircraft and vessel fees.

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

33 ~~((+3))~~ (4) All agencies of state government must provide to the  
34 supervisor immediate access to all information relating to economic  
35 and revenue forecasts. Revenue collection information must be  
36 available to the supervisor the first business day following the  
37 conclusion of each collection period.

38 ~~((+4))~~ (5) The economic ~~((and)),~~ revenue, and transportation  
39 revenue forecast supervisor and staff must ~~((colocate and))~~ share  
40 information, data, and files with the tax research section of the

1 department of revenue and the department of licensing but may not  
2 duplicate the duties and functions of one another.

3 ~~((+5))~~ (6) As part of its forecasts under subsection (1) of this  
4 section, the supervisor must provide estimated revenue from tuition  
5 fees as defined in RCW 28B.15.020.

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

15 **Sec. 4.** RCW 82.33.040 and 1986 c 158 s 23 are each amended to  
16 read as follows:

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

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

36 (2) The economic and revenue forecast work group shall provide  
37 technical support to the economic and revenue forecast council.  
38 Meetings of the economic and revenue forecast work group may be  
39 called by any member of the group for the purpose of assisting the

1 economic and revenue forecast council, reviewing the state economic  
2 and revenue forecasts, or reviewing monthly revenue collection data  
3 or for any other purpose which may assist the economic and revenue  
4 forecast council.

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

10 **Sec. 5.** RCW 43.88.020 and 2005 c 319 s 107 are each amended to  
11 read as follows:

12 (1) "Budget" means a proposed plan of expenditures for a given  
13 period or purpose and the proposed means for financing these  
14 expenditures.

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

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

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

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

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

38 (7) "Ensuing biennium" means the fiscal biennium beginning on  
39 July 1st of the same year in which a regular session of the

1 legislature is held during an odd-numbered year pursuant to Article  
2 II, section 12 of the Constitution and which biennium next succeeds  
3 the current biennium.

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

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

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

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

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

25 (13) "Lapse" means the termination of authority to expend an  
26 appropriation.

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

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

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

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

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

3 (19) "Annual growth rate in real personal income" means the  
4 estimated percentage growth in personal income for the state during  
5 the current fiscal year, expressed in constant value dollars, as  
6 published by the office of financial management or its successor  
7 agency.

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

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

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

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

31 (24) "Statement of proposed expenditures" means a plan prepared  
32 by each agency that breaks each appropriation out into monthly detail  
33 representing the best estimate of how the appropriation will be  
34 expended.

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

39 (26) "Internal audit" means an independent appraisal activity  
40 within an agency for the review of operations as a service to



1 management, including a systematic examination of accounting and  
2 fiscal controls to assure that human and material resources are  
3 guarded against waste, loss, or misuse; and that reliable data are  
4 gathered, maintained, and fairly disclosed in a written report of the  
5 audit findings.

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

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

12 NEW SECTION. **Sec. 6.** The following acts or parts of acts are  
13 each repealed:

14 (1) RCW 43.88.125 (Study of transportation-related funds or  
15 accounts—Coordination of activities) and 2005 c 319 s 114, 1996 c 288  
16 s 49, 1981 c 270 s 15, 1977 ex.s. c 235 s 6, 1975 1st ex.s. c 293 s  
17 19, & 1971 ex.s. c 195 s 2; and

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

20 NEW SECTION. **Sec. 7.** Section 6 of this act takes effect July 1,  
21 2024."

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By Senator Rolfes

**ADOPTED 04/10/2023**

22 On page 1, line 3 of the title, after "council;" strike the  
23 remainder of the title and insert "amending RCW 82.33.010, 82.33.040,  
24 and 43.88.020; reenacting and amending RCW 82.33.020; adding a new  
25 section to chapter 82.33 RCW; repealing RCW 43.88.125 and 43.88.122;  
26 and providing an effective date."

EFFECT: Strikes the provisions in the underlying bill and  
replaces them as follows:

(1) Changes the membership of the Economic and Revenue Forecast  
Council (ERFC) from four to eight legislative appointees. Increases  
the number of votes needed for the ERFC to approve a forecast or  
Budget Outlook from five to seven.

(2) Creates a Transportation Revenue Forecast Council, to adopt  
transportation revenue forecasts consistent with requirements related  
Code Rev/AI:eab 9 S-3186.1/23

to revenue forecasts adopted by the ERFC, beginning with the September 2024 forecast, and with the following members:

(a) The director of the Office of Financial Management;  
(b) The director of the Department of Licensing;  
(c) The State Treasurer;  
(d) The chair and ranking member of the House Transportation Committee; and

(e) The chair and ranking member of the Senate Transportation Committee.

(3) Directs the director of the ERFC to support the work of the Transportation Revenue Forecast Council.

(4) Adds staff from the House and Senate Transportation Committees and the Department of Licensing to the ERFC work group.

(5) Removes references to and repeals statues related to the current process for transportation revenue forecasts.

(6) Provides an effective date for the sections repealing the current transportation revenue forecasting requirements of July 1, 2024.

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