

(2) Peer review proceedings shall be pursuant to rules and regulations promulgated by the respective institutions of higher education.

(3) Upon the request of an evaluated person, the appropriate administrative officer of the institution shall provide a statement of the reasons of the peer review committees and of participating administrative officers for a final unfavorable decision on merit, promotion, tenure or reappointment. In the case of a disciplinary or dismissal proceeding, a statement of reasons shall be provided by the reviewing committee to the evaluated person for any decision unfavorable to such person.

(4) The institutions of higher education shall provide legal representation for any past or current members of the peer review committee and for individuals who testify orally or in writing in good faith before such committee in any legal action which may arise from committee proceedings.

NEW SECTION. Sec. 2. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House February 27, 1984.

Passed the Senate February 22, 1984.

Approved by the Governor March 7, 1984.

Filed in Office of Secretary of State March 7, 1984.

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## CHAPTER 138

[Engrossed Substitute House Bill No. 1083]

### ECONOMIC AND REVENUE FORECAST COUNCIL

AN ACT Relating to fiscal matters; amending section 1, chapter 36, Laws of 1982 1st ex. sess. and RCW 43.88.020; amending section 43.88.030, chapter 8, Laws of 1965 as last amended by section 3, chapter 270, Laws of 1981 and RCW 43.88.030; amending section 43.88.110, chapter 8, Laws of 1965 as last amended by section 1, chapter 47, Laws of 1983 1st ex. sess. and RCW 43.88.110; amending section 7, chapter 270, Laws of 1981 as amended by section 2, chapter 15, Laws of 1982 2nd ex. sess. and RCW 43.88.112; amending section 43.88.120, chapter 8, Laws of 1965 as last amended by section 8, chapter 270, Laws of 1981 and RCW 43.88.120; amending section 5, chapter 280, Laws of 1981 and RCW 43.88.540; amending section 82.32.330, chapter 15, Laws of 1961 as last amended by section 1, chapter 104, Laws of 1969 ex. sess. and RCW 82.32.330; adding a new section to chapter 41.06 RCW; adding new sections to chapter 82.01 RCW; making an appropriation; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. There is added to chapter 82.01 RCW a new section to read as follows:

(1) The director shall employ an economic and revenue forecast supervisor to supervise the preparation of all economic and revenue forecasts. As used in this section and sections 3 and 4 of this act, "supervisor" means the economic and revenue forecast supervisor. Approval by an affirmative vote

of at least five members of the economic and revenue forecast council is required for any decisions regarding employment of the supervisor. Employment of the supervisor shall terminate after each term of three years, unless the supervisor is reappointed by the director and approved by the economic and revenue forecast council for another three years. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

(2) Four times each year the supervisor shall prepare, subject to the approval of the economic and revenue forecast council under section 4(2) of this act:

(a) An official state economic and revenue forecast;

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

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

(3) The supervisor shall submit forecasts prepared under this section, along with any unofficial forecasts provided under section 4(3) of this act, to the governor and the legislature on or before December 20th, February 20th in the even-numbered years, March 20th in the odd-numbered years, June 20th, and September 20th.

NEW SECTION. Sec. 2. There is added to chapter 41.06 RCW a new section to read as follows:

In addition to the exemptions set forth in RCW 41.06.070, this chapter does not apply to the economic and revenue forecast supervisor and staff employed under section 1 of this act.

NEW SECTION. Sec. 3. There is added to chapter 82.01 RCW a new section to read as follows:

The administrator of the legislative evaluation and accountability program committee may request, and the supervisor shall provide, alternative economic and revenue forecasts based on assumptions specified by the administrator.

NEW SECTION. Sec. 4. There is added to chapter 82.01 RCW a new section to read as follows:

(1) The economic and revenue forecast council is hereby created. The council shall consist of two individuals appointed by the governor and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. The chair of the council shall be selected from among the four caucus appointees. The council may select such other officers as the members deem necessary.

(2) The economic and revenue forecast council shall oversee the preparation of and approve, by an affirmative vote of at least four members, the official, optimistic, and pessimistic state economic and revenue forecasts prepared under section 1 of this act. If the council is unable to approve a

forecast before a date required in section 1 of this act, the supervisor shall submit the forecast without approval and the forecast shall have the same effect as if approved by the council.

(3) A council member who does not cast an affirmative vote for approval of the official economic and revenue forecast may request, and the supervisor shall provide, an alternative economic and revenue forecast based on assumptions specified by the member.

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

NEW SECTION. Sec. 5. There is added to chapter 82.01 RCW a new section to read as follows:

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

- (a) Department of revenue;
- (b) Office of financial management;
- (c) Legislative budget committee;
- (d) Legislative evaluation and accountability program committee;
- (e) Ways and means committee of the senate; and
- (f) Ways and means committee of the house of representatives.

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

Sec. 6. Section 1, chapter 36, Laws of 1982 1st ex. sess. and RCW 43.88.020 are each amended to read as follows:

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

(2) "Budget document" shall mean a formal, written statement offered by the governor to the legislature, as provided in RCW 43.88.030.

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

(4) "Agency" shall mean and include every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided in this chapter.

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

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

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

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

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

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

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

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

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

(14) "Legislative fiscal committees" means the legislative budget committee, the legislative evaluation and accountability program committee, the ways and means committees of the senate and house of representatives, and, where appropriate, the legislative transportation committee.

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

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

(17) "Stabilization account" means the budget stabilization account created under RCW 43.88.525 as an account in the general fund of the state treasury.

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

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

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

(21) "Estimated revenues" means estimates of revenue in the most recent official economic and revenue forecast prepared under section 1 of this 1984 act.

Sec. 7. Section 43.88.030, chapter 8, Laws of 1965 as last amended by section 3, chapter 270, Laws of 1981 and RCW 43.88.030 are each amended to read as follows:

(1) The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period based upon ~~((anticipated))~~ estimated revenues for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document: PROVIDED, That the governor may additionally submit, as an appendix to each agency budget or to the budget document or documents, a proposal for expenditures in the ensuing fiscal period from revenue sources derived from proposed changes in existing statutes.

The budget document or documents shall also contain:

(a) Revenues classified by fund and source for the immediately past fiscal period, those received or anticipated for the current fiscal period, and those anticipated for the ensuing biennium;

(b) Cash surplus or deficit, by fund, to the extent provided by RCW 43.88.040 and 43.88.050;

(c) Such additional information dealing with expenditures, revenues, workload, performance and personnel as the legislature may direct by law or concurrent resolution;

(d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the legislature;

(e) Tabulations showing expenditures classified by fund, function, activity and object; and

(f) A delineation of each agency's activities, including those activities funded from nonbudgeted, nonappropriated sources, including funds maintained outside the state treasury.

(2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating or capital expenditures and shall also include all proposed operating or capital expenditures. The total of anticipated revenues shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:

(a) Interest, amortization and redemption charges on the state debt;

(b) Payments of all reliefs, judgments and claims;

(c) Other statutory expenditures;

(d) Expenditures incident to the operation for each agency;

(e) Revenues derived from agency operations;

(f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium.

(3) A separate budget document or schedule may be submitted consisting of:

(a) Expenditures incident to current or pending capital projects and to proposed new capital projects, relating the respective amounts proposed to be raised therefor by appropriations in the budget and the respective amounts proposed to be raised therefor by the issuance of bonds during the fiscal period;

(b) A capital program consisting of proposed capital projects for at least the two fiscal periods succeeding the next fiscal period. The capital program shall include for each proposed project a statement of the reason or purpose for the project along with an estimate of its cost;

(c) Such other information bearing upon capital projects as the governor shall deem to be useful to the legislature;

(d) Such other information relating to capital improvement projects as the legislature may direct by law or concurrent resolution.

(4) No change affecting the comparability of agency or program information relating to expenditures, revenues, workload, performance and personnel shall be made in the format of any budget document or report presented to the legislature under this section or RCW 43.88.160(1) relative to the format of the budget document or report which was presented to the previous regular session of the legislature during an odd-numbered year without prior legislative concurrence. Prior legislative concurrence shall consist of (a) a favorable majority vote on the proposal by the standing committees on ways and means of both houses if the legislature is in session or (b) a favorable majority vote on the proposal by members of the legislative evaluation and accountability program committee if the legislature is not in session.

Sec. 8. Section 43.88.110, chapter 8, Laws of 1965 as last amended by section 1, chapter 47, Laws of 1983 1st ex. sess. and RCW 43.88.110 are each amended to read as follows:

This section sets forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch for public funds. Allotments of an appropriation for any fiscal period shall conform to the terms, limits, or conditions of the appropriation.

(1) Before the beginning of the fiscal period, all agencies shall submit to the governor a statement of proposed agency expenditures at such times and in such form as may be required by the governor. The statement of proposed expenditures shall show, among other things, the requested allotments of public funds for the ensuing fiscal period for the agency concerned on a monthly basis for the entire fiscal period. The governor shall review the requested allotments in the light of the agency's plan of work and, with the advice of the director of financial management, the governor may revise or alter agency allotments: PROVIDED, That revision of allotments shall not be made for agencies headed by elective officials pursuant to this subsection. The aggregate of the allotments for an appropriation shall not exceed the total appropriation.

(2) Except for the legislative and judicial branches of government, approved allotments may be revised during the course of the fiscal period in accordance with the regulations issued pursuant to this chapter. If at any time during the fiscal period the governor shall ascertain that ((available)) estimated revenues for the applicable period will be less than the respective appropriations, the governor shall revise the allotments concerned so as to prevent the making of expenditures in excess of ((available)) estimated revenues. To the same end, the governor is authorized to withhold and to assign to, and to remove from, a reserve status any portion of an agency appropriation which in the governor's discretion is not needed for the allotment.

No expenditures shall be made from any portion of an appropriation which has been assigned to a reserve status except as provided in this section.

(3) It is expressly provided that all agencies shall be required to maintain accounting records and to report thereon in the manner prescribed in this chapter and under the regulations issued pursuant to this chapter. The director of financial management shall monitor agency expenditures to prevent spending patterns which inflate agency expenditures during the second year of a biennium.

(4) The director of financial management may exempt certain public funds from the allotment controls established under this chapter if it is not practical or necessary to allot the funds. Allotment control exemptions expire at the end of the fiscal biennium for which they are granted. The director of financial management shall report any exemptions granted under this subsection to the legislative fiscal committees.

Sec. 9. Section 7, chapter 270, Laws of 1981 as amended by section 2, chapter 15, Laws of 1982 2nd ex. sess. and RCW 43.88.112 are each amended to read as follows:

If at any time during the fiscal period the governor ascertains that ~~((available))~~ estimated revenues for the applicable period will be less than the respective appropriations, the governor shall revise the allotments for the total funds which are appropriated to the superintendent of public instruction for support of state-wide programs and which ultimately will be distributed to local school districts so as to prevent the making of expenditures in excess of ~~((available))~~ estimated revenues, but the governor shall not revise the allotments for the superintendent of public instruction for support of state-wide programs by an amount which would result in less than ample provision for the basic education of the children of the state.

Sec. 10. Section 43.88.120, chapter 8, Laws of 1965 as last amended by section 8, chapter 270, Laws of 1981 and RCW 43.88.120 are each amended to read as follows:

~~((Before the submittal of the budget document as required in RCW 43.88.060, any))~~ Each agency engaged in the collection of revenues shall prepare statements of revenue collections and estimates for the current and ensuing biennium ~~((The estimates shall be updated quarterly and submitted to the governor. The director of financial management may waive the quarterly update requirement for revenue sources if the director determines that quarterly updates are not practical or necessary))~~ and shall submit the statements and estimates to the director of revenue at times and in the form specified by the director, along with any other information which the director may request.

A copy of such collection reports(~~(;)~~) and revenue estimates(~~(, and waivers)~~) shall be simultaneously submitted to the (~~(legislative budget committee and the committees on ways and means of the senate and house of representatives)~~) economic and revenue forecast work group.

Sec. 11. Section 5, chapter 280, Laws of 1981 and RCW 43.88.540 are each amended to read as follows:

Subsequent to a transfer to the general fund from the stabilization account, resumption of further deposits to the stabilization account shall be made during the biennium when (~~(projections of state)~~) estimated revenues(~~(, as determined pursuant to this section;)~~) demonstrate that resumption of deposits can be made.

The director of financial management as agent of the governor shall (~~(identify the revenue forecasts to be utilized and)~~) determine the timing of resumption of deposits to the stabilization account.

Sec. 12. Section 82.32.330, chapter 15, Laws of 1961 as last amended by section 1, chapter 104, Laws of 1969 ex. sess. and RCW 82.32.330 are each amended to read as follows:

Except as hereinafter provided it shall be unlawful for the department of revenue or any member, deputy, clerk, agent, employee, or representative thereof or any other person to make known or reveal any facts or information contained in any return filed by any taxpayer or disclosed in any investigation or examination of the taxpayer's books and records made in connection with the administration hereof. The foregoing, however, shall not be construed to prohibit the department of revenue or a member or employee thereof from: (1) Giving such facts or information in evidence in any court action involving tax imposed hereunder or involving a violation of the provisions hereof or involving another state department and the taxpayer; (2) giving such facts and information to the taxpayer or his duly authorized agent; (3) publishing statistics so classified as to prevent the identification of particular returns or reports or items thereof; (4) giving such facts or information, for official purposes only, to the governor or attorney general, or to any state department, agency, board, commission, council, or any committee or subcommittee of the legislature dealing with matters of taxation, revenue, trade, commerce, the control of industry or the professions; (5) permitting its records to be audited and examined by the proper state officer, his agents and employees; (6) giving any such facts or information to the proper officer of the internal revenue service of the United States or to the proper officer of the tax department of any state or city or town or county, for official purposes, but only if the statutes of the United States or of such other state or city or town or county, as the case may be, grants substantially similar privileges to the proper officers of this state; or (7) giving any such facts or information to the Department of Justice or the army or navy departments of the United States, or any authorized representative thereof, for official purposes.

Any person acquiring knowledge of such facts or information in the course of his employment with the department of revenue and any person acquiring knowledge of such facts and information as provided under (4), (5), (6) and (7) above, who reveals or makes known any such facts or information to another not entitled to knowledge of such facts or information under the provisions of this section, shall be punished by a fine of not exceeding one thousand dollars and, if the offender or person guilty of such violation is an officer or employee of the state, he shall forfeit such office or employment and shall be incapable of holding any public office or employment in this state for a period of two years thereafter.

NEW SECTION. Sec. 13. There is appropriated for the biennium ending June 30, 1985, from the general fund to the department of revenue the sum of three hundred ten thousand dollars, or as much thereof as may be necessary for the purposes of this act.

NEW SECTION. Sec. 14. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 27, 1984.

Passed the Senate February 20, 1984.

Approved by the Governor March 7, 1984.

Filed in Office of Secretary of State March 7, 1984.

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## CHAPTER 139

[Substitute House Bill No. 1205]

### PROVISIONAL CENTER FOR INTERNATIONAL TRADE IN FOREST PRODUCTS

AN ACT Relating to international trade; establishing a provisional center for international trade in forest products; creating new sections; making an appropriation; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. There is created a provisional center for international trade in forest products at the University of Washington, which shall terminate on June 30, 1985, and which shall be referred to in this act as "the center."

NEW SECTION. Sec. 2. The provisional center for international trade in forest products shall:

(1) Coordinate the University of Washington's college of forest resources' faculty and staff expertise to assist in:

(a) The design of strategies which will expand forest-based international trade, including trade in manufactured forest products;