



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Budget Outlook Methodology & Adoption
January 30, 2019
John A. Cherberg, Hearing Room 3

Economic and Revenue Forecast Council

Ed Orcutt, House of Representatives, Chair
John Braun, Senate
Duane Davidson, Treasurer
Vikki Smith, Department of Revenue
David Schumacher, Office of Financial Management

Staff
Steve Lerch, Executive Director
Budget Outlook Work Group
representatives:
Pam Davidson, OFM
Sarian Scott, Senate
Andy Toulon, House

Call to Order

Representative Orcutt called the meeting to order at 10:01 a.m.

Approval of the Minutes

Treasurer Davidson moved, seconded by Representative Orcutt, to adopt the meeting minutes from November 20, 2018. Motion passed unanimously at 10:02 a.m.

Presentation on Budget Outlook

Pam Davidson, Andy Toulon, and Sarian Scott provided an overview of the methodology for the state budget outlook.

Motion to Adopt the Budget Outlook

Director Schumacher moved, seconded by Representative Orcutt, to adopt the outlook on the Governor's proposed budget. Motion unanimously passed at 10:21 a.m. The Budget Outlook is adopted.

Point of Clarification

Representative Orcutt clarified that adoption of the outlook is not an endorsement or support of policy, but that the outlook is a reflection of taxes and expenses under the proposal.

Adjournment

Meeting adjourned at 10:22 a.m.



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

**Meeting Minutes
Economic Review**

March 7, 2019

John A Cherberg, Senate Hearing Room 3

Economic and Revenue Forecast Council

Staff

Members Present

Ed Orcutt, House of Representatives, Council Chair

Steve Lerch, Executive
Director

John Braun, Senate

Christine Rolfes, Senate

Timm Ormsby, House of Representatives

Duane Davidson, Treasurer

David Schumacher, Office of Financial Management

Call to Order

Representative Orcutt called the meeting to order at 8:58 a.m.

Presentation on the Economic Forecast

Dr. Lerch presented information on the preliminary economic forecast. Dr. Lerch summarized the forecast changes and provided background information on both the U.S. and Washington economies. Discussion ensued regarding Washington's economic growth, one-time factors inclusion in the forecast, cannabis volatility and housing growth relative to population.

Motion

Representative Ormsby made a motion to approve the meeting minutes from the January 30, 2019 meeting, seconded by Representative Orcutt. Council approved the motion at 9:22 a.m.

Adjournment

Meeting adjourned at 9:22 a.m.



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes

Revenue Review

March 20, 2019

John A Cherberg, Senate Hearing Room 3

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate
John Braun, Senate
Timm Ormsby, House of Representatives
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management
Vikki Smith, Department of Revenue

Staff

Steve Lerch, Executive Director

Call to Order

Representative Orcutt called the meeting to order at 10:00 a.m.

Motion

Representative Ormsby moved, seconded by Representative Orcutt, to adopt the March 7, 2019 meeting minutes. Motion passed at 10:01 a.m.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes. Discussion ensued regarding housing, recession probabilities, and budget stabilization funds.

Motion

Representative Ormsby moved, seconded by Representative Orcutt, to adopt the baseline revenue forecast. Council approved the motion unanimously at 10:20 a.m.

Adjournment

With no further business, the meeting adjourned at 10:21 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Economic Review & Budget Outlook
June 6, 2019
John L. O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, Council Chair
John Braun, Senate (via phone)
Timm Ormsby, House of Representatives (via phone)
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management

Staff

Steve Lerch, Executive Director
Budget Outlook Work Group representatives:
Pam Davidson, OFM
Sarian Scott, Senate
Dave Johnson, House

Call to Order

Representative Orcutt called the meeting to order at 10:01 a.m.

Motion

Treasurer Davidson moved to adopt the meeting minutes from March 20, 2019, seconded by Representative Orcutt. Council approved the motion at 10:02 a.m.

Budget Outlook

The Budget Outlook Work Group members requested guidance for the outlook on the following areas: debt model calculations, reversions, and state institutions bed closures and community investments.

Motion

Representative Ormsby moved that the estimates for ensuing biennium costs for the Outlook not assume a 2021-23 capital budget and bond bill. With dissenting votes from Treasurer Davidson, Senator Braun, and Representative Orcutt, motion fails at 10:14 a.m. As a result of the failed motion, the Outlook Work Group will assume the enactment of a 2021-23 capital budget and bond bill.

Motion

Representative Ormsby moved to assume K-3 compliance reversions as reflected in the 2019-21 budget, seconded by Representative Orcutt. Council approved the motion at 10:19 a.m.

Motion

Representative Ormsby moved, seconded by Representative Orcutt, absent declarative veto language, to exclude vetoed spending reductions as reversions,

maintaining the original spending authority. The Council approved the motion at 10:26 a.m.

Motion

After discussion, Senator Braun moved, seconded by Representative Orcutt, to assume costs and savings associated with state institution bed closures and community investments in the 2021-23 biennium. The Council approved the motion at 10:40 a.m.

Presentation on the Economic Forecast

Dr. Lerch presented information on the preliminary economic forecast. Dr. Lerch summarized the forecast changes and provided background information on both the U.S. and Washington economies. Discussion ensued regarding recession projections from business economists, revenue collections, and home prices in Seattle.

Adoption

With no objections presented, the economic forecast was adopted at 10:59 a.m.

Adjournment

Meeting adjourned at 11:00 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Budget Outlook Methodology & Adoption
June 11, 2019
John L O'Brien, Hearing Room B

Economic and Revenue Forecast Council

Members

Ed Orcutt, House of Representatives, Chair
Christine Rolfes, Senate
David Schumacher, Office of Financial
Management
Jason Richter, Deputy Treasurer

Staff

Steve Lerch, Executive Director
Budget Outlook Work Group
representatives:
Pam Davidson, OFM
Sarian Scott, Senate
Andy Toulon, House

Call to Order

Representative Orcutt called the meeting to order at 10:05 a.m.

Presentation on Budget Outlook

Pam Davidson, Andy Toulon, and Sarian Scott provided an overview of the methodology for the state budget outlook.

Adoption of the Budget Outlook

The budget outlook is adopted as put forward by the Budget Outlook Work Group and the supervisor of the forecast per RCW.82.33.010(4).

Point of Personal Privilege

The Council recognized Pam Davidson for her service on the Budget Outlook Work Group as she retires from state service.

Adjournment

Meeting adjourned at 10:20 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Revenue Review
June 25, 2019
John L O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate
John Braun, Senate (via phone)
Timm Ormsby, House of Representatives (via phone)
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management

Staff

Steve Lerch, Executive Director

Call to Order

Representative Orcutt called the meeting to order at 10:01 a.m.

Motion

Treasurer Davidson moved, seconded by Representative Orcutt, to adopt the June 6 and June 11, 2019 meeting minutes. Council approved the motion unanimously at 10:02 a.m.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes.

Motion

Senator Rolfes moved, seconded by Representative Orcutt, to adopt the revenue forecasts. Council approved the motion unanimously at 10:16 a.m.

Motion

Senator Rolfes moved, seconded by Representative Orcutt, that the staff of the council separately forecast business and occupation revenues as outlined in E2SHB 2158 (2019), an act relating to creating a workforce education investment to train Washington students for Washington jobs. Council approved the motion unanimously at 10:22 a.m.

Adjournment

With no further business, the meeting adjourned at 10:22 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Revenue Review
September 5, 2019
John L O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate
Timm Ormsby, House of Representatives (via phone)
Jason Richter, Assistant Treasurer
David Schumacher, Office of Financial Management
Vikki Smith, Department of Revenue

Staff

Steve Lerch, Executive Director
Andy Toulon, House
Sarian Scott, Senate
Rachel Knutson, OFM

Call to Order

Representative Orcutt called the meeting to order at 10:03 a.m.

Motion

Director Smith moved, seconded by Representative Ormsby, to adopt the June 25 meeting minutes. Council approved the motion unanimously at 10:04 a.m.

Budget Outlook Presentation

Andy Toulon and the Budget Outlook Work Group provided a review of the accuracy of projections for ensuing biennium expenditures in the state budget outlook.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes. Discussion ensued regarding exports, bond ratings, and unemployment rates.

Motion

Director Smith moved, seconded by Representative Ormsby, to extend the contract with Steve Lerch as the supervisor of the forecast for one year. Council approved the motion unanimously at 10:32 a.m.

Adjournment

With no further business, the meeting adjourned at 10:32 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Revenue Review
September 25, 2019
John L O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House, ERFC Chair
Christine Rolfes, Senate
John Braun, Senate (via phone)
Timm Ormsby, House (via phone)
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management
Vikki Smith, Department of Revenue

Staff

Steve Lerch, Executive
Director

Call to Order

Representative Orcutt called the meeting to order at 10:00 a.m.

Motion

Treasurer Davidson moved, seconded by Representative Orcutt, to adopt the September 5, 2019 meeting minutes. Council approved the motion unanimously at 10:01 a.m.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes. Discussion ensued regarding impacts of the out-of-state sales tax exemption and disruption to exports due to the repair of the locks on the Columbia River. The staff of ERFC will work with Department of Revenue to analyze the impacts of the out-of-state sales tax exemption when tax collection data are available.

Motion

Director Smith moved, seconded by Senator Braun, to adopt the optimistic, pessimistic, and baseline revenue forecasts. Council approved the motion unanimously at 10:33 a.m.

Adjournment

With no further business, the meeting adjourned at 10:33 a.m.



STATE OF WASHINGTON
ECONOMIC AND REVENUE FORECAST COUNCIL
PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes
Economic Review & Budget Outlook
November 4, 2019
John L O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate (via phone)
Timm Ormsby, House of Representatives
Duane Davidson, State Treasurer
David Schumacher, Office of Financial Management
Vikki Smith, Department of Revenue

Staff

Steve Lerch, Executive Director
Andy Toulon, House
Rachel Knutson, OFM
Sarian Scott, Senate

Call to Order

Representative Orcutt called the meeting to order at 10:00 a.m.

Motion

Treasurer Davidson moved, seconded by Representative Ormsby, to adopt the September 25 meeting minutes. Council approved the motion unanimously at 10:01 a.m.

Budget Outlook Presentation

Andy Toulon and the Budget Outlook Work Group discussed the resource and maintenance level updates, which would form the basis of the November 2019 budget outlook. In addition, Work Group members sought guidance from the Council on how to address fire costs and statewide initiatives in the outlook.

Motion

Representative Ormsby, seconded by Treasurer Davidson, moved to include fire suppression costs in the current outlook and to review the estimate annually in future November outlooks. Council approved the motion unanimously at 10:09 a.m.

Motion

Representative Ormsby, seconded by Senator Rolfes, moved to exclude statewide measures on the November 2019 ballot in this outlook; and to include annual review of incorporating the quantifiable fiscal impact of initiatives, referendums, and resolutions in future November outlooks. Council approved the motion unanimously at 10:14 a.m.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes. Discussion ensued regarding exports, housing permits, oil prices, and the yield curve.

Motion

Representative Ormsby moved, seconded by Representative Orcutt to adopt the economic forecast. The council approved the motion unanimously at 10:39 a.m.

Adjournment

With no further business, the meeting adjourned at 10:39 a.m.



STATE OF WASHINGTON

ECONOMIC AND REVENUE FORECAST COUNCIL

PO Box 40912 □ Olympia, Washington 98504-0912 □ (360) 534-1560

Meeting Minutes Revenue Review & Budget Outlook November 20, 2019 John L. O'Brien, Hearing Room C

Economic and Revenue Forecast Council

Members Present

Ed Orcutt, House of Representatives, ERFC Chair
Christine Rolfes, Senate
John Braun, Senate
Timm Ormsby, House of Representatives
Duane Davidson, Treasurer
David Schumacher, Office of Financial Management

Staff

Steve Lerch, Executive Director
Sarian Scott, Senate
Andy Toulon, House
Rachel Knutson, OFM

Call to Order

Representative Orcutt called the meeting to order at 10:03 a.m.

Motion

Representative Ormsby moved, seconded by Representative Orcutt, to adopt the November 4, 2019 meeting minutes. Motion passed at 10:04 a.m.

Forecast Presentation

Dr. Lerch presented information on the economic and revenue forecast. Dr. Lerch summarized the forecast changes.

Motion

Director Schumacher moved, seconded by Representative Orcutt, to adopt the official state economic and revenue forecasts, and the unofficial optimistic, pessimistic and alternative forecasts. Council approved the motion unanimously at 10:22 a.m.

Budget Outlook Presentation

Sarian Scott, Andy Toulon, and Rachel Knutson presented information on the four-year budget outlook. Discussion ensued regarding pension costs and extraordinary expenditures for fire costs.

Motion

Representative Ormsby made a motion to adopt the budget outlook as presented, seconded by Representative Orcutt. Council approved the motion unanimously at 10:39 a.m.

Adjournment

With no further business, the meeting adjourned at 10:40 a.m.