

**SENATE BILL REPORT**

**SSB 5702**

**AS PASSED SENATE, JANUARY 31, 1992**

**Brief Description:** Directing the economic and revenue forecast council to forecast caseloads.

**SPONSORS:** Senate Committee on Ways & Means (originally sponsored by Senators McDonald, Talmadge, Craswell, McMullen, Anderson, Rasmussen, Bluechel and Thorsness).

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 5702 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bluechel, Cantu, Hayner, Matson, Metcalf, Newhouse, Owen, L. Smith, and West.

**Staff:** Denise Graham (786-7715)

**Hearing Dates:** February 21, 1991; February 25, 1991

**BACKGROUND:**

The Economic and Revenue Forecast Council consists of representatives of the four legislative caucuses and two representatives of the Governor. The council employs the economic and revenue forecast supervisor. Four times each year the forecast supervisor prepares an official, an optimistic, and a pessimistic economic and revenue forecast, which are subject to the approval of the council.

The Office of Financial Management (OFM), working with the Department of Social and Health Services (DSHS) and other state agencies, prepares forecasts of caseloads for state social programs. These two-year forecasts are used to aid in the management of social programs and to establish funding levels.

OFM's forecasting models for income and medical assistance caseloads use variables included in the economic forecasts produced by the Economic and Revenue Forecast Council. OFM and DSHS produce the income and medical assistance caseload forecasts in September and update them in November and March in conjunction with the economic and revenue forecast. Generally, the caseload forecasts are not updated along with the June economic forecast.

OFM and DSHS prepare annual caseload forecasts for the following: institutional mental health programs, state nursing homes and juvenile rehabilitation programs. DSHS forecasts caseloads for community mental health and developmentally disabled populations independently of OFM.

Inmate populations are forecast each fall by OFM using assumptions developed by the criminal justice work group.

**SUMMARY:**

The redesignated Economic, Revenue and Caseload Forecast Council employs the caseload forecast supervisor. The caseload forecast supervisor prepares an official, an optimistic and a pessimistic caseload forecast four times each year. The forecasts are to be approved by the council. Agencies affected by caseloads must provide the council and council's workgroup caseload reports and background data.

The Governor may appoint two alternative members to the council to serve in lieu of the two primary appointees when the council is dealing with issues related to caseload forecasting.

The Governor's budget is based on the estimated revenues and caseloads approved by the council. The Governor may adjust the forecasts based on assumptions about policy or programs changes. Such adjustments must be clearly spelled out in the budget document.

Caseload is defined as the number of persons expected to meet eligibility requirements of or require services from the Aid to Families with Dependent Children program, the Community Mental Health program, the Involuntary Treatment Act, Medicaid, nursing homes, state correctional institutions, state mental hospitals, programs for the developmentally disabled, juvenile offender programs, and any other state-funded programs as determined by the council.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:** None

**TESTIMONY AGAINST:**

The concerns this bill was meant to address have already been dealt with. Under the bill, all caseload forecasts would have to be updated each quarter, yet most of the variables don't change within a three-month period of time.

**TESTIFIED:** Gary Robinson, Asst. Director, Forecasting Division, Office of Financial Management