

SENATE BILL REPORT

SB 5279

As of January 21, 2015

Title: An act relating to lean management and performance management strategies for economic and revenue forecasts.

Brief Description: Concerning lean management and performance management strategies for economic and revenue forecasts.

Sponsors: Senators Miloscia, Jayapal, Hill, Frockt, Keiser, Conway and Chase.

Brief History:

Committee Activity: Accountability and Reform: 1/21/15.

SENATE COMMITTEE ON ACCOUNTABILITY AND REFORM

Staff: Tim Ford (786-7423)

Background: The Economic and Revenue Forecast Council (ERFC) is an independent agency. Four times each year the council prepares an official state economic and revenue forecast, an unofficial forecast based on optimistic economic and revenue projections, and an unofficial forecast based on pessimistic economic and revenue projections. The forecasts are submitted to the Governor and Legislature on or before November 20, February 20 in even-numbered years, March 20 in odd-numbered years, June 20, and September 20. The forecast is intended to provide accurate information of economic activity and general fund revenue for the Legislature and the Governor to be used as the basis of the state budget.

The Economic and Revenue Forecast Council also oversees the state budget outlook as prepared by the Budget Outlook Work Group. The outlook must estimate revenues to and expenditures from the state general fund and related funds. The Budget Outlook must:

- address major budget and revenue drivers including trends and variability in these drivers;
- clearly state the assumptions used in the estimates of baseline and projected expenditures and any adjustments made to those estimates;
- clearly state the assumptions used in the baseline revenue estimates and any adjustments to those estimates;
- include the impact of previously enacted legislation with a future implementation date;

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- separately include projections based on the revenue and expenditures proposed in the governor's budget documents submitted to the Legislature;
- each January, subject to the approval of ERFC, prepare a state budget outlook for state revenues and expenditures that reflects the Governor's proposed budget document submitted to the Legislature;
- within 30 days following enactment of an operating budget by the Legislature, prepare a state budget outlook for state revenues and expenditures that reflects the enacted budget; and
- publish its proposed methodology on the designated website; and
- provide recommendations to change the outlook process to increase reliability and accuracy beginning December 1, 2013, and every five years thereafter.

Summary of Bill: The Economic and Revenue Forecast supervisor must provide estimated savings resulting from application of lean management and performance management strategies at state agencies. The official state budget outlook for state revenues and expenditures must clearly state the savings resulting from application of lean management and performance management strategies at state agencies.

Appropriation: None.

Fiscal Note: Requested on January 19, 2015.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.