

# SENATE BILL REPORT

## SB 5736

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As of February 5, 2015

**Title:** An act relating to savings from performance management.

**Brief Description:** Concerning savings from performance management.

**Sponsors:** Senators Miloscia, Baumgartner, Brown, Bailey, Benton, Schoesler, Becker, Roach, Ericksen, Angel, Parlette, Braun, Padden, Hill and Dammeier.

**Brief History:**

**Committee Activity:** Accountability and Reform: 2/04/15.

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### SENATE COMMITTEE ON ACCOUNTABILITY AND REFORM

**Staff:** Tim Ford (786-7423)

**Background:** The Caseload Forecast Council is an independent agency providing caseload forecasts to be used as a component of the state budget process. The caseload forecast allows decision makers to efficiently allocate state resources. A caseload is the number of persons expected to meet entitlement requirements and require the services of the following forecast programs:

- public assistance programs;
- state correctional institutions;
- state correctional non-institutional supervision;
- state institutions for juvenile offenders;
- the common school system;
- long-term care;
- medical assistance;
- foster care; and
- adoption support.

All agencies of state government must provide immediate access to all information and statistical models relating to caseload forecasts. A supervisor employed by the Council prepares an official caseload forecast to be adopted by the Council. The caseload forecasts are prepared and submitted at least three times per year to the Governor and the Legislature to facilitate development of budget proposals. The Council may also prepare alternate non-official caseload forecasts using other assumptions.

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*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.*

**Summary of Bill:** The supervisor, in addition to preparing an official caseload forecast, must prepare estimated savings in forecasted programs from application of lean management or performance management or other processes at state agencies. All state agencies must provide immediate access to the Council, the Office of Financial Management, and Results Washington, all estimated savings from lean management or performance management. The Council must approve the official forecast with estimated savings and the Governor must incorporate the estimated savings in the budget.

Savings from lean management or other performance management means applied management strategies used to achieve actual reduced expenditures, and such savings must be measurable. Applied management strategies means any management tools for the purpose of achieving savings, reducing waste, or improving efficiencies by state agencies.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: The purpose of the bill is to find an independent, unbiased, well-respected agency that can forecast future cost savings or efficiencies by our lean performance management strategies. We do this already for predicting many areas such as predicting carbon waste reduction in the atmosphere, predicting fuel standards in the future, and predicting cost reductions as you improve productivity and efficiencies in an organization.

OTHER: We don't forecast the underlying trend but we do forecast the impact of policy action taken by the Governor and Legislature. The quality of the forecast depends on the quality of the data. Our forecasts rely on data provided by agencies and the quality of data varies. We could just catalogue the estimates of savings as provided by agencies. It is difficult to quantify some efficiencies such as better service.

**Persons Testifying:** PRO: Senator Miloscia, prime sponsor.

OTHER: John Steiger, Director, Caseload Forecast Council.