

SENATE BILL REPORT

SHB 2758

As Reported By Senate Committee On:
Ways & Means, February 20, 1996

Title: An act relating to the measurement of state fiscal conditions and economic performance.

Brief Description: Measuring state fiscal conditions.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Huff, Cooke and Silver).

Brief History:

Committee Activity: Ways & Means: 2/20/96 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hargrove, Kohl, Long, McDonald, Moyer, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West and Winsley.

Staff: Stan Pynch (786-7512)

Background: Under RCW 82.33, the Economic and Revenue Forecast Council provides the official state economic and revenue forecast four times per year. The six-member council consists of four legislators and two appointees of the Governor. The legislators are selected by the chairs of the party caucuses in the Senate and the House of Representatives. Currently, the Governor's appointees are the directors of the Office of Financial Management and the Department of Revenue.

The Economic and Revenue Forecast Council employs a forecast supervisor and staff for the preparation of the forecasts. The forecasts are subject to approval by the members of the council. The council staff monitors daily changes in the economic outlook throughout the year and advises the council on anticipated shifts in tax collections. The official forecasts are submitted to the Governor, the fiscal committees of the House of Representatives and Senate, and the Legislative Transportation Committee on a regular basis.

Summary of Bill: The Economic Climate Council is established. The Economic Climate Council is to select no more than 10 benchmarks that characterize the competitive environment of the state. General criteria for the selection of benchmarks are provided, including the availability of comparative data from other states, the timeliness of obtaining benchmark data, and the accuracy and validity of the benchmarks as indicators of the economic climate.

The Economic Climate Council is to report to the Legislature on the selected benchmarks by September 30, 1996. The council also prepares an official state economic climate report

twice per year on the status of the benchmarks and noting any changes since the previous report. Submission of the report to the Governor and fiscal committees of the Legislature must be on or before March 31 and September 30 every year. The first report must be submitted by September 30, 1996.

The Economic and Revenue Forecast Council temporarily acts as the Economic Climate Council until July 1, 1997. In that role, the Economic and Revenue Forecast Council must make a recommendation to the Legislature by September 30, 1996, regarding the permanent structure, composition, and staffing of the Economic Climate Council. The Economic and Revenue Forecast Council is required to create an advisory committee to assist the Economic Climate Council in selecting benchmarks and developing reports. The advisory committee is to provide a process to ensure public participation in the selection of the benchmarks.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.