
SENATE BILL 5279

State of Washington

64th Legislature

2015 Regular Session

By Senators Miloscia, Jayapal, Hill, Frockt, Keiser, Conway, and Chase

Read first time 01/16/15. Referred to Committee on Accountability and Reform.

1 AN ACT Relating to lean management and performance management
2 strategies for economic and revenue forecasts; amending RCW
3 82.33.060; and reenacting and amending RCW 82.33.020.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.33.020 and 2012 1st sp.s. c 8 s 3 and 2012 c 182
6 s 1 are each reenacted and amended to read as follows:

7 (1) Four times each year the supervisor must prepare, subject to
8 the approval of the economic and revenue forecast council under RCW
9 82.33.010:

10 (a) An official state economic and revenue forecast;

11 (b) An unofficial state economic and revenue forecast based on
12 optimistic economic and revenue projections; and

13 (c) An unofficial state economic and revenue forecast based on
14 pessimistic economic and revenue projections.

15 (2) The supervisor must submit forecasts prepared under this
16 section, along with any unofficial forecasts provided under RCW
17 82.33.010, to the governor and the members of the committees on ways
18 and means and the chairs of the committees on transportation of the
19 senate and house of representatives, including one copy to the staff
20 of each of the committees, on or before November 20th, February 20th
21 in the even-numbered years, March 20th in the odd-numbered years,

1 June 27th, and September 27th. All forecasts must include both
2 estimated receipts and estimated revenues in conformance with
3 generally accepted accounting principles as provided by RCW
4 43.88.037. In odd-numbered years, the period covered by forecasts for
5 the state general fund and related funds must cover the current
6 fiscal biennium and the next ensuing fiscal biennium. In even-
7 numbered years, the period covered by the forecasts for the state
8 general fund and related funds (~~shall~~) must be current fiscal and
9 the next two ensuing fiscal biennia.

10 (3) All agencies of state government must provide to the
11 supervisor immediate access to all information relating to economic
12 and revenue forecasts. Revenue collection information must be
13 available to the supervisor the first business day following the
14 conclusion of each collection period.

15 (4) The economic and revenue forecast supervisor and staff must
16 co-locate and share information, data, and files with the tax
17 research section of the department of revenue but may not duplicate
18 the duties and functions of one another.

19 (5) As part of its forecasts under subsection (1) of this
20 section, the supervisor must provide estimated revenue from tuition
21 fees as defined in RCW 28B.15.020.

22 (6) As part of its forecasts under subsection (1) of this
23 section, the supervisor must provide estimated savings resulting from
24 application of lean management and performance management strategies
25 at state agencies.

26 (7) The economic and revenue forecast council must, in
27 consultation with the economic and revenue forecast work group
28 created in RCW 82.33.040, review the existing economic and revenue
29 forecast council revenue model, data, and methodologies and in light
30 of recent economic changes, engage outside experts if necessary, and
31 recommend changes to the economic and revenue forecast council
32 revenue forecasting process to increase confidence and promote
33 accuracy in the revenue forecast. The recommendations are due by
34 September 30, 2012, and every five years thereafter.

35 **Sec. 2.** RCW 82.33.060 and 2012 1st sp.s. c 8 s 4 are each
36 amended to read as follows:

37 (1) To facilitate compliance with, and subject to the terms of,
38 RCW 43.88.055, the state budget outlook work group (~~shall~~) must
39 prepare, subject to the approval of the economic and revenue forecast

1 council under RCW 82.33.010, an official state budget outlook for
2 state revenues and expenditures for the general fund and related
3 funds. In odd-numbered years, the period covered by the November
4 state budget outlook (~~(shall)~~) must be the current fiscal biennium
5 and the next ensuing fiscal biennium. In even-numbered years, the
6 period covered by the November state budget outlook (~~(shall)~~) must be
7 the next two ensuing fiscal biennia. The revenue and caseload
8 projections used in the outlook must reflect the most recent official
9 forecasts adopted by the economic and revenue forecast council and
10 the caseload forecast council for the years for which those forecasts
11 are available.

12 (2) The outlook must:

13 (a) Estimate revenues to and expenditures from the state general
14 fund and related funds. The estimate of ensuing biennium expenditures
15 must include maintenance items including, but not limited to,
16 continuation of current programs, forecasted growth of current
17 entitlement programs, and actions required by law, including
18 legislation with a future implementation date. Estimates of ensuing
19 biennium expenditures must exclude policy items including, but not
20 limited to, legislation not yet enacted by the legislature,
21 collective bargaining agreements not yet approved by the legislature,
22 and changes to levels of funding for employee salaries and benefits
23 unless those changes are required by statute. Estimated maintenance
24 level expenditures must also exclude costs of court rulings issued
25 during or within fewer than ninety days before the beginning of the
26 current legislative session;

27 (b) Address major budget and revenue drivers, including trends
28 and variability in these drivers;

29 (c) Clearly state the assumptions used in the estimates of
30 baseline and projected expenditures and any adjustments made to those
31 estimates;

32 (d) Clearly state the assumptions used in the baseline revenue
33 estimates and any adjustments to those estimates; (~~and~~)

34 (e) Include the impact of previously enacted legislation with a
35 future implementation date; and

36 (f) Clearly state the savings resulting from application of lean
37 management and performance management strategies at state agencies.

38 (3) The outlook must also separately include projections based on
39 the revenues and expenditures proposed in the governor's budget
40 documents submitted to the legislature under RCW 43.88.030.

1 (4) The economic and revenue forecast council (~~shall~~) must
2 submit state budget outlooks prepared under this section to the
3 governor and the members of the committees on ways and means of the
4 senate and house of representatives, including one copy to the staff
5 of each of the committees, as required by this section.

6 (5) Each January, the state budget outlook work group (~~shall~~)
7 must also prepare, subject to the approval of the economic and
8 revenue forecast council, a state budget outlook for state revenues
9 and expenditures that reflects the governor's proposed budget
10 document submitted to the legislature under chapter 43.88 RCW. Within
11 thirty days following enactment of an operating budget by the
12 legislature, the work group (~~shall~~) must prepare, subject to the
13 approval of the economic and revenue forecast council, a state budget
14 outlook for state revenues and expenditures that reflects the enacted
15 budget.

16 (6) All agencies of state government (~~shall~~) must provide to
17 the supervisor immediate access to all information relating to state
18 budget outlooks.

19 (7) The state budget outlook work group must publish its proposed
20 methodology on the economic and revenue forecast council web site.
21 The state budget outlook work group, in consultation with the
22 economic and revenue forecast work group and outside experts if
23 necessary, must analyze the extent to which the proposed methodology
24 for projecting expenditures for the ensuing fiscal biennia may be
25 reliably used to determine the future impact of appropriations and
26 make recommendations to change the outlook process to increase
27 reliability and accuracy. The recommendations are due by December 1,
28 2013, and every five years thereafter.

--- END ---