Overall, this bill makes changes to the state economic forecasting process by requiring increased consultation with the legislature and legislative fiscal staff. It also requires the Department of Finance to increase the amount, type, and frequency of information relevant to the economic forecasts that are shared with the legislature and legislative fiscal staff. Current state law requires the commissioner of Finance to forecast state revenues and expenditures twice each year in February and November.

1 **State revenue and expenditure forecast.** Establishes a method for including inflation in the forecast of the cost of delivering state services at the level necessary to meet the current law requirements. The inflation factor is limited to the amount of the consumer price index unless the law governing the delivery of a specific service provides for another method of determining appropriation growth.

**Subd. 1b. Forecast variable.** Current law requires the department of finance to consult with the legislature in setting the values for certain variables that are used in the expenditure forecasts. This section changes the consultation process by adding investment income to the list of variables and adding the lead minority members of the senate state government finance and house ways and means committee to the legislative group that must be consulted. It also requires the consultation to be done within specified time periods. The department of finance must consult with the legislature at least six weeks before releasing the forecast and, must notify the designated legislators and fiscal staff within two weeks of the release of any changes from the previous forecast.

**Subd. 1c. Expenditure data.** Requires state agencies to notify the commissioner of finance of revised expenditure data used in the forecast a minimum of four weeks before the forecast is released. The commissioner must notify legislative fiscal staff of these changes by three weeks before the forecast is released.

**Subd. 1d. Revenue data.** Requires the commissioner of finance to provide updated state revenue data to legislative fiscal staff within 12 days of the end of the month.
Subd. 1e. Economic information. Requires the commissioner of finance to provide a review of economic information included in the forecasts to legislative fiscal staff at least two weeks before the forecast is released. Legislative fiscal staff, committee chairs and lead minority members of the Senate state government finance committee and the house ways and means committee must be invited by the commissioner to attend meetings with outside economic advisors. Legislative fiscal staff must also receive monthly economic forecast information provided to the commissioner by outside sources.