

MEMORANDUM

TO: All House Members

FROM: Rep. Mark B. Cohen, Chair
Democratic Human Services Committee

DATE: June 14, 2011

RE: Co-sponsorship of Resolution on Revenue Estimate Committee

Your co-sponsorship is requested for a resolution creating a select legislative committee to research producing better revenue estimates. A thorough study of the process will give the legislature insights into the meaning of these estimates. This may give the House the ability to create our own estimates.

The text of this proposal follows:

A Select Committee to Improve Revenue Estimates shall be created to investigate the current methodology used by the Budget Office and Revenue Department to produce estimated revenue forecasts. This committee shall investigate methodologies for revenue estimates used in other states, methodologies recommended by academic researchers, and the benefits and limitations of different methodologies. The committee is empowered to implement methodologies to produce its own revenue estimates including a range of estimates.

The Committee shall consider the impact of revenue estimates on local governments, state employers, and the people of Pennsylvania. The committee shall consider the actions undertaken by these revenue estimates and the negative impacts that are created when actions are taken in response to estimates that prove to be inaccurate. The Committee shall consider how to minimize the negative impacts of revenue estimates that prove to be incorrect.

The Committee shall have oversight of any state entity that creates forecasts of state revenues. The Committee shall hold public hearings and shall have subpoena power.

The Committee shall consist of 13 members appointed by the Speaker and 12 members appointed by the Majority Leader.

This Committee shall issue a preliminary report no longer than the date of the Governor's budget address in 2012. The Committee shall issue a final report by November 30, 2012.

To co-sponsor this bill, please contact Linda Huntington in my office at lhunting@pahouse.net or at 787-3085.