

## Proposed Policy

### Governing Confidential Requests Made to the Office of Economic and Revenue Forecasts

#### Purpose and Objective

Per the terms of the legislation that created the Office of Economic and Revenue Forecasts (Forecast Office), “[t]he Office shall staff the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program. Such analyses shall be nonpartisan, and confidential to the extent allowed by law [Emphasis added].” The purpose of this policy is to further define the processes and procedures that will govern the Forecast Office’s confidential analyses, and whether, how, and when such analyses will be shared between the Legislative and Executive branches.

#### Background

The Forecast Office was purposefully established as an independent, non-partisan institution that operates without undue influence from either the Legislative or Executive branches of the City of Seattle. Accordingly, the Forecast Office reports to a governing board, the Economic and Revenue Forecast Council, which includes equal representation from both branches. The primary purpose of the Forecast Office is to prepare revenue forecasts that serve as key inputs to the City’s budgeting processes. Held in confidence while they are in development, these forecasts are prepared as a joint work product for both the Legislative and Executive branches and are first revealed when they are presented to a public meeting of the Forecast Council.

In addition to this forecasting responsibilities, Forecast Office staff are also available to “provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff”. These tasks often represent joint requests that come from both the Legislative and Executive branches, but per the Forecast Office’s authorizing legislation, either branch can request that analyses be conducted on a confidential basis.

The specific purpose of this policy is to further define, and to establish a common understanding about, how and when analyses originally requested by one branch can or must be shared with the other.

#### Principles

The details of the policy governing how analyses are to be shared are set out below. The policy provisions are designed to address a range of situations and have been formulated with the following principles in mind. In addition to highlighting the rationale behind specific elements of the policy, these principles should also be helpful in addressing any unanticipated scenarios that develop in the future.

- The independent nature of the Forecast Office is essential to its primary forecasting function, and the Office must avoid even the appearance of serving one branch at the expense of the other.

- The economic analysis and forecasting expertise of Forecast Office staff are of significant value to the City and both branches should have access to these staff as a resource.
- The Director of the Forecast Office is responsible for managing the Office's overall workload to ensure that forecasting responsibilities are maintained as the highest priority, and that any remaining available time is appropriately and fairly divided among shared research tasks, and the individual requests of the Legislative and Executive branches. Exactly equal time does not necessarily need to be reserved for each branch, but nor should significantly disproportionate time be spent on the interests of just one branch.
- The Forecast Office should not take a position advocating on behalf of the policy position of one branch or the other, but the Office does have both a duty and a responsibility to provide appropriate explanation and context when analyses that it has completed are used in support of specific policy proposals.

## **Policy Provisions**

### ***1. Analyses used only for internal purposes.***

Work that the Forecast Office completes for either branch that is used only to inform internal policy discussions and is not cited in support of a specific policy position or proposal, can be maintained as confidential from the other branch. For example, work done to explore ideas that are researched but ultimately rejected, does not need to be shared with the other branch. This confidentiality is potentially limited by the City's responsibilities under the Public Disclosure Act and any other legal constraints, but not by this policy itself. The Forecast Office will consult with the department that requested the work when and if it receives an information request related to such analyses to determine an appropriate response. Notwithstanding this consultation, the Director maintains final authority over the release of information from the Forecast Office.

### ***2. Analyses used in support of a public proposal or discussion.***

The analytic work completed by the Forecast Office can and should be used to support public proposals or to inform public policy discussions. However, use of Forecast Council work in this context could raise the risk of the Forecast Office being seen as having endorsed one policy position or another. In turn, this has the risk of weakening the perceived and critical independence of the Office. To mitigate this risk, transparency and equitable access to the underlying analyses creates two requirements. First, in a public setting, any work of the Forecast Office should be appropriately acknowledged and attributed to the Office. This will avoid any confusion about its source, even if the work was initially requested in a confidential setting. Second, if either branch intends to publicly [emphasis added] cite and attribute to the Forecast Office analyses that were done pursuant to an initially confidential request, the Forecast Office must be given an opportunity to brief the other branch on the nature and findings of that analyses before the issue is discussed publicly. In particular, the Forecast Office will be given at least 2-3 working days to provide briefings to representatives of the other branch. If the Forecast Office Director, in their sole judgement, determines that the issue at hand is of significant scope and/or complexity, or

circumstances otherwise preclude effective briefing within the 2-3 working days, they will consult with the branch that requested the work to determine an appropriate timeline for offering briefings. Notwithstanding this consultation, the Forecast Office Director's judgement in these matters will be final.

Whenever possible and appropriate, the Forecast Office will work with the branch that requests the analysis to provide a joint briefing of the other branch. In general, a joint briefing will likely provide the most effective and efficient forum for explaining the policy proposal and its financial implications. However, there could be logistical complications and/or process considerations that argue against a joint briefing in some situations. For this reason, a joint briefing is not required but recommended. The Forecast Office Director will work with both branches to determine the best approach in each circumstance. If consensus cannot be reached, the Director's judgement in these matters will be final.

### **3. *Fiscal Notes***

The City's requirement that all legislative proposals include a thorough fiscal note highlights the City's commitment to ensuring that financial factors are considered in all policy decisions. The experience and expertise of Forecast Office staff could be valuable for either branch in preparing fiscal notes and contributing to overall financial transparency. The timing of when proposed legislation is released and legislative materials are submitted to the City Clerk is governed by its own set of City policies and procedures. Both branches value the prerogative to develop legislation in confidence and to plan for how legislative proposals will be brought forward to the public. This policy set forth here regarding the work of the Forecast Office is not intended to disrupt or supersede current practice in these matters. Accordingly, if the Forecast Office has been engaged to develop a revenue or fiscal-impact analysis for the purpose of completing a fiscal note for a specific piece of legislation, this work can be held in confidence until legislation is formally transmitted to the City Clerk, or it is released to the public in some other way. In support of transparency, when it is released, the portion of the fiscal analysis completed by the Forecast Office should be appropriately acknowledged and cited. After transmittal or release, the Forecast Office will then be immediately available to brief the other branch on the fiscal estimates and the underlying financial analyses. As a point of clarification, to the extent this element of the policy conflicts with the "pre-disclosure" briefing requirement set out above, the intent is that work specifically completed in support of a fiscal note be seen as a limited exemption from that disclosure requirement.

### **4. *Scope of Information to be Shared.***

In sharing analyses originally requested in confidence, the Forecast Office will provide a thorough explanation of the work, including but not limited to the overall analytic approach, underlying assumptions, relevant financial context, and the details of any specific conclusions. The explanation will focus on the aspects of the analyses for which the Forecast Office was responsible, deferring to the branch that requested the work to provide a broader policy background and framing. Regarding any privileged legal advice shared as part of completing the analytic work, the Forecast Office staff will only provide information to those that share the same privilege and will only share the information needed

to understand and interpret the specific financial analysis. In summary, the Forecast Office will provide the information and context needed to explain and contextualize the work it has contributed but will defer the broader discussions of the issue or proposal at hand to the branch that requested the work.