



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # HB0442

Title: Legislative review of fiscal note accuracy

Primary Sponsor: Phillips, Mike

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$17,163	\$14,388	\$14,748	\$15,116
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$17,163)</u>	<u>(\$14,388)</u>	<u>(\$14,748)</u>	<u>(\$15,116)</u>

Description of Fiscal Impact: The activity directed by this bill would become a statutory duty of the Legislative Fiscal Division. The work would require an estimated 500 hours per year which is the equivalent of a 0.25 FTE fiscal analyst.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

1. It is assumed that tracking implementation of 25 bills from each session starting with the 2001 session will result in a workload of 100 bills initially and an ongoing workload of tracking the implementation of 75 bills annually in subsequent years.
2. The tracking of the implementation of legislation to determine accuracy of fiscal notes would involve an annual review to capture the cost (or reduction in cost) of the function, activity or service, and/or identify revenue changes attributable to the legislation that occurred during the year. A small database would be created to capture the analysis.
3. The analysis would be required to determine how a bill was implemented relative to what was portrayed in the fiscal note and the changes in cost or revenue that actually occurred. In some instances information might be difficult to retrieve from accounting records depending on how the implementation of the bill is

set up in the accounting system or whether the implementation becomes simply part of an existing program and is incorporated into an already established accounting structure. The analysis, as provided in HB 442, would also require an analysis of statute to determine if subsequent statute changes have had an effect on the projected impact of the fiscal note.

4. It is assumed that reports to the Legislative Finance Committee and the Legislative Council would occur at meetings in the fall preceding regular legislative sessions, and would involve the preparation of a report reflecting the 5-year analysis of the 25 fiscal notes selected for the session that occurred five years previous, except that the first report in the fall of 2008 would report on 50 fiscal notes and bills (from the 2001 and 2003 sessions).
5. Without any experience upon which to determine resource requirements, it is assumed that this activity would require 500 hours which translates to approximately one-quarter FTE fiscal analyst and some associated office setup costs in the first year. The division does not currently have physical space for another FTE and accommodations would need to be found.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.25	0.25	0.25	0.25
<u>Expenditures:</u>				
Personal Services	\$14,388	\$14,388	\$14,748	\$15,116
Operating Expenses	\$2,775	\$0	\$0	\$0
TOTAL Expenditures	<u>\$17,163</u>	<u>\$14,388</u>	<u>\$14,748</u>	<u>\$15,116</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$17,163	\$14,388	\$14,748	\$15,116
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$17,163)	(\$14,388)	(\$14,748)	(\$15,116)

Technical Notes:

1. Depending upon the fiscal notes that are tracked from previous sessions, it may or may not be possible to track the actual costs or revenues, depending upon how the agency records its costs or revenues on SABHRS. There may be no way to identify the cost or revenue because the activity is not separately recorded in its own fund, org, subclass, or account.
2. If bills with fiscal notes are randomly selected, there may be items selected for which there would be no value in tracking, such as a fiscal note with no impact reported (unless there is a desire to identify fiscal notes in which an agency states “no impact” but the legislation results in an increase to base expenditures).

Sponsor's Initials

Date

Budget Director's Initials

Date