



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0146

Title: Require OBPP to report actual costs to cost projected in fiscal notes

Primary Sponsor: Mercer, Bill

Status: As Amended

- 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 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$12,989	\$12,989	\$26,822	\$27,667
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$12,989)</u>	<u>(\$12,989)</u>	<u>(\$26,822)</u>	<u>(\$27,667)</u>

Description of fiscal impact: HB 146, as amended, requires the Office of Budget and Program Planning (OBPP) to prepare an annual report to the Legislative Finance Committee by October 1st of each year. The report must include information on each bill that is passed with a fiscal note, the actual expenditures associated with the bill for the past fiscal year, a description of the expenditures, and the projected costs of the bill as projected in the fiscal note or as required in the bill, for the same fiscal year. This information must be included for all bills where at least \$1 million in general fund expenditures were projected in the fiscal note or are required in a bill. The general appropriations act and any bills exempted by the legislature are excluded from the report. Implementation of this bill will require additional staffing resources at the Office of Budget and Program Planning.

FISCAL ANALYSIS

Assumptions:


Office of Budget and Program Planning (OBPP)

- OBPP expects to work with state agencies on bills having projected expenditure costs in excess of \$1 million for any fiscal year contained in a fiscal note.
- It is estimated OBPP will have to track the expenditure impact of 16 expenditure bills during the first biennium directly after a bill is passed.

3. With each new Legislative Session, OBPP will track and report on the impact of 16 additional expenditure bills. During the third and fourth years of this fiscal note, and all subsequent years, OBPP will have to estimate and report on the impact of 32 expenditure bills.
4. It is assumed that each expenditure bill will require 20 hours of work to track and report on each year. Because expenditure bills will likely be appropriated a fixed amount, and information will likely be available in the state accounting system to track expenditures, it is assumed that expenditure bills will require less hours of work to report on than bills impacting revenues and tax policy.
5. With 20 hours of work for each bill, and 16 bills during the first biennium, OBPP will require 320 additional hours of work each year.
6. With 20 hours of work for each expenditure bill and 16 bills the following years, OBPP will require 320 additional hours of work to prepare the cost estimates each year of the second biennium.
7. It is assumed OBPP will require 320 additional hours of work in FY 2022 and 2023 and 640 additional hours for FY 2024 and FY 2025.
8. The cost to OBPP of employing a budget analyst for 320 additional hours in FY 2022 and 2023 is \$12,989. The cost for 640 hours is \$26,822 in FY 2024 and \$27,667 in FY 2025.
9. Staffing requirements would be examined at the end of each legislative session, depending on the actual amount of bills exceeding \$1 million in any given session.

Technical Notes

1. This fiscal note assumes that “expenditures” as reflected in the bill text do not include tax expenditures. If the intent is to include bills impacting general fund revenue via tax expenditures, the additional cost for additional staffing resources at the Department of Revenue would be approximately \$15,000 per year for FY 22 and FY 23, and approximately \$30,000 per year for FY 24 and FY 25.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services (OBPP)	\$12,989	\$12,989	\$26,822	\$27,667
TOTAL Expenditures	<u>\$12,989</u>	<u>\$12,989</u>	<u>\$26,822</u>	<u>\$27,667</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$12,989	\$12,989	\$26,822	\$27,667
TOTAL Funding of Exp.	<u>\$12,989</u>	<u>\$12,989</u>	<u>\$26,822</u>	<u>\$27,667</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$12,989)	(\$12,989)	(\$26,822)	(\$27,667)
	<u>2/12/21</u>	<u>KA</u>	<u>2/12/21</u>	
Sponsor's Initials	Date	Budget Director's Initials	Date	