



LEGISLATIVE FISCAL ANALYST



Fiscal Note Seminar

Legislator Briefing

January 2008

What Fiscal Notes Are

- Fiscal notes show the financial impact of enacting a bill on:
 - State government
 - Local government
 - Business and individuals
- The Fiscal Analyst prepares fiscal notes for all bills.

Fiscal Note Uses

Fiscal notes are used to:

- Balance the budget (a Constitutional requirement).
- Make rules Committee decisions (\$10,000 rule).
- And make sure agencies have the correct funding to implement the bill.

Costs vs. Funding

The Analyst estimates the cost of implementing a bill.

The Legislature determines how much will be appropriated to implement a bill.

Fiscal Note Process

The Analyst gets a copy of the bill from Legislative Research & General Counsel and the clock starts.

1. The bill is assigned to an analyst & you've got mail.
2. The analyst sends the bill to agencies & others.
3. Agencies gather info and respond to the analyst.
4. The analyst prepares the fiscal note.
5. Note is then reviewed by the Fiscal Note Coordinator and the Fiscal Analyst.
6. 24 hour letter is sent to sponsor & the clock stops.

Where is My Bill in the Process?

- Go the Legislature's web site and select your bill.
- Select "Bill Status."
- Fiscal Analysts actions shown in green.

JR4-2-403

The 3 Day Rule

- (1)(a)(i) When the Legislative Fiscal Analyst receives the electronic copy of the approved legislation from the Office of Legislative Research and General Counsel, that office shall, **within three legislative days**:
- (A) review and analyze the legislation to determine its fiscal impact; and
 - (B) provide a fiscal note to the sponsor of the legislation.
- (ii) The three day deadline for the preparation of the fiscal note may be extended if the Legislative Fiscal Analyst requests it, states the reasons for the delay, and informs the sponsor of the legislation of the delay.

JR4-2-403

Quick Release of “No Impact” Notes

(b) If the Legislative Fiscal Analyst determines that the legislation has no fiscal impact, the Legislative Fiscal Analyst may release the fiscal note immediately after the sponsor has received a copy of the fiscal note.

JR4-2-403

Legislator Options

- (c) The sponsor may:
 - (i) approve the release of the fiscal note;
 - (ii) direct that the fiscal note be held; or
 - (iii) if the sponsor disagrees with the fiscal note, contact the Legislative Fiscal Analyst to discuss that disagreement and provide evidence, data, or other information to support a revised fiscal note.

JR4-2-403

The Rules continued

- (d) If the sponsor does not contact the Legislative Fiscal analyst with instructions about the fiscal note within one 24 hour legislative day, the Legislative Fiscal Analyst shall release the fiscal note.
- (e) The Legislative Fiscal Analyst shall make the final determination on the fiscal note.
- (f) The fiscal note shall be printed with the legislation.
- (2) If an amendment or a substitute to legislation appears to substantively change the fiscal impact of the legislation, the Legislative Fiscal Analyst shall prepare an amended fiscal note for the legislation.
- (3) The fiscal note is not an official part of the legislation.

What do You do If You Don't Like the Note?

- If no data can be found to refute a note and you still want to save the bill, consider changing the bill.
- The Analyst is your best consultant in fiscal aspects of the bill and stands ready to help.

The 3 Day Rule

- The Fiscal Analyst has 3 days to complete a fiscal note. That is the shortest allowance we know of and Utah has the second shortest session. That leaves 1 day each to:
 1. The Agencies (YMMV)
 2. The Analyst
 3. Approvals & processing

Accuracy vs. Timeliness

We believe it's more important to be accurate than on-time and we are serious about getting both.

Fiscal Note Follow-up Report

- The Legislature started a new annual report to follow-up on fiscal notes. Over a two year period on selected bills, the report will:
 - Examine the agency implementation of the bill.
 - Check the accuracy of agency information.
 - Check the accuracy of the fiscal note.

Fiscal Note Worksheet

FISCAL NOTE WORKSHEET

Agency: Dept of Human Services/DAAS Bill Number HB 0019

TITLE OF BILL: Case Worker Workload

Requested by: Debbie Headden Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst
W 310 State Capitol Complex
Salt Lake City, UT 84114-5310
538-1034 / Fax 538-1692

Name: Debbie Headden

Date: 21-Jan-08

Fax Number: 538-1692

Please return to Fiscal Analyst by: January 21, 2007

This Bill Takes Effect: On passage On July 1 60 Days after session Other

Bill Carries Own Appropriation:

FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2007 Supp.	FY 2008	FY 2009
A. REVENUE IMPACT BY SOURCE OF FUNDS			
1. General Fund	\$0		
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
7. TOTAL	\$0	\$0	\$0

B. EXPENDITURE IMPACT:

By Source of Funds			
1. General Funds		\$100,000	\$100,000
2. General Funds, One Time			
3. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
Federal Title XIX (Transfers - Health, Medical Assistance)		50,000	50,000
6. Local Funds			
7. TOTAL	\$0	\$150,000	\$150,000
By Expenditure Category			
1. Salaries, Wages and Benefits	\$0	\$125,000	\$125,000
2. Travel		5,000	5,000
3. Current Expenses		15,000	15,000
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify) <u>Computer Laptops (\$1,500 on-going)</u>		5,000	1,500
8. TOTAL	\$0	\$150,000	\$146,500

C. IMPACT IN FUTURE YEARS?

If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)

There will be a need for additional caseworkers in future years.

Jack Green Geologist Div Child & Family S 538-XXXX Jan 21, 2008
Prepared By Title Agency Phone # Date

Bill Number: Bill Title:

D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

Section 62-3-4a: Increases caseworkers' involvement in the 72 hour placement process.
Section 62-7-12b: Specifies additional duties of caseworkers when placing children in foster care

E. Expenditure Impact Details (Ties to totals in Section C)

List and document methodology and/or assumptions used in determining estimated workload and cost increase. List number, type, and step ranges of personnel required, including benefits. List details of other impacted expenditure categories as shown in Section C. List additional space requirements and cost associated with requirements of this bill. (USE ATTACHMENTS IF NECESSARY.)

Additional duties specified in legislation will require 2.5 add'l caseworkers (See Attachment for details) 2.5 FTE's at salary step ___ and salary range _____.
Estimated in-state travel in visiting clients, meetings, court appearances, etc. About \$1,750 per FTE
Current expenses: phone charges, office equipment, add'l space needs: \$5,000 per FTE (see attachment)
Will require 3 new laptops (one-time) and on-going base for replacement every 3 to 4 years.

F. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution. Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)

The Department estimates the additional duties required of caseworkers will require 2 to 3 additional caseworkers to maintain current caseloads. We will shift funds in the base budget from operation of the Moab Christmas Box House (\$100,000) which was recently closed down. This will provide the General Fund match to draw down additional federal matching funds

G. If Bill Carries Its Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill. Are there future additional costs anticipated beyond the appropriation in the bill?

\$50,000 in General Fund is appropriated with this legislation, however the Division needs \$100,000 in General Fund to fully comply with this bill's requirements. (See attachment)

H. Impact on Local Governments, Businesses, Associations, and Individuals

Specify requirements in the bill that drive the impact on local governments, business, and individuals. Indicate costs or savings that are DIRECT and MEASURABLE. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)

Local Governments:

This legislation will prevent municipalities from using eminent domain proceedings against private dwellings to provide for commercial development in their taxing district. The fiscal implications cannot be measured but could be significant depending on the nature of lost opportunities for commercial development.

Businesses and Associations:

Business entities desiring to develop in the municipality could lose income opportunities if they are denied access to development. This would probably be offset against opportunities in other areas.

Individuals:

The impact individual property owners is difficult to determine. Some could stand to see gains on the sale of their property. But their replacement costs could be greater than the gains realized.

Previous Years Bill

- Sometimes legislators reintroduce bills from previous sessions.
- If the bill is brought back without change, then the fiscal note should be the same unless the analyst gets new information.
- Bills are often changed.

“There is appropriated”

- From S. B. 46, Health Care Amendments:
- “There is appropriated \$500,000 from the General Fund for fiscal year 2007-08 only, to the Department of Health to be used to assist the local health departments with carrying out the surge capacity, emergency and community preparedness, and outreach provisions of Section 26A-1-27.”
- Legislative leadership is discouraging funding “building blocks” through the bill process.
- Come to the Analyst’s office and ask for a “Request for Appropriation.

Protected Bills

- Sponsors may request a fiscal note on a bill not yet made public. These bills are “Protected” and carry the following:
- NOTICE: The attached draft legislation is a protected record under the Governmental Records Access And Management Act, Title 63, Chapter 2, Utah Code Annotated, and under the Utah Legislature Policies and Procedures for Handling Records Requests. The legislative sponsor intends this draft to remain protected. **Release of this draft legislation or disclosure of its content carries criminal penalties.**
- This draft legislation is provided to you for your review and comment. You may not distribute or share this draft legislation with any other person without the explicit permission of the legislative sponsor.
- If you are not the intended recipient of this email, please contact the sender by reply email, delete this email, and destroy all copies of this message.

Protected Bill Continued

- Agencies may share the bill within the department with people necessary to the process. The agencies may not share the bill with anyone outside the department.
- Unnumbered bills heard publicly in an interim committee hearing are **not** protected.

No Longer in Use

- No longer in use: “No Fiscal Impact” and “Can be handled within current budget.”
- They will be replaced with “Enactment of this bill will not require additional appropriation.”

Analyst Estimates Enactment Costs

- The table in the center of the fiscal note is limited to estimates of costs and revenues for the current year and two projected years.
- The text of the fiscal note is not limited and the note will discuss fiscal impacts whenever they happen.
- Full cost needs to be identified in the fiscal note.

Delayed Impact

- If the full cost is not incurred until the 2nd year the LFA will still indicate the full cost in the 1st year with an offsetting one-time negative funding amount.
- If full cost of implementation is beyond the second year, the full cost still needs to be identified in the fiscal note.

Delayed Impact Continued

Example: First year cost is \$400,000 and second year (full cost) is \$1,000,000:

	Year One	Year Two
General Fund	\$1,000,000	\$1,000,000
G. F. 1-time	<u>(600,000)</u>	<u>0</u>
Net General Fund	\$400,000	\$1,000,000

Amendments & Substitutes

- The term “Amended Fiscal Note” is used only when a bill has been amended and the amendment changes the bill’s original fiscal note.
- A substitute bill is treated as a completely new bill, with its own fiscal note and worksheet data.

Revised Fiscal Notes

- If new information shows that the original fiscal note is inaccurate, a “Revised Fiscal Note” is issued. The Analyst documents reasons for the revision, changes in assumptions and calculations.