1. On-line Fiscal Note Training

August 8th 2013

The last major update of the fiscal note program was about 15 years ago.

So, say goodbye to the e-mails and walking files around the office and say hello to a new web-based agency interface.

We expect the new system to improve accuracy, speed and information quality.



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3. What is a fiscal note?

Fiscal notes tell the Legislature the fiscal (financial) consequences of passing a given bill.



4. A Balanced Budget

The primary purpose of fiscal notes is to make sure that we don't violate the State Constitution by spending what we don't have.

It's not just a good idea, it's the law.



5. What fiscal notes do and don't do.

Fiscal notes are a tool to balance the budget.

They do not explain the benefits.

They do not measure the impact on society.

They are not intended to influence the passage of the bill.



6. Dynamic Fiscal Notes

Dynamic fiscal notes examine the costs and the benefits of a bill. They take weeks to do and we have hours.

They require access to costly databases.



7. An Example: Arizona Clean Air Act 2000

- Buy a non-gas fueled car state pays 50%.
- Buy an in-home fuel depot state pays up to \$7,000.
- Build a commercial fuel depot state pays up to \$400,000.
- Estimate the fiscal note.



8. Estimate the Fiscal Impact

- Where are you going to go to get the information you need to write a fiscal note? At the very least we always go to state agencies.
- How do you know that their information is reliable? Experience.
- Well, what say ye? How much will the clean air act cost?

9. Fiscal Note for Arizona Clean Air Act

They said implementing the bill would cost:

\$5,000,000

Spoiler Alert! In defense of the Arizona fiscal staff, the bill was amended on the floor and passed before the fiscal note could be changed.

10. Actual costs:

After some real data comes in:

Estimate: \$500,000,000.

More data

Refined Estimate: \$800,000,000. OOPS! What to do?

Call a special session and stop the bleeding.



11. There's more than one wallet in the room.

When we're talking about the cost of a bill, who wants to know?

State Government
Local Governments
Businesses
Individuals





Which bills get a fiscal note?

Every bill and every substitute.



13. Work Volume

And how many fiscal notes do we do in a session?

We generally do about 1,100 fiscal notes, give or take 50.



14. What is our longest fiscal note?

H.B. 116 3rd Sub (Cherry)
Utah Immigration Accountability and
Enforcement Amendments
2011 General Session

3 pages

About 99% of our notes are one page.



15. Most Substitutes to a Single Bill

S.B. 3002 19th Sub (Lime)
Congressional Boundaries Designation
2011 third special session
(redistricting)



16. What about amendments?

Do all amendments get Fiscal Notes?

No. Individual analysts decide on the amendments. It's safe to say that there are less than a dozen a session that have fiscal impact.

How many amendments are there in a session?

There are a lot that are not introduced so we don't know how many, but there are thousands.



17. Fiscal Note Uses

What do legislators use fiscal note information for?

- Balance the budget
- \$10,000 rule
- Make sure that agencies have sufficient budget to implement the bill.



18. What is the \$10,000 rule?

Bills with a fiscal note of \$10,000 or more may start through the legislative process but when they reach the other house they will be held until near the session's end. Then the Legislature will decide which bills it can afford.



19. What does a Fiscal Note Look Like?

FISCAL NOTE

H.B. 482s1

2011 General Session

SHORT TITLE: Alcoholic Beverage Amendments

SPONSOR: Rep. Joyce Webster

STATE GOVERNMENT (UCA 36-12-13(2)(b))

The Department of Public Safety will require \$180,000 in FY 2013, \$245,000 in Fy 2014, and \$260,000 in FY 2015 and each fiscal year thereafter. The bill will generate additional revenue of \$180,000 in FY 2013, and \$245,000 in FY 2014, and \$260,000 each fiscal year thereafter.

The net impact on General and Education funds is a negative \$50,000 in the first year with positive impacts in the following years.

Revenues	FY 2013	FY 2014	FY 2015
General Fund	50,000	100,000	100,000
Federal Funds	130,000	145,000	160,000
Total	180,000	245,000	260,000
Appropriations	FY 2013	FY 2014	FY 2015
General Fund	100,000	100,000	100,000
Federal Funds	100,000		
Total	200,000	100,000	100,000
Net All Funds (RevApprop.)	(20,000)	145,000	160,000
Net General & Education Funds (RevApprop.)	(50,000)	0	0

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Eancting this bill will not result in direct, measurable costs or benefits to local governments

DIRECT EXPENDITURES BY UTAH RESIDENTS & BUSINESSES (UCA 36-12-13(2)(d))

Eancting this bill will not result in direct, measurables cost or benefits to individuals or businesses.

PERFORMANCE NOTE REQUIRED FROM PUBLIC SAFETY BY 2/10/2013

/29/2010, 11:48:02 AM, Lead Analyst: Jardine, S./Attorney: TRV

Office of the Legislative Fiscal Analys

The note is in five sections:

- Identification
- 2. State government impacts and tables (Includes two net funding lines)

- 3. Local government impacts
- 4. Utah residents and businesses
- 5. Performance Note requirement



20. Regular Fiscal Notes: Time

How much time are we allowed to complete a fiscal note?

Three business days. (We use standard 24 hour days)

How is that time divided?

Day 1 is for the agency

Day 2 is for the analyst

Day 3 is for quality checks and approvals

21. Regular Fiscal Notes: Time Continued

What about week-ends and holidays?

If the Legislature worked on one of those it would count. They can, but they don't.

How much time is allowed before a session?

The rule doesn't change, but enforcement is a little lax because of vacations and the like.



22. Time Marches On

At the end of the session we ask you to respond faster. How fast?

Hours. It's not as hard as it sounds because by that time you are responding to changes in bills you already know.

What is the minimum time?

ASAP. The analyst calls and the agency answers before the conversation is over.



23. Fiscal Note Process

- What starts the clock?
- The clock starts when the bill is numbered.
- What stops the clock?
- Sending the fiscal note to the sponsor.



24. How do we determine who gets the bill?

 Most bills modify at least one section and if that section is assigned to your agency, the Analyst will ask for your response.



25. Making Deadlines

What if you need more time?

Tell your analyst why and how much more time you need.

Is it more important to be accurate or on time?

Accurate, but the Legislature expects both.



26. Credit and Blame

What does, "We own the note" mean?

• The Fiscal Analyst is responsible for what is in the note. We wrote it. If the agency gives us bad information then we should catch it.



27. They're Back

 What does the Analyst do after the bills are implemented to assure accuracy on fiscal notes?



28. Fiscal Note Follow-up Report

The Analyst issues an annual report that follows-up on fiscal notes. Over a two year period on selected bills, the report will:

- Examine the bill's implementation.
- Check the accuracy of agency information.
- Check the accuracy of the fiscal note.



29. Fiscal Note Follow-up

Double click # for more				Subcommittee	AND RETEN Appropriation	Reductions	Net		Analyst G Spending	Balance
Vet Total Cost (Rev.)	\$ 3,000,000	01 1		\$ 3,000,000	\$ 3,000,000	1	\$ 3,000,000		2,500,000	
Fiscal Note or Expla	nation		Impl	ementation		Accuracy (Ag	gency & LFA)		Performa	nce Measures
These funds are to red correctional officer va		of	almost a been fill months	funding was all all 150 vacant p led. As of Apri of funding has nonths remaini	ositions have 1 30, 2009, 10	Unfilled vacanci from 123 to 3 pc		d	Unfilled vaca declined from positions.	
HB 0135 CON Double click # for more let Total Cost (Rev.)			iscal Note	OF SEXUAI Subcommittee \$ 200,000	Appropriation	Reductions \$ 20,000	Net \$ 155,000		Analyst R Spending 125,500	Balance
Double click # for more	e info) Request	or F	250,000	Subcommittee	Appropriation	Reductions	Net \$ 155,000		Spending 125,500 S	Balance



30. How to Read a Bill

What is the short title?

Example: Identity Fraud Amendments



31. The Long Title

- The long title explains what is in the bill.
- The contents of the long title change according to what is in the bill.



32. A long title example

- LONG TITLE
- General Description:
- This bill modifies provisions of the Employment Security Act related to the collection of unemployment tax contributions by employers.
- Highlighted Provisions:
- This bill:
- authorizes the Unemployment Insurance Division to prescribe rules providing standards for determining which contribution reports must be filed on electronic media;
- provides that the division may not require an employer to file contribution reports on magnetic or electronic media unless the employer is an authorized employer representative who files quarterly tax reports on behalf of 100 or more employers during any calendar quarter; and
- makes certain technical changes.
- Monies Appropriated in this Bill:
- None
- Other Special Clauses:
- None
- Utah Code Sections Affected:
- AMENDS:
- 35A-4-305, as last amended by Chapter 22, Laws of Utah 2006



33. Quickly find the Critical Bill Lines

- What fiscal impact comes from unchanged text?
 None
- Can there be a fiscal impact from deleted text?

 Yes. You may have to read the parts of the bill that come before and after the deletion.
- How can you tell which parts of the bill are unchanged, deleted, or added? (see next)



34. Critical Bill Lines

- (17) Each decision of the board requires the affirmative vote of at least four directors for approval.
- (18) (a) (i) [Directors shall receive no compensation or benefits for their services, but may receive per diem and] A director may receive compensation and be reimbursed for reasonable expenses incurred in the performance of the director's official duties [at the rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.]:
- Unchanged text will have no fiscal impact.
- Added text will be underlined and may have a fiscal impact.
- Deleted text will be bracketed and in strikeout font and may have a fiscal impact.
- Entire sections of code can be repealed with one line in a bill. In that case the text isn't crossed out. Watch for repealers at the end of the bill.

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35. You know the bill will soon change

If you know that the bill is about to be changed, and you know what the changes are, should you write the note based on the bill right now or how it will be when corrected?

Always write to what the bill says right now. You'll get the revised bill later.



36. Previous Year's Bill

Sometimes legislators reintroduce bills from previous sessions.

That means that you may have already done the work and if the bill is the same you can submit the old response. But be careful, they are often not the same, even when they have the same title.



37. Substitute Bills will Have a Document Comparison

LONG TITLE

General Description:

This bills modifies the public safety laws regarding collection of DNA specimens to include collection from persons arrested convicted for any felony and specified misdemeanors.

Highlighted Provisions:

This bill:

requires that any law enforcement agency that arrests a person for any felony or 15class A misdemeanor or for assault, a DNA specimen shall be obtained from a person convicted of an

<u>assault, which is</u> a class B misdemeanor, shall obtain a DNA 16specimen if the arrested person's in addition to current requirements for felonies and class A misdemeanors;

- •Deleted language is in blue and strikeout.
- •Added language is red and double underlined.
- •One of these will be created for all substitute bills.
- •You will be linked to the website where they reside.
- •Trust but verify, i.e. you still need to read the bill.



38. Some bills have the appropriation included in the bill

- 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."

39. "There is appropriated"

- If a bill appropriates \$500,000 to accomplish some task but the expected cost is \$750,000; what amount goes in the table?
- Your response should be true to what you believe is the actual cost.



40. "There is appropriated"

- The Legislature can still say "This is what we want you to do and this is your budget."
- The difference may come up in the "Fiscal Note Follow-up" report.



41. When the e-mail says that the bill is Protected

They will carry this notice:

- 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.

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Protected Bill (continued)

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



43. No Longer in Use

- "No Fiscal Impact" and "Can be handled within current budget".
- They will be replaced with "Enacting this bill will not require an additional appropriation."
- If a bill will cost but you do not require an additional appropriation -- Indicate the real costs and from where the funds will be shifted.



44. Delayed Impact

- If the full cost is not incurred until the second year, the LFA will still show the full cost in the first 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.



45. Delayed Impact (cont.)

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	(600,000)	0
Net General Fund	\$400,000	\$1,000,000

- What problem did this solve?
- In the past, agencies had to come in and make the case for both years.

46. Long Term Impact

S.B. 133 - Medical Assistance and Managed Care

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this Legislation will require an appropriation to the Department of Health of \$1,152,500 from the General Fund and \$2,070,500 from Federal Funds in FY 2009 and an appropriation of \$1,683,500 from the General Fund and \$3,519,500 from Federal Funds in FY 2010. Full implementation of the programs required by this bill are estimated to cost \$8,500,000 from the General Fund and \$23,200,000 from Federal Funds beginning in FY 2012.

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009	FY 2010
	Approp.	Approp.	Approp.	Revenue	Revenue	Revenue
General Fund		\$ 1,683,500	\$ 1,683,500			
General Fund, One-time		(531,000)	-			
Federal Funds		2,070,500	3,519,500			
Total	\$ -	\$ 3,223,000	\$ 5,203,000	\$ -	\$ -	\$ -

Individual, Business and/or Local Impact

The businesses providing the services described in this Legislation will recieve increased revenues. Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals



47. Amended Fiscal Notes

- Amended Fiscal Notes are used when an amendment changes a bill's fiscal impact.
- When bills are amended the analyst decides if the amendment will affect the fiscal note. It if does the analyst will contact the agencies.
- An amended bill is different than a substituted bill.



48. Revised Fiscal Notes

- Revised Fiscal Notes are used when additional information comes to light after the fiscal note has been published.
- If the additional info comes from you, provide excellent documentation because nobody likes revised fiscal notes.



49. Performance Notes

What's a performance note?

A set of performance and information measures that must be printed with some bills to help legislators evaluate bills and later to see if a bill's programs met expectations.

Does every bill require a performance note?

Every bill that meets the criteria requires a performance note. All bills have to be evaluated.

50. What qualifies a bill for a performance note?

- 1. Creates a new state entity or
- 2. Provides new funding to an existing entity or
- 3. Provides new services or benefits or
- 4. Expands existing services to a new or larger population.



51. Performance Note Questions

- What are the purposes and duties for the new program, agency, service, or population served?
- What services are provided by the funding increase?
- What are the one, two, and three years goals and outcomes?
- What is the implementation plan and what resources are available?
- What are the benchmarks.
- What are the performance measures?
- What is the data gathering plan and what reliability measures will be used.

52. Performance note deadlines

Do performance notes have the same deadlines a fiscal notes?

NO. They can go on for nine days. That's one of the reasons that analysts need to start the process as quickly as possible.



53. Performance note deadlines

- 3 days for the Analyst to determine if a bill requires a performance note. (We try to get this done within an hour of receipt.)
- 3 days for the agency to submit a performance note
- 3 days for the sponsor to provide an alternate performance note if the agency's note is rejected

54. Who writes the performance note?

Why, is that you in the mirror?

Agencies write Performance Notes.



55. What if the Sponsor doesn't Like Your Note?

Welcome to the Analyst's world.

The Sponsor can write a performance note that will be attached to the bill along with the agency's.



56. What is changing this Session?

We are going paperless, full electronic.

When you respond to a request for information you will log on to our website.



57. Things change

- You will still be providing the same kind of information by answering similar questions.
- It will be in a smart questionnaire form so that the next screen you see will depend on the last question you answered.



58. What are the benefits to you?

- The program organizes your work.
- 2. You can respond with a tablet or smart phone.
- More than one person can work on the same bill at the same time.
- Access can be divided into as many as four levels.
- 5. Agencies decide who has access and at what level.

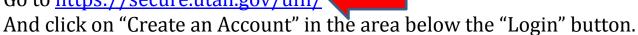
59. Wow! Even more benefits!

- You can grant other agencies access to your work.
- 6. It has a search function.
- 7. You can look at any bill.
- 8. You can add a bill to your dashboard.
- 9. Every document entry is annotated, telling you who made what changes and when.



60. Accessing the website

Go to https://secure.utah.gov/ufn/



Subscribers **FAQs** Font Size: A A A Support A SECURE ONLINE SERVICE FROM UTAH.GOV FISCAL NOTE AGENCY RESPONSE LINKS & RESOURCES Report the Fiscal Impact of Proposed Legislation Login with your Utah.gov Account Username: Welcome to the Fiscal Analyst Office reporting website. This website is intended for agency representatives to report on the fiscal impact that proposed legislation may have. Password: **Getting Started** If you do not have a Utah.gov account, please create one. Login • After you log in, you will be asked to select which agency you work for. This will create a permission request sent to the Fiscal Analyst's office. • Once the Fiscal Analyst office approves your request, you will be able to log in and respond to bills Create an Account affecting your agency. Forgot Your Username? Forgot Your Password? LEGISLATIVE RISCAL ANALYSI

62. Create an Account

Fill out the username form and click "Create my Account"





65. Find Email and click "here" to activate





63. Select Agency AND Access Level

Request Agency Access:

Select your agency and Access Level:

Administrative Services

- Admin: Can approve others access to this agency
- Submitter: Can submit fiscal note
- Editor: Can edit but not submit
- Viewer: Can view but not edit or submit



64. You're in Charge

You control access and assign all the rights except administrator. There are four levels of access or rights.

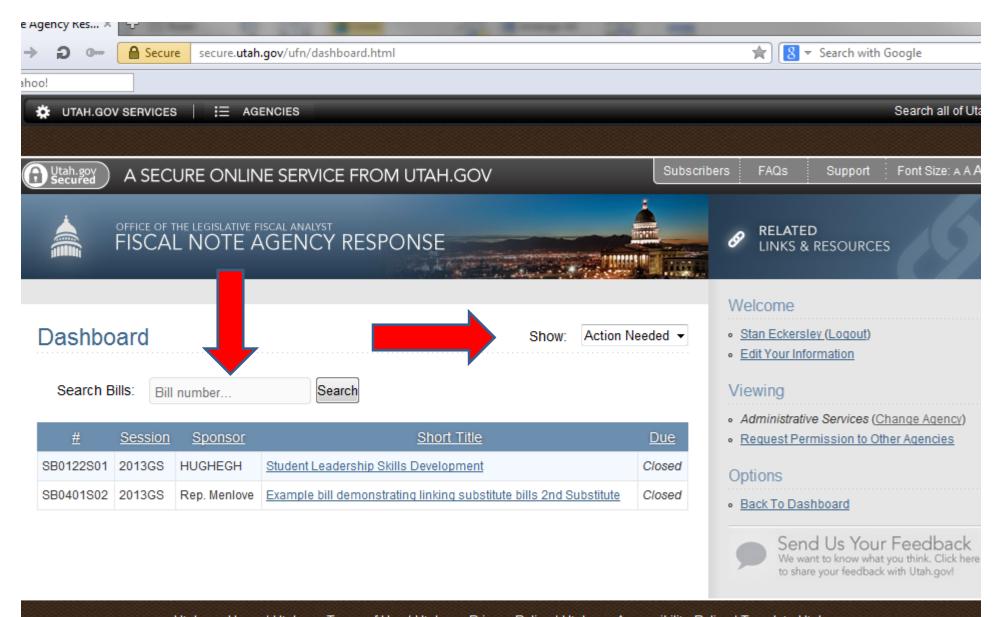
Administration: If you select Admin, your request will be sent to the Fiscal Analyst's office for their approval. Only one key contact and if desired, a backup from each agency should request this role. Those approved for this role will be able to approve requests for submitter, editor and viewer. The admin will also be able to view, edit and submit the completed bill response back to the Fiscal Analyst.

Submitter: If you select Submitter, you will be able to write, view, edit and submit the final response back to the Fiscal Analyst's office.

Editor: If you select Editor, you will be able to view what others have contributed to the response and write and change the text or financial impact. You will not be able to submit the final response.

Viewer: If you select the Viewer role, you will be able to see what others have written on the response but you will not be able to change anything. You will be able to use the working notes section and view and make comments. This would be ideal for people from other agencies that provide assumptions critical for your response.

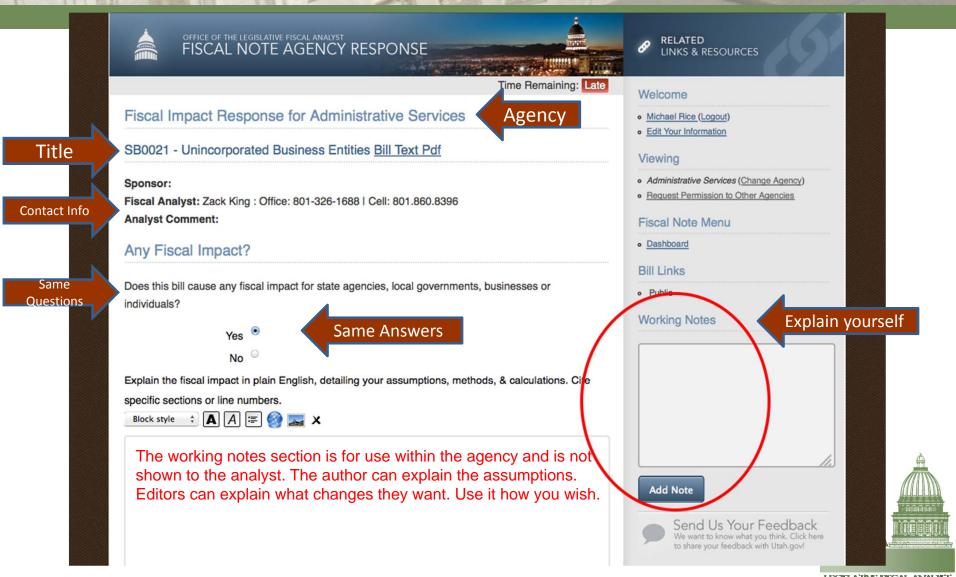




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69. Explain Yourself with Working Notes



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67. Record Sharing Agreement

You can let other agencies look at your work. Some bills call for collaboration. What happens in Courts may affect what happens to Corrections.

For legal reasons related to "Protected Fiscal Notes" and GRAMA, we recommend both agencies sign a Record Sharing Agreement.



68. Add a Bill to an Agency Dashboard

Fiscal Note Rapid Response



Click on the bill name on the dashboard to see the bill details. Click on the "Add to Dashboard" button



Search for bill from the dashboard. Just enter numbers such as 179. There is no need to enter HB or SB in front of the number. If you do want to use SB or HB with the bill number, please make the number a four digit number using zeros between SB and the number such as SB0179 or SB0099



69. Switching Between Agencies

Choosing an Agency when logging in

When they login, they are given a choice of which agency they would like to view.

Select the accounts you would like to view:

- Administrative Services VIEWER
- Commerce admin
- Corrections SUBMITTER
- Courts admin



Request Additional Access

Continue »

To view an agency that you don't have access to, click the "Request Additional Access" button. A full list of agencies will be displayed. (See Request Access notes above for more details)



70. Switching Agencies from the Dashboard

Welcome

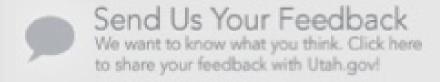
- Michael Rice (Logout)
- Edit Your Information

Viewing

- Administrative Services (Change Agency)
- Request Permission to Other Agencies

Options

Back To Dashboard



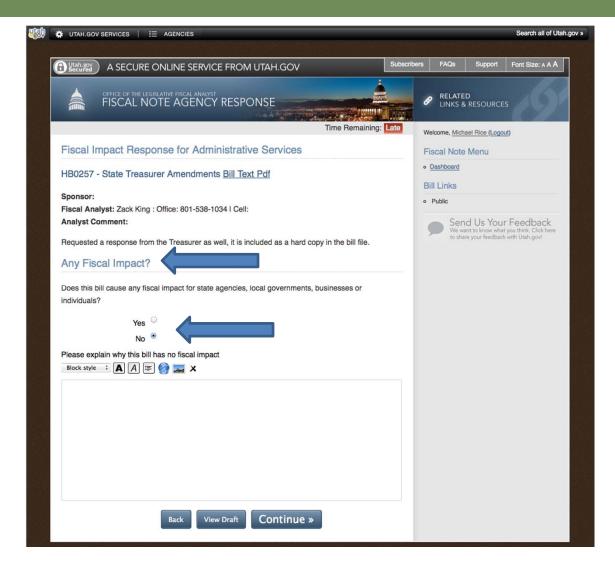
To change the dashboard to another agency, click the **Change Agency** link next to the agency name.



71. Writing – Please, Please, Please

- Explain your assumptions with as much detail and in as few words as possible.
- Use a word processor and your very best English.
- Don't explain the bill. The analyst has to read the bill and form an independent opinion. And at this time of year, once is enough.
- Explain your costs in detail and in most cases say why the agency needs it. If you need an FTE, say why, and what the employee will be doing.
- Remember, the analyst may have to explain your request to the sponsor using the information you provide.

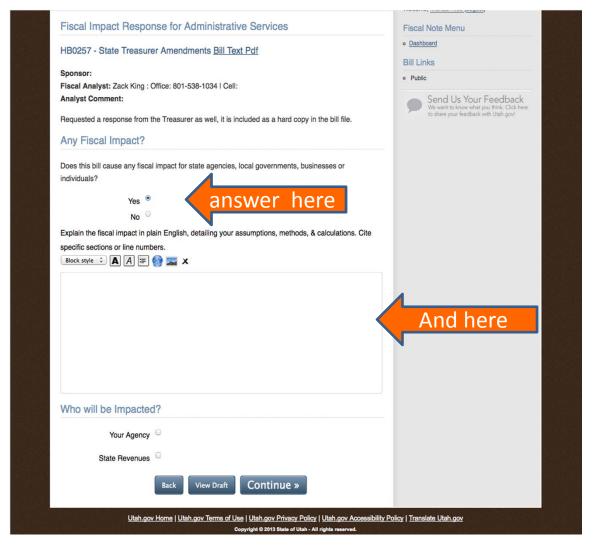
72. Is there any fiscal impact?



Don't be fooled by the formatting, these are the same questions asked every year.

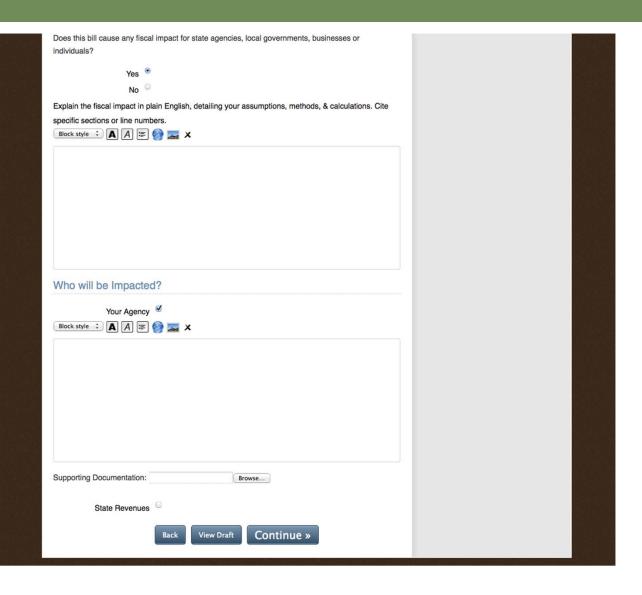






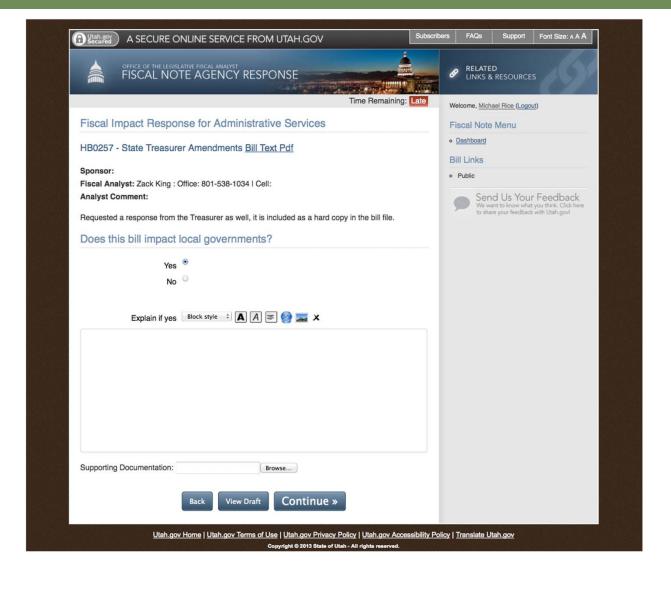


74. Will the impacts be to state agencies or revenues?



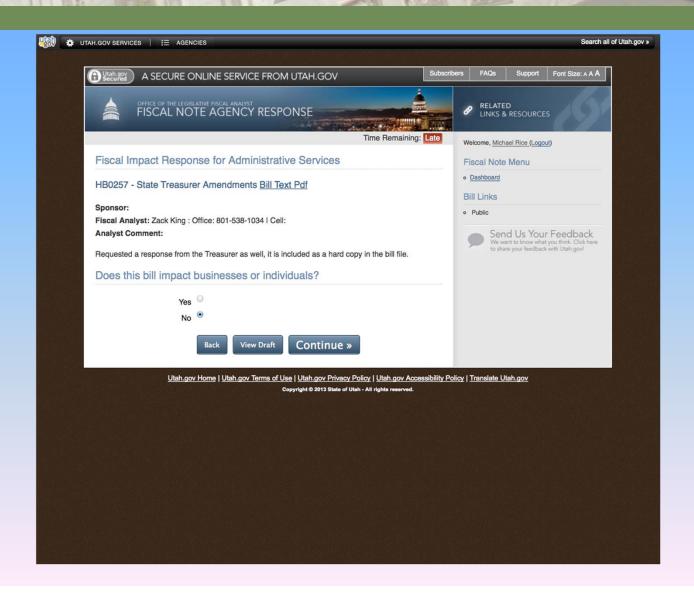


75. Does the bill impact local governments?



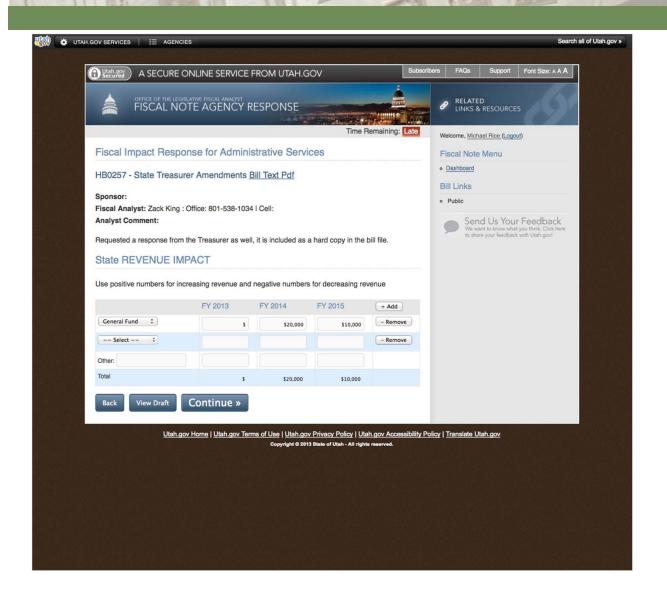


76. Does it impact businesses or individuals?



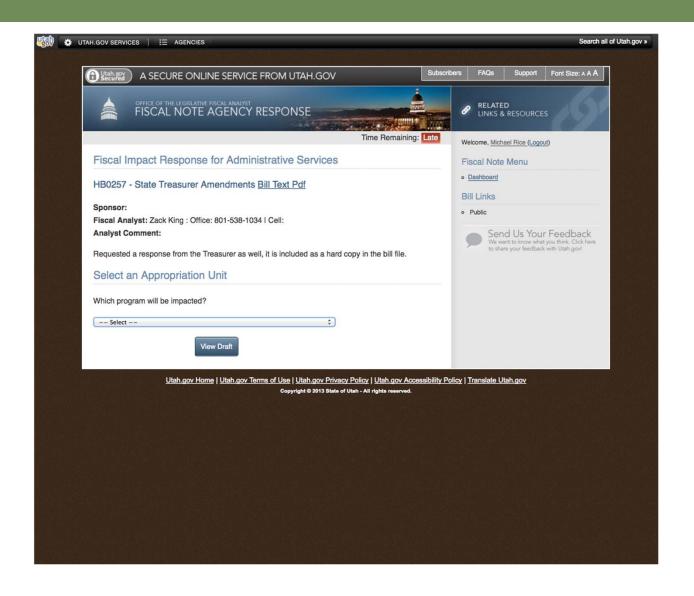


77. Revenue Impact Tables



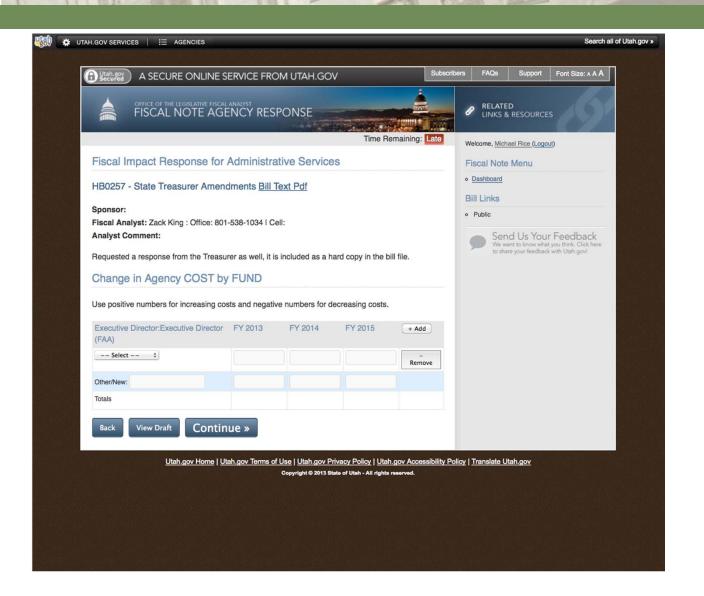


78 Choose an Appropriation Unit



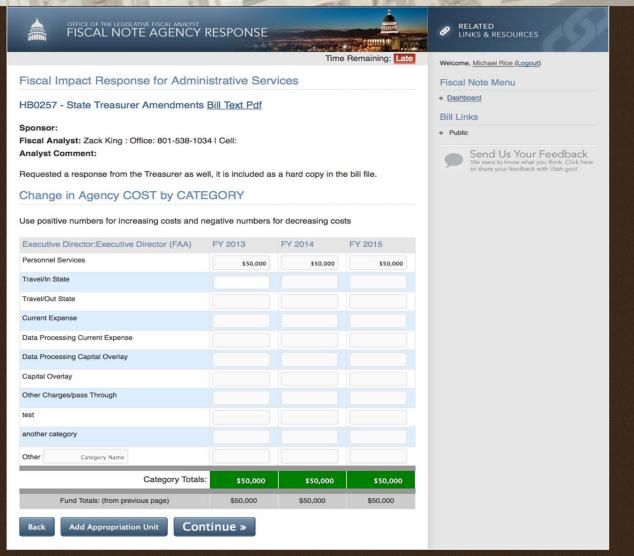


79. Agency Cost by Fund Table



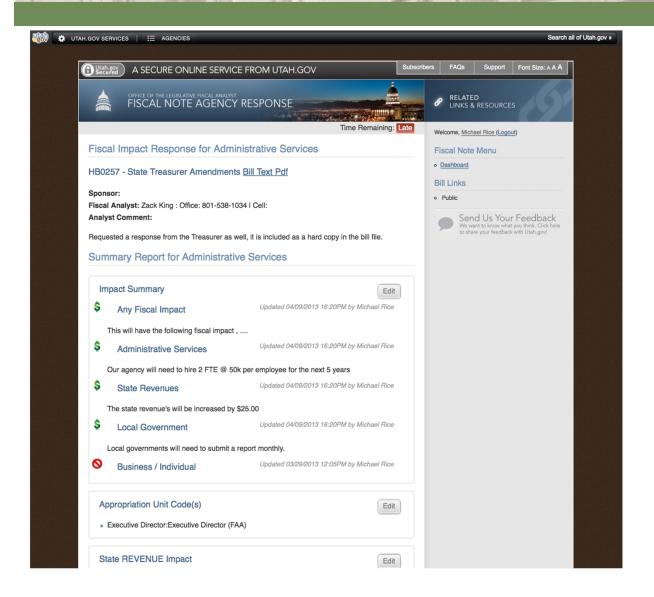


80. Agency Cost by Category Table





81. Summary Report





82. Save or Send

