Tab 3

Report on 2018 Fiscal Note Pilot Project

(Please double click to enlarge the document. You can then maneuver through the pages with the arrows located at the bottom of the document, click "open file" in the top right corner or download the file to your computer using the "extract file" icon located at the bottom of the document in the pdf tool bar.)

MEMO

To: **Eric Milstead, Director**
From: Keith Bybee, Deputy Division Manager, Budget & Policy Analysis
Date: May 30, 2018
Re: Fiscal Impact Pilot Project

This memo details the outcome of the 2018 Fiscal Impact Pilot Project for a report to Legislative Council on June 15, 2018. It also provides statistics on the bills that went through the project, offers some extrapolations of the data, and discusses other considerations.

This year's pilot project had four more participants than last year's with 17 completed fiscal impact reports. These reports required a total 68.7 hours of work by Budget & Policy Analysis not including time spent by the agency, if it was required. The total time needed to generate a fiscal impact report ranged from 15 minutes to 13.3 hours and averaged 4.0 hours per report. Of those reports, 10 became introduced pieces of legislation and four became law. Because of workload and time constraints, four additional fiscal impact report requests could not be addressed. Additionally, after the first six weeks of session, Budget & Policy Analysis no longer had resources to accept requests for fiscal impact reports.

In this small sample size, we found that sponsors using fiscal impact reports as the basis for writing fiscal notes, did not have fiscal notes that were challenged or questioned. However, our office did receive questions from outside groups or other legislators on bills where sponsors revised or did not use the information from the fiscal impact reports for the fiscal note. Most (80%) of the draft legislation that were introduced had fiscal notes that matched the fiscal impact report provided to the sponsor.

We can attempt to extrapolate from the data with some reservations. Using the average of hours worked per request (4.0 hours) if fiscal impact reports were drafted for every bill introduced in the 2018 session (624) it would require roughly 2,521.7 hours of work. Dividing hours of work required number by the number of hours during the legislative session (roughly 504 hours) equates to 5.0 full-time positions working 40 hours per week. If fiscal impact reports were drafted for every piece of draft legislation (933), it would require roughly 3,770.4 hours of work to complete each report, and results in 7.5 additional FTP using the same calculation as above.

If this project were to move forward, fiscal impact reports should only be issued with bills that are introduced. This way we could provide informal estimates on draft legislation but become the scorekeepers for introduced legislation. Additionally, for legislation requiring outside help (legislation that affects agencies of state government) we need to have clear rules for how quickly we need the agency to turn the information around so that we could draft the report in a timely fashion. For example, Utah requires the report to be drafted within three days of introduction and has rules set up for how quickly a state agency must respond to the information request. In some instances, it took a minimal amount of work by the analyst to draft the report but three weeks from the initial request of the agency to create the report. Often times this time delay was due to use of old data systems or instances of whether the agency thought the bill would help or hurt the agency.