

Comparison of Selected Legislative Fiscal Offices
Based on Interviews and Questionnaires
January - February 2018

	Tennessee	Colorado	South Carolina	Louisiana	Minnesota, Current Law	Minnesota, LBO Law
Office Name	Joint Fiscal Review Committee (FRC)	Fiscal Note Staff	Revenue and Fiscal Affairs Office	Legislative Fiscal Office	Budget Division, MMB	Legislative Budget Office
Office Governance	Committee oversight composed of 6 Senators and 9 Representatives elected by the legislature. In addition the speaker of each body and the Finance Committee and Ways and Means Committee chairs serve as <i>ex officio</i> members.	Office of Legislative Council	Revenue and Fiscal Affairs Board (3 appointments, 1 from Governor, 1 from each legislative fiscal chair)	Oversight by the Joint Committee on the Budget	State Budget Director, MMB	Legislative Coordinating Commission
Office Type	Legislative, Nonpartisan	Legislative, Nonpartisan	Executive	Legislative, Nonpartisan	Executive, Nonpartisan	Legislative, Nonpartisan
Session Timing	January - April/May, annually	January - May, annually	January - April/May, annually	March/April (depending on odd vs even year) - June; "Extraordinary" sessions at other times are common.	January - May (typically)	January - May (typically)
Physical Location of Office	In same building as House and Senate offices.	In same building as the Legislature. Same building as the finance, appropriations, and business committees rooms	Separate building from House and Senate, same building as Legislative Council	In same building as House and Senate offices.	In Centennial Building with other executive and legislative branch agencies.	
When a Fiscal Note Is Prepared	Fiscal notes prepared on all filed bills and resolutions with a few exceptions: - local bills affecting only local governments, - general appropriations bills	By statute and legislative rules, the Office of the Legislative Council is required to prepare a fiscal note on every introduced bill and citizen-approved ballot measures.	Fiscal notes prepared when requested by a committee. An advisory letter is prepared when fiscal information is requested by a member. By practice, a note or letter is prepared when a request is received.		When requested by the committee chair where the bill is referred or by House Ways & Means or Senate Finance Chair. In practice, fiscal staff request fiscal notes in the chair's name as the need for a fiscal note is determined.	When requested by the committee chair where the bill is referred or by House Ways & Means or Senate Finance Chair. In practice, fiscal staff request fiscal notes in the chair's name as the need for a fiscal note is determined.
Staff Complement	1 director 1 asst director 12 analysts	1 director 1 team leader 8 coordinators/analysts	1 director 1 division manager 11 analysts, editors	1 director 5 section directors 7 fiscal analysts	1 director (state budget dir) 5 managers 12 analysts (EBOs)	1 director 5.5 analysts assumed in FN

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	1 administrative assistant	1 chief economist	1 administrative assistant	2 administrative assistants	1 budget operations staff MMB EBOs spend 15 percent of their time during the year on FNs; 35 percent of their time during session on FNs.	
Number of Fiscal Notes Prepared	2,200 - 2,600	2017 = 1,708 on 670 bills	500-600/year (FNs and advisory letters)	Unknown	2015 = 1,985 on 1,031 bills 2016 = 1,128 on 629 bills 2017 = 1,916 on 1,056 bills	2015 = 1,985 on 1,031 bills 2016 = 1,128 on 629 bills 2017 = 1,916 on 1,056 bills
Number of Fiscal Notes Per Staff Member <i>(Simple division of FNs by FN Staff; staff work time on FNs may be different.)</i>	186 based on average high and 14 staff	100 based on 1,708 notes in 2017 and 17 fiscal note staff	49 based on 535 in 2016-17 and 11 fiscal note staff	n/a	160 based on 2017 FN data and 12 EBOs	295 based on 2017 FN data and 6.5 assumed LBO staff
Is Staffing Level Sufficient?	"I would love to have more staff, but we can meet demands of the work with the current staff." Krista Lee, Tennessee Fiscal Review Committee	Staff is sufficient	Staff is Sufficient		"MMB staff (EBOs) who work on FNs are not 100 percent dedicated to FN work. During session, EBOs also work on the forecast, Governor's budget submissions, and legislative tracking. EBOs also attend legislative hearings and conference committees, and provide fiscal oversight and guidance to state agencies. During much of the session EBOs work approximately 20 hours of overtime during each pay period to complete their work." Margaret Kelly, State Budget Director, MMB	

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	During session FRC staff work 7 days a week, workdays average 10 hours per week.	Each staff person does an average of over 20 hours of overtime during the months of January and February	"We'd welcome more staff to spread the burden and reduce the stress level during the session. I'm not sure this would totally account for a quicker turnaround as part of our delay is caused by the delay in agency response or a lack of sufficient notice by the committees. Our bench is not that deep so one vacancy can cause a problem." Frank Rainwater, Executive Director South Carolina Revenue and Fiscal Affairs Office			
Executive Branch Participation in FNs	The FRC receives information from executive and judicial branches.	Statute requires agencies to provide the information required to complete FNs. Statute requires agency confidentiality on bills prior to legislative introduction.	Prepared by executive branch		FNs prepared by state agencies as assigned. FNs coordinated and reviewed by MMB.	
Timeframe for FN Preparation	FNs need to be completed prior to the bill hearing. Statute formerly required a 10 day turn-around for FNs but that requirement was changed because it could not be met. FNs on amendments need to be completed in 24 hours. FRC requests agencies to respond to FN requests within 3 business days.	CO House Rules requires a FN before a bill can be acted on by the first committee. CO Senate Rules require a FN before the bill can be passed on second reading. As a practical matter a FN is prepared for the first committee to consider the bill in either chamber. Agencies typically have 3-5 days to respond to a request for FNs.	Goal is to turn around request within 14 calendar days.		Default timeframe in the fiscal note tracking system (FNTS) is 8 working days, but urgent requests can have a shorter timeframe.	

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How is Info Conveyed	<p>FRC requires all information to be conveyed in written format. Telephone and physical meetings amplify an analysis, but if an agency is unwilling to put information in writing, it cannot be included in the FN analysis.</p> <p>Most agencies convey information via a program that the executive branch created to track all of the information that is sent to FRC. The information is uploaded by agencies and once approved by the executive branch are populated and the FRC can see the information. At that point, an email is generated to the FRC analyst who is working on the legislation.</p> <p>The FRC also accepts an emailed explanation or analysis from agencies, depending on the nature of the proposed legislation.</p>	<p>The FN process has an institutionalized process for getting information from state agencies. FN staff provide agencies w/common policies and a Word and Excel template for agency responses. The office has a database of contacts for generating emailed assignments to each agency. Agencies have a common set of expectations in response to FN requests.</p> <p>FN requests for information are conveyed via an emailed PDF to agencies. Contacts within each agency are rigorously updated through a database management program.</p>	<p>RFA requests information from agencies on an "agency fiscal impact estimate" form. More information, if needed, is obtained by email or in-person meeting.</p>		<p>FNs requested by legislative user (fiscal analysts or committee administrators for Ways and Means Committee or Finance Committee) through the FNTS. FNs assigned to agencies by MMB. Agencies prepare FNs and submit to MMB through the FNTS. MMB reviews FNs for consistency, accuracy, and any needed changes. MMB signs off and final FNs are submitted to author, requestor, and committee.</p> <p>The FN requestor, committee chair, and author receive an automated email when a fiscal note is finalized. MMB and MN.IT developed and maintain the FNTS. MMB posts FNs to the agency website within 48 hours.</p>	<p>The new law assumes the LBO will contract with MMB for the FNTS.</p>

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Other Roles of the Office	The FRC also conducts a continuing review of such items as revenue collections, budget requests, the recommended executive budget, appropriations, work programs, allotments, reserves, impoundments, the state debt, and the condition of the various state funds. The Committee prepares estimates of state revenues. The Committee conducts oversight of the fiscal operations of State departments and agencies. The FRC reviews and provides comments on all proposed noncompetitive contracts exceeding \$250,000 in value and one year in length. The FRC must approve any proposed acquisition by the State of leased property prior to action by the State Building Commission, and it reviews all audits prepared by the Comptroller of the Treasury.	The office performs fiscal analysis of citizen-initiated ballot measures. (There can be as many as 30 initiative ballot measures in even-numbered years that require analysis in the summer.) In odd-numbered years, staff serve assist interim committees during the summer and autumn. Staff serve as "faculty" following elections on the legislature's new legislator orientation program. Following adjournment of the legislature a final FN is prepared indicating the final disposition of a bill and whether the appropriation for the bill (if it is enacted) is consistent with the FN.	The RFA staff also sets the official revenue estimate for the state, provides budget research support the committee staff and members, prepares the budget bill, and calculates various inflation factors, calculates tax credits for the tax agency, estimates enrollment and salary levels for public education funding, provides estimates to local governments considering local option sales taxes, receives and publishes local government revenue and spending data, serves as staff coordinator with the census, staffs and maintains state's official precincts, and assists with local redistricting.		EBO staff work on entering data in the accounting system following the legislative session. EBOs work on fiscal close, forecasts, the Governor's budget submission, answering legislative requests, and supporting the Governor during sessions.	
Legislative Office vs. Exec Branch Numbers	Agencies use their own numbers when discussing legislation with members.	Ninety-nine percent of the time, the legislative FN is used for legislation. It is possible for the House or Senate appropriations committee to put a different number in the bill. That is a rare occurrence. Changes to the number originate from the executive branch, lobbyist, or from members.	If there is a disagreement we meet with the agency to discuss data and assumptions. If a disagreement persists the fiscal note states RFA position but also states the agency's position or concerns in the body of the document.		FN notes are advisory. FNs inform the legislative tracking spreadsheets. Committees make the determination of whether to appropriate funds for the additional costs identified in a FN. Formula-driven FNs on forecasted programs are appropriated based on the full value of the formula. FNs can be revised based on a disagreement about FN assumptions or based on a clarification to legislative language. Negotiations on numbers can occur at the leadership level.	

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	Official legislative numbers are based on the FRC's work.	In CO, the legislature has strong control in terms of the budget. The executive branch sends a budget request, but it is legislative numbers that are included in the budget.				
Partisan Influence	In previous years, that has been attempted, but not recently. "Previously, some chairs and members of our committee tried to pressure the director and influence the analysis. Our office has a great deal of support from the committee and others in the legislature because of the FRC's transparency and the work that we do to communicate and be open about our analysis." Krista Lee, Executive Director, Tennessee Fiscal Review Committee	The office is autonomous and independent. "We take ownership of our notes and we're accountable to the director who is accountable to the Legislative Council -- a 17 member legislative governing body which includes leadership. We get political pressure all the time to influence the outcome of a FN, and we are experienced and adept at navigating that. It is the hardest part of our job. We write fiscal notes for the legislative institution, not for individual members." Natalie Mullis, Fiscal Director, Colorado Legislative Council	The board is not involved in fiscal note preparation. The director approves all fiscal notes before they are released.		"MMB is a nonpartisan office and reviews FNs to ensure compliance with MMB FN policy and to ensure the reasonableness of assumptions contained in the note." Margaret Kelly, State Budget Director, MMB	

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Data Practices	The FRC is dependent upon the executive branch departments to provide data for the purpose of preparing FNs. FNs and the supporting information is held as confidential information by the FRC until the note is released. At that point, the note is a public document.	Information is provided from agencies to the office. There is no data privacy statute governing the operations of the office. Agencies typically do not provide information to the office that would conflict with data privacy. Taxpayer identification data is governed by the CO DOR interpretation of federal law.	Use aggregate and publically available data. Sign confidentiality agreement with an agency when necessary.	According to LA Statutes, section 24.604, the legislative fiscal office may inspect and make copies of records, files, and data of all state agencies pertaining to the faction of the LFO. The LFO has the authority to inspect all records classified as confidential by the laws of LA, but the LFO is required to maintain confidentiality except for the purpose of developing general statistics and program evaluations.	With the exception of unofficial FNs (Minnesota Statutes, section 13.64, subdivision 3), FNs are subject to state data practices statutes.	
Fiscal Note Presentation	"One of the aspects of the job that I have stressed to the staff is for any fiscal analysis to be our own. That doesn't mean we have to be in disagreement with everyone all the time, but we need to own the analysis to the point where we are not just rubber stamping the information that the other branches provide to us." Krista Lee, Executive Director, Tennessee Fiscal Review Committee.	"Fiscal staff need to own the fiscal note and be comfortable with the assumptions and numbers." Natalie Mullis, Fiscal Director, Colorado Legislative Council. In Colorado the fiscal office staff explain the fiscal note to legislative committees.	"Our General Assembly, however, expects us to provide an independent assessment and we work to build and maintain a good working relationship with each agency. In general, we tell the agency - we need your data and assessment, we are not here to advocate for or against a bill, we give respect to the agency's position (I am not here to second guess another director) but the final conclusion is one that I feel most comfortable with and can defend in front of a committee." Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office		Agencies who prepare FNs typically explain the FNs to legislative committees. EBOs from MMB are available to answer questions about the FNs. Occasionally, legislative fiscal staff discuss the analysis in the FNs and offer differing ways to think about the FN's content. "Executive budget officers understand that they have to defend FNs in front of legislative committees." Margaret Kelly, State Budget Director, MMB	