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Overview

This bill makes several changes to the laws governing the newly created Legislative Budget Office (LBO), including changes that impact data practices, the office's governance and oversight structure, and the process for creating fiscal notes within executive branch agencies.

The Legislative Budget Office is a nonpartisan office of the legislature, first enacted by law in 2017, that will be primarily responsible for overseeing the creation of fiscal notes and local impact notes when those duties are transferred from MMB in January 2019.

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- 1 **Establishment; duties.** Removes a reference to the Legislative Coordinating Commission, to reflect the changes in this bill that shift oversight of the LBO to a new commission.
- 2 **Oversight commission.** Establishes a Legislative Budget Office Oversight Commission to review the work of the office and make recommendations regarding the office's ability to fulfill its duties.

The oversight commission consists of eight legislators, equally divided by both party and legislative body. Several staff members with expertise in fiscal note issues are nonvoting members of the commission, including the lead nonpartisan fiscal analysts in the House and Senate, the Legislative Auditor, and the State Budget Director. The director of the office serves as executive secretary.

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Standards related to appointments, expense reimbursement, and election of a commission chair are provided. The commission must conduct its first meeting no later than July 1, 2018.

- 3 Staff.** Provides that the director of the LBO is appointed by the newly created oversight commission, rather than the Legislative Coordinating Commission, and that the oversight commission is responsible for establishing the director's duties.

This section also clarifies certain details of the LBO director's position to more closely reflect that of the nonpartisan Legislative Auditor, including that the LBO director serves in the unclassified service and is a "public official" for purposes of the campaign finance and public disclosure laws.

Designation as a public official means the director is required to file an annual statement of economic interests, and is subject to certain other conflict of interest laws.

This section is effective July 1, 2018.

- 4 Standards and guidelines.** Recodifies existing language requiring the LBO to establish certain standards, guidelines, and procedures related to the preparation of fiscal notes.

New requirements include that the standards, guidelines, and procedures may not take effect until they are approved by the LBO oversight commission, and that they must be published in the State Register.

This section is effective when the LBO takes on fiscal note duties in January 2019, but provides that the required standards, guidelines, and procedures may be adopted before that date.

- 5 Access to data.** Establishes standards related to the LBO's handling of data related to a fiscal note.

Paragraph (a) permits the director of the LBO to request a state department or agency to promptly supply data related to the legislation that is the subject of a fiscal note.

Paragraph (b) provides that not public data provided to the LBO must be maintained and administered in the same manner as required of the government entity that provided it.

Data that is not public may only be used by the LBO to review the preparation of a fiscal note, and may not be used or disseminated for any other purpose, including to other legislative branch offices or entities. A violation of this paragraph is subject to penalties similar to those that apply to other government employees under the Minnesota Government Data Practices Act.

This section is effective when the LBO takes on fiscal note duties in January 2019.

- 6 Preparation; duties.** Updates language related to the preparation of fiscal notes. Instead of the LBO preparing the notes, this section provides that executive and judicial branch

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agencies and departments must prepare them, in consultation with the LBO. This modification aligns the LBO process more closely with current law and practice.

This section also contains several conforming changes to eliminate language that is reorganized and recodified earlier in the bill.

This section is effective when the LBO takes on fiscal note duties in January 2019.

7 Public Official. Provides that the director of the LBO is a public official for purposes of the state's campaign finance and public disclosure laws. This change aligns with language earlier in the bill establishing the basic parameters of the director's nonpartisan legislative staff position. Among other items, a public official designation requires the director to file an annual statement of economic interests.

8 Fiscal note data must be shared with the Legislative Budget Office. Requires government entities to provide data requested by the LBO director, regardless of the data's classification. Standards governing the LBO's handling of not public data are provided earlier in the bill.

The requested data must be supplied to the LBO according to the standards, guidelines, and procedures adopted by the LBO oversight commission, including standards and procedures governing timeliness. Government entities may not charge a cost for providing data requested under this section.

This section is effective when the LBO takes on fiscal note duties in January 2019.

9 Counties. Updates a statutory transfer of certain LGA funds to reflect the transfer of local impact note duties from MMB to the LBO. Under current law, \$207,000 is transferred annually to the commissioner of management and budget for the cost of preparing local impact notes and for other local government activities. This section requires that the transfer be made to the Legislative Budget Office, instead of MMB.

This section is effective when the LBO takes on fiscal note duties in January 2019.

10 Effective date. Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations.

11 Effective date. Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations.

12 Effective date. Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations. This updated effective date includes deadlines to facilitate the transfer of MMB's electronic fiscal note tracking system to the LBO.

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13 **Repealer.** Repeals a subdivision of law related to the adoption of uniform fiscal note procedures by the Legislative Budget Office. This language is reorganized and recodified earlier in the bill.