

# 2016 Legislative Session INSTRUCTIONS FOR AGENCY FISCAL IMPACT STATEMENT FORM

**DEFINITION:** A fiscal impact is defined as an independent, objective analysis of increases or decreases in state agency or local government expenditures, revenues, full time equivalent (FTE) positions, or organizational effects for the 2015-17, and beyond, resulting directly from a legislative measure. A fiscal impact means an increase, or decrease in state agency expenditures, and/or revenues, and/or full time equivalent positions (FTE) compared to the amounts in the 2015-17 current service level.

**GENERAL:** Complete an Agency Fiscal Impact Statement (FIS) Form, based upon a plain reading of the legislative measure (or legislative concept), for any substantive measure that has an actual or potential fiscal impact to your agency.

**✖** Please fill out all information in these fields.

**✖ MEASURE # AND VERSION - AMENDMENTS:** For amendments, please provide a concise description of how the amendment modifies the measure, and related fiscal impact.

Agency Name:  \_\_\_\_\_  
 Preparer Name/Title:  \_\_\_\_\_  
 Preparer Phone#:  \_\_\_\_\_  
 Date Submitted:  \_\_\_\_\_

Measure #:  \_\_\_\_\_ Version:  \_\_\_\_\_

- No fiscal impact** The absence of an expenditure or revenue (non-tax) impact.
- Minimal Impact** A fiscal impact that can be absorbed with existing agency resources.
- Fiscal Impact** A fiscal impact determined to be greater than a minimal fiscal impact.

The budgetary impact of this bill was reviewed and approved by the Interim Joint Committee on Ways and Means to be recommended to be included in the omnibus budget bill.

Yes \_\_\_\_\_ No \_\_\_\_\_

Is the bill anticipated by the Governor's Recommended Budget as a Policy Option Package? If yes, please identify the Policy Option Package name and number in your written analysis.

Yes \_\_\_\_\_ No \_\_\_\_\_

Does the proposal have a fiscal or revenue mandate effect on cities, counties, or special districts that triggers evaluation under Section 15, Article XI of the Oregon Constitution?

Yes \_\_\_\_\_ No \_\_\_\_\_

**1 AGENCY WRITTEN ANALYSIS:**

*Provide a high-level summary of the general requirements of the bill and what your agency will need to do to comply with the requirements. Identify any ambiguity or other issues related to the measure's language. Identify measure's effective date, and if applicable, operative dates. Summarize the methodology used to make fiscal calculations/determination. See instructions for other considerations.*

**2 AGENCY QUANTITATIVE ANALYSIS**

*Provide a detail description of the proposed legislation's effect on expenditures, revenues, and full time equivalent (FTE) positions. The table below is an embedded Excel worksheet. To fill out the form, place your mouse on the table; right click; select Worksheet Object and Open. If your analysis is number intensive, you may want to use just the Excel version of this template.*

Fiscal Impact Worksheet (by Fund and Category)								
	General Fund	Levy Funds	Other Funds	Federal Funds	W. Other Funds	W. Federal Funds	TOTAL FISCAL	
<b>2015 W Worksheet</b>								
Personal Services	2	-	-	2	-	2	-	6
Services and Supplies	2	-	-	2	-	2	-	6
State W. Payments	2	-	-	2	-	2	-	6
Capital Outlay	2	-	-	2	-	2	-	6
Capital Contributions	2	-	-	2	-	2	-	6
Other Services	2	-	-	2	-	2	-	6
<b>Total</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>30</b>
<b>2016 W Worksheet</b>								
Personal Services	2	-	-	2	-	2	-	6
Services and Supplies	2	-	-	2	-	2	-	6
State W. Payments	2	-	-	2	-	2	-	6
Capital Outlay	2	-	-	2	-	2	-	6
Capital Contributions	2	-	-	2	-	2	-	6
Other Services	2	-	-	2	-	2	-	6
<b>Total</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>30</b>
Fiscal Impact Worksheet (by Fund)								
	General Fund	Levy Funds	Other Funds	Federal Funds	W. Other Funds	W. Federal Funds	TOTAL FISCAL	
<b>2015 W Worksheet</b>	2	-	-	2	-	2	-	6
<b>2016 W Worksheet</b>	2	-	-	2	-	2	-	6
Fiscal Impact Worksheet (FTEs)								
Months of Impact:								
2015 W	2016 W	2017 W	2018 W	2019 W	2020 W	2021 W	2022 W	2023 W

**1 AGENCY WRITTEN ANALYSIS: Complete this section for No Fiscal Impacts, Minimal Fiscal Impacts, and Fiscal Impacts.** The purpose of this section is to provide detail to support the fiscal conclusion and summary information. The written analysis must include:

- Concise statement of what the measure requires agency to do.
- Detailed description of strategy for implementing requirements, and related fiscal impact.
- Clear explanation of which requirements may already be funded, and which are not.
- If indeterminate FIS, list factors that are not quantifiable.

The analysis process should begin with a thorough reading of the bill. Some things to keep in mind when reading a bill are:

#### CONTENT

- Read the bill with a focus on the literal, plain reading.
- Be aware that the bill summary or “catch line” can be misleading.
- What does the bill do? Does it:
  - 1] create a new law;
  - 2] amend existing law;
  - 3] create a new provision (adds a new section) to existing law;
  - 4] repeal an existing law?
- Read other statutes referred to in the measure. Look up repealed sections in statute. Review relevant laws and budgets.

#### CONTEXT

- If the bill passes, who will be responsible for facilitating, implementing, enforcing and/or monitoring? What do they do now? How will this bill change their current process?
- Has the issue or bill come up before? Is there other legislation in this session on this topic?
- Is the bill a subject of an Executive Order?
- Is the bill targeted at an Oregon Administrative Rule (OAR) issue? Note if other areas of law are affected.
- Note groups that may have a stake in this bill.
- Note any ambiguity, false assumptions, etc. contained in bill.
- Note any red flags, potential issues and unintended consequences.
- If the bill contains permissive language (e.g. “may” vs. “shall”), the fiscal should detail costs with the assumption that the agency **will** do the work.
- Note language that directs a fiscal strategy such as “the bill is to be implemented without any additional agency expenditures”; the fiscal should detail the work that will be delayed or not completed to accommodate the new work required by the bill.

**AGENCY USE OF EXISTING BUDGETED RESOURCES:** Identify clearly the cost/consequences of using existing budgeted resources to fulfill the requirements of the measure including documenting what the agency might not undertake as a result of any reprioritization of existing resources.

**FISCAL IMPACTS OF AN INDETERMINATE NATURE:** Agencies must articulate clearly the reasons why they are unable to estimate the fiscal implications of a measure and detail what questions must be answered for the fiscal implications to be known.

## **2 AGENCY QUANTATIVE ANALYSIS:**

Include as many pages, tables or spreadsheets as necessary to describe thoroughly the expenditure and revenue assumptions. Describe increase, or decrease in state agency expenditures, revenues, full time equivalent (FTE) positions compared to the amounts in the 2015-17 current service level budget. Discuss any relevant changes to the 2015-17 current service level budget as a result of other budgetary actions. A quality analysis will include:

**EFFECT ON EXPENDITURES:** Estimates are to be made for both the 2015-17 and 2017-19 biennia.

- Include information, by budget category (Personal Services, Services and Supplies, Capital Outlay, Special Payments, and Debt Services).
- Estimates must identify the expenditures by fund-type (General, Other, Lottery, Federal Funds).
- Clearly detail one-time expenditures from on-going expenditures.
- For all budget categories, use 2015-17 dollar estimates; do not increase any amount for inflation.
- Budget Personal Services costs at the second step of the Salary Range. Do not calculate merit increases for either biennium.
- Use the most current cost basis information (e.g., forecasted caseloads, pricings, etc.)
- Include the expected number of units and costs per unit served (i.e., numbers of cases, clients, or workload units and the estimated cost for each).
- Provide a potential range of cases if the number cannot be accurately projected, and the basis for the estimate, such as historical, similar activity, or implementation of identical legislation in another state.
- Calculations should be supported by details provided in the Agency Written Analysis section of the FIS. Background spreadsheets that provide detail on calculations should also be included with the submitted FIS.

**EFFECT ON REVENUES:** Revenue estimates reflect revenue created by the measure and must identify the source (General, Other, Lottery, Federal). Revenue estimates are to be made for both the 2015-17 and 2017-19 biennia. For cities, counties, or other units of local government, show only the total statewide amount since the type of revenue may vary.

- Identify whether the revenue source is a new fee, a fee increase, a new federal grant, Lottery Fund or General Fund.
- Identify any negative revenue impacts to fees, grants, or Lottery Funds.
- Clearly note any General Fund impact, positive or negative, affecting the receipt of General Fund by the state.
- For fee increases or new fees, indicate whether the agency has authority to administratively create or increase the fee or whether legislative approval is required.
- For federal grants, federal funding agency, cooperative or competitive grant, indicate the probability of grant approval and continued federal funding (i.e., is this a sustainable program).

**EFFECT ON POSITIONS/FTE:** If the proposed legislation changes organizational structure, describe the change in this section. List by job classification the total number of new positions and FTE necessary to implement the proposal. New positions are budgeted at step 2 of the relevant classification. Indicate which positions may be limited duration. Information must be

shown for both the 2015-17 and 2017-19 biennia. Timeframes need to be aligned to the bill's effective and operative dates and phase-in/phase-out plans. If the proposal reduces staff, or avoids or delays the addition of staff, include this information. State agencies do not report position information for cities, counties, or other units of local government.

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**NEW SINCE 2014:** HB 3194 (2013), Section 46 requires that a 10-year fiscal impact statement must be produced for any measure that impacts sentencing or creates a new crime. If this requirement pertains to the measure you are analyzing, please use the HB 3194 tab on the Excel version of FIS Agency Form, and provide us with all additional relevant supporting information.

**OTHER ISSUES TO CONSIDER**

**EFFECTIVE DATES:** Agency fiscal impact preparers are reminded to make note of measure effective and operative date(s). Based on the effective date, please use one of the following standardized timeframes (months of impact) listed in bold when preparing fiscal impact estimates, unless the measure specifies an operative date(s) or special circumstances that would affect implementation (e.g., delay due to position hiring). Note any such special circumstances affecting implementation on the agency fiscal impact form.

	<b>Effective Date</b>	<b>Description</b>	<b>2015-17 Fiscal Impact [months of impact]</b>
1	Normal	ORS 171.022 Effective date for Act of Legislative Assembly. Except as otherwise provided in the Act, an Act of the Legislative Assembly takes effect on January 1 of the year after passage of the Act. [January 1, 2016]	January 1, 2017 to June 30, 2017  <b>[6 months of impact]</b>
2	Emergency Clause	On passage or otherwise prior to the 91 <sup>st</sup> day after the end of the session. The measure becomes effective when the Governor signs the legislation.	April 1, 2016 to June 30, 2017  <b>[up to 15 months of impact]</b>
3	Early (non-emergency)	Prescribing an early, non-emergency effective date on or after the 91 <sup>st</sup> day after the end of a legislative session and prior to January 1, 2016.	Date specified to June 30, 2017  <b>[dependent on date specified]</b>
4	Delayed	Prescribes a delayed effective date if the measure takes effect after the normal effective date of January 1, 2016.	Date specified to June 30, 2017  <b>[dependent on date specified]</b>

The impact for the 2017-19 biennium is generally 24 months of fiscal impact, unless there is a sunset date.

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** Indicate whether the proposal was reviewed and approved by the Interim Joint Committee on Ways and Means (IJCWM) and is included in

the omnibus budget bill to be introduced by the committee. Identify the date and item number of IJCWM, where appropriate.

**OTHER FINANCIAL/NON-BUDGETARY ISSUES**

- If the proposed legislation impacts agency cash flow, detail any actual or potential impact to agency cash flows.

**CURRENT AND/OR PRIOR LEGISLATION:**

- Whenever possible, identify current legislation that is similar or identical to the proposed measure or whose passage is dependent upon another piece of legislation.
- Whenever possible, identify similar Legislation from a prior legislative session.

**OTHER DESCRIPTIVE OR QUALIFYING INFORMATION COMMENTS:**

- Provide any type of comment or information that assists in full understanding of the measure and its fiscal effects.

## SOME QUESTIONS TO CONSIDER FOR TASK FORCES AND COMMITTEES

1. What is the start date/end date of the Task Force/Committee?
2. Who provides staffing?
  - What duties are expected?
  - What's the FTE requirement and position classification?
3. How many meetings are required? Where will the meetings be held?
4. How many members are required? Are they agency staff, legislative, or non-government? What are the geographical locations of the members? Will they be reimbursed for travel expenses?
5. What other expenditures might be incurred?
  - Meeting (facilities, meals, etc.)
  - Office costs (phones, copies, etc.)
  - Research/Reporting requirements (Will report require data collection and database development? Will data collection and analysis require consultants?)
  - Publications costs
  - Reimbursements to members (meals, mileage, per diem, etc.)
6. Are there revenue sources or existing resources to cover expenditures?
  - Agency budgets
  - In-kind contributions
  - Private funding including, gifts, grants and donations
  - Reserves of funds for committee expenses
  - Permanent staff for similar work the agency is committed to doing

Some task force/committee related statutes to consider:

ORS 171.072 - Salary of members and presiding officers; per diem allowance; expenses; tax status. This statute allows legislators to receive compensation mileage and costs for interim committees and task forces. Generally, mileage and costs will be approved by Presiding officers for members attending interim committee meetings or task forces. Generally, mileage and costs are not allowed for work groups. Presiding officers have the discretion to determine when mileage and costs are allowed.

ORS 292.495 - Compensation and expenses of members of state boards and commissions. This statute states that any member of state board or commission may receive \$30 per diem and actual expenses.