

Fiscal Impact Statements

A fiscal impact statement is an independent, objective analysis of the expenditure, revenue, staffing, and organizational effects of a substantive legislative measure on state and local government. A fiscal impact means an increase or decrease in program expenditures, revenues (non-tax), positions, or full-time equivalent (FTE) compared to the amounts in the current biennium's approved budget. There are four general types of fiscal impact statements:⁸

- **No fiscal impact:** A statement issued on an original measure that has no expenditure impact, or on a measure that was originally "fiscal" but has been amended so that the fiscal impact is eliminated.
- **Minimal fiscal impact:** A statement issued when a measure has a fiscal impact, but the impact can be absorbed or accommodated within an agency's existing legislatively approved budget without additional appropriation or expenditure limitation.
- **May have fiscal impact ("fiscal lite"):** A generic statement to categorize an introduced measure for which a fiscal impact analysis has yet to be completed based on a formal request from a substantive committee.
- **Written fiscal analysis:** A statement issued on a measure determined to have a fiscal impact beyond a "minimal" fiscal impact. When a fiscal impact cannot be determined, an "indeterminate" fiscal impact statement may be issued in order to explain why. An explanatory fiscal analysis may be used to describe a measure's mechanical defects or ambiguity.

Process

ORS Chapter 173 states that fiscal impact statements are required on measures that are reported out of committee. During the 2019 session, House and Senate substantive committees were required by rule to receive and review a fiscal impact statement prior to a measure being reported out of committee. This rule applied to most substantive measures, including those with subsequent referrals to the Committees on Finance and Revenue and/or the Joint Committee on Ways and Means.⁹ The purpose of the rule is to inform substantive committee decision-making on the fiscal implications of a particular measure.

Fiscal Impact Statistics

The fiscal impact process is affected by a number of factors including the volume of measures introduced; the number of substantive committees; committee rules; committee scheduling of a measure; whether the measure is amended; the number of amendments; the fiscal nature and complexity of the measure or amendment; the duration of the session; and Legislative Fiscal Office and state and local government staffing and their experience with the legislative and fiscal impact processes.

There were 2,768 measures introduced during the session, which is 61 less than the 2017 session and 50 fewer than the average of the last five biennia. There were 3,425 amendments drafted for those bills, which is 9% less than the average of the last five biennia. While not every measure introduced or amendment drafted advanced had a fiscal impact prepared, LFO produced 2,771 fiscal impact

⁸ A budget report is also considered a type of fiscal impact. A budget report, however, is a product of the Joint Committee on Ways and Means and is produced for any bill, substantive or budgetary, that appropriates or allocates funds, limits expenditures, or provides for a new position or full-time equivalent authority.

⁹ A complete fiscal impact statement is not required for measures with a subsequent referral to another substantive committee. A "fiscal lite," which states that the fiscal impact of the bill will be reviewed in another committee, may be issued instead. There were 371 fiscal lites issued during the 2019 session, a 15% increase from 2017.

statements during the 2019 session, which is 113 (4%) less than the 2017 session and 181 (6%) less than the average for the past five biennia.

Of the 2,771 fiscal impacts issued, 1,325 (48%) were written Fiscal Impact Statements; 858 (31%) were Minimal Fiscals; and 588 (21%) were No Fiscals. The number of written Fiscal Impact Statements is 39 more than the average of the past five biennia.

The following table provides a comparison of fiscal impact-related information as well as an average for the last five regular legislative sessions.

Regular Legislative Session	2011	2013	2015	2017	2019	Five Biennia Average
Biennium/Statistic						
Length of Regular Session	150	155	155	157	160	155
Number of Measures and Admendments						
Measures Introduced	3,020	2,675	2,799	2,829	2,768	2,818
Admendment Drafted	3,629	3,941	4,106	3,781	3,425	3,776
Total	6,649	6,616	6,905	6,610	6,193	6,595
Measureas Enrolled	793	720	847	811	760	786
% of Measures Introduced Enrolled	26.26%	26.92%	30.26%	28.67%	27.46%	27.90%
Fiscal Impact Statement (FIS)						
Written Fiscal Analysis	1,123	1,275	1,475	1,234	1,325	1,286
Minimal Fiscal	880	1,198	1,007	992	858	987
No Fiscal	740	613	793	658	588	678
Total	2,743	3,086	3,275	2,884	2,771	2,952
% Written Analysis	40.94%	41.32%	45.04%	42.79%	47.82%	43.58%
% Minimal Fiscal	32.08%	38.82%	30.75%	34.40%	30.96%	33.44%
% No Fiscal Impact	26.98%	19.86%	24.21%	22.82%	21.22%	22.98%

Note 1: The primary sources of information for this table include the Oregon Legislative Information System LFO Fiscal Docket; the Final Status Report(s) for House and Senate Measures; and Legislative Counsel's Statistical Summaries.

Note 2: Budget report statistics are excluded from this analysis.

The following chart outlines the number of fiscal impacts issued each week in the 2013, 2015, 2017, and 2019 sessions. The volume of fiscals issued in 2019 peaked during the weeks of April 7 and April 14, which corresponds to the deadline for bills to be reported out of the committee of origin. This not only resulted in a substantially increased workload, over triple the average, but also an increase in bills subsequently referred to the Rules Committees, Revenue Committees, and the Joint Committee on Ways and Means. During this two-week period, there were 947 fiscal impacts issued, 34% of all fiscals issued, which is comparable to 2017 for the same period. There was a total of 502 bills referred to the Joint Committee on Ways and Means (combined budget and policy bills) and, of this number, 214 (43%) received a hearing and 212 (42%) were ultimately passed out to the chambers.

