



FISCAL NOTE TRAINING

2016 Legislative Session

A Fiscal Note

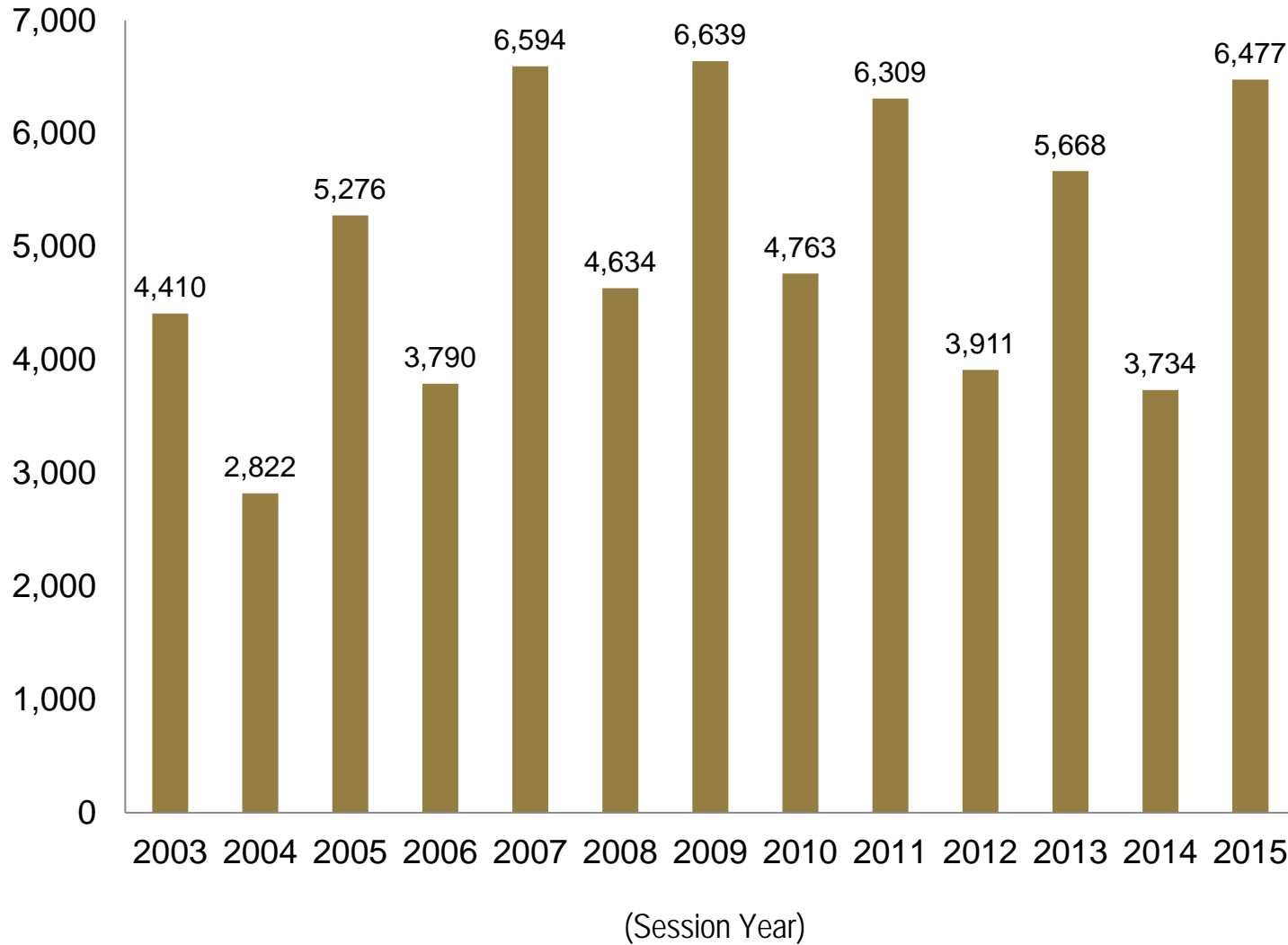
- A fiscal note is an objective statement of the fiscal impact of proposed legislation, and is always linked to a particular version of a bill, a draft bill, a bill amendment or enacted legislation.
- A fiscal note's primary purpose is to provide the most reasonable estimate of the expenditure and cash receipt implications of proposed legislation using the best and most rationale set of assumptions. There are six types of fiscal notes; State Agency, Local Government, Judicial, School District, Actuarial and Statewide. The majority of fiscal note requests come from legislative staff and OFM. Agency staff may request fiscal notes subject to OFM's approval.

Fiscal Note Process Adopted

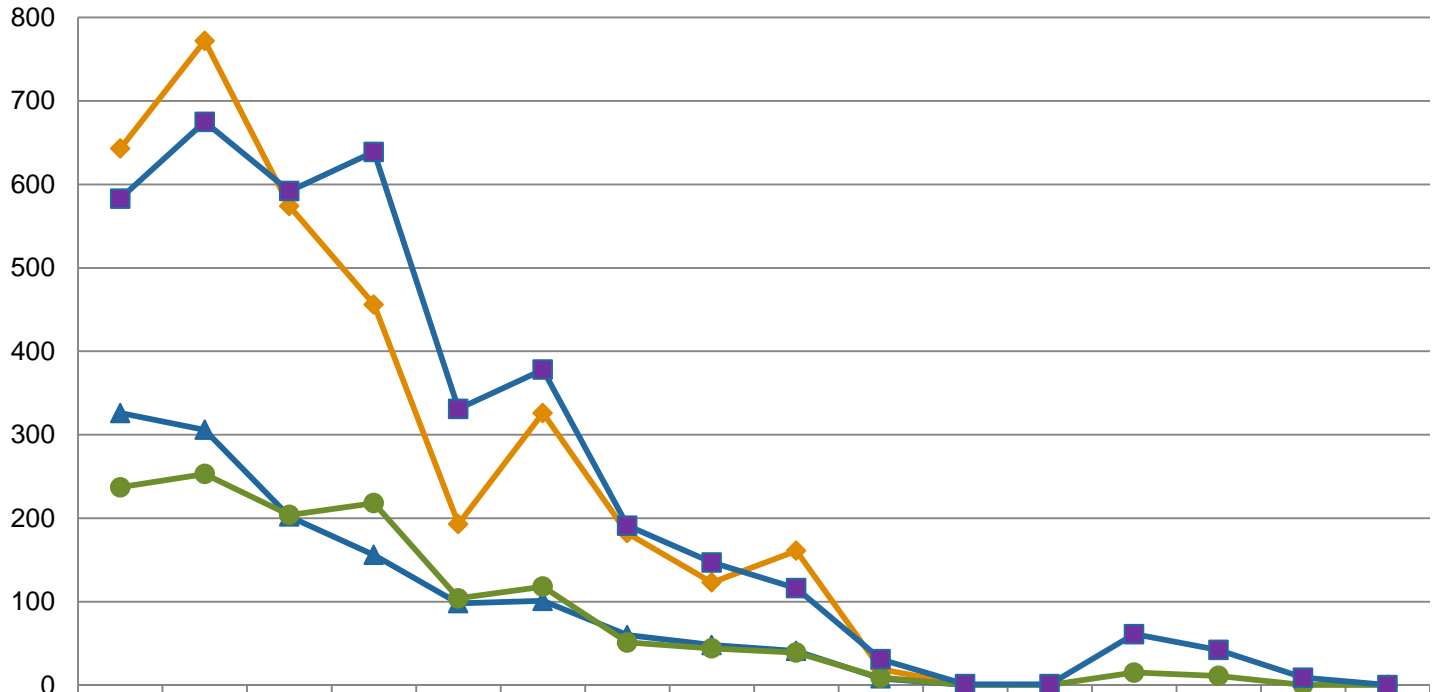
RCW 43.88A directs OFM to establish fiscal note procedures to:

- Evaluate the expected impacts of bills
- Include fiscal impact for the first biennium impacted plus the succeeding four fiscal years
- Coordinate fiscal impact development for all state agencies affected
- Provide fiscal notes for any legislative proposal
- Approve the form, accuracy and completeness of the note

Fiscal Note Request History



Fiscal Note Requests/Assignments: 2014 vs 2012 Legislative Session



	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16
2014 Fiscal Note Requests	326	306	202	156	98	101	60	48	41	8	0					
2014 Agency Assignments	643	772	574	456	193	326	182	123	161	19	0					
2012 Fiscal Note Requests	237	253	204	218	104	118	51	44	39	9	0	0	15	11	0	0
2012 Agency Assignments	583	675	592	639	331	378	191	147	116	31	1	1	61	42	9	0

2014 Legislative Session

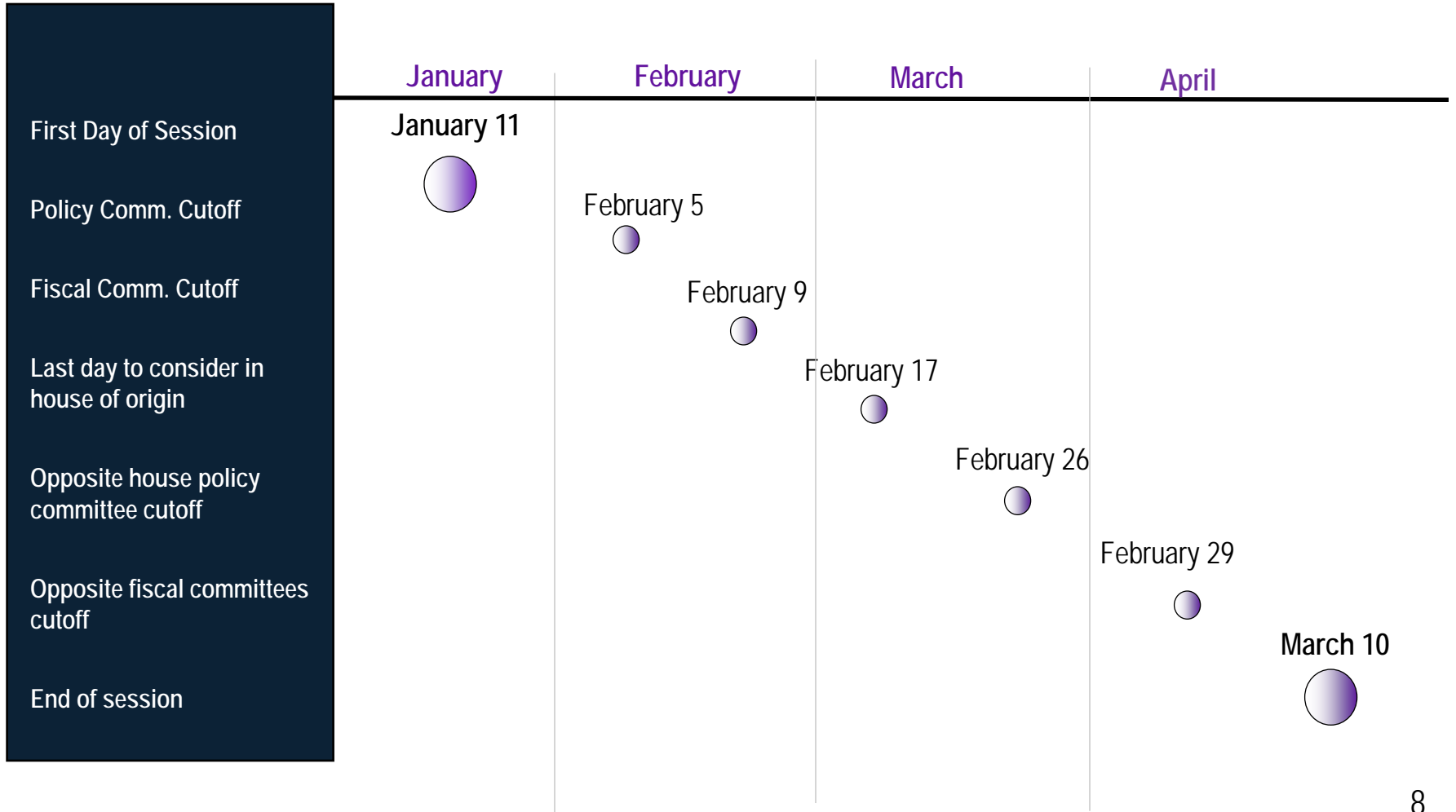
Rank	Agency	Agency	Fiscal Note Volume	% of Total
1	LOC	Local Government Fiscal Note (COM)	452	12.1
2	140	Department of Revenue	261	7.0
3	055	Admin Office of the Courts	185	5.0
4	300	Dept. of Social and Health Services	181	4.9
5	240	Department of Licensing	161	4.3
6	350	Superintendent of Public Instruction	139	3.7
		Top 6 Total		37.0

Fiscal Note Priorities

In the most recent fiscal note study legislators identified these as priorities:

- Assumptions should be clearly identified
- Avoid “indeterminate”—use cost ranges to communicate uncertainty
- Form work groups including agency, OFM and legislative staff for major issues
- Timeliness

2016 Session Cutoff Calendar (estimated dates)



Tips for Success

- Prepare Early
- Know your process
- Anticipate topics
- Gather data now
- Be ready on the first day

Overview: Preparing Fiscal Notes

Agencies usually have 3 days* to:

- Read and understand the bill
- Decide how the bill might be implemented
- Collect data
- Convert concepts to costs
- Draft narrative
- Send through a review process
- Incorporate comments
- Final review and signoff
- Release to OFM

*There may be less time due to hearing dates

Key Features of a Good Fiscal Note

- Clearly written to show how the bill will change current practices and costs—anyone can understand it
- Cost estimates are based on data
- Assumptions are clear and reasonable, and include implementation/effective date(s)
- Assumptions are coordinated and consistent with other agencies
- Calculations are clear and can be easily duplicated
- Objective – Do not discuss merits of the bill, pro or con

Indeterminate

- **Impossible** to quantify
- Preferable to show options and ranges, and pick one to fill in Part I and Part III
- Discuss with OFM budget analyst before releasing

No Fiscal Impact

If the proposed legislation has no fiscal impact, check the "no fiscal impact" box (found on the Summary tab in the FNS).

Provide a brief explanation of this assumption in the brief description narrative box.

Absorbing Cost - Risks

- If the effort is very small, absorb it – or indicate “No Fiscal Impact”
- Don’t offer to absorb costs simply because the agency “likes the bill”
- If the agency is either willing or required to absorb, clearly state what will not get done and remember, this may be just one of many bills.
- If the activity is something the agency already does, be prepared to show why the requirements of the bill can’t be absorbed

OFM Reviews For:

- Intent of Legislation
- Objectivity
- “Person on the street” Comprehension
- Acronyms and Grammar
- All Sections Completed
- Compliance with Effective Date(s)
- Calculations
- Data Sources
- Interagency Coordination
- FTEs and Salaries
- Object Distribution
- Who collects the cash receipts?
- Part I Expenditures & Part III Expenditure details balance



For more information, please visit:

OFM.wa.gov