



## Legislative Budget Office

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# Uniform Standards and Procedures

## Requirement

M.S. §3.8853, subdivision 3, states:

**Uniform standards and procedures.** The director of the Legislative Budget Office must adopt uniform standards and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards and procedures are not effective until they are approved by the Legislative Budget Office Oversight Commission. Upon approval, the standards and procedures must be published in the State Register and on the office's website.

Laws 2018, chapter 214, article 5, section 3, establishes an effective date of September 1, 2019.

## Current Standards and Procedures

Prior to September 1, 2019, Minnesota Management and Budget (MMB), an executive branch agency, provided oversight to fiscal note procedures as required by M.S. §3.98, subdivision 4. These procedures are outlined in the [Management and Budget, Fiscal Note Policy Manual, November 2018](#).

Uniform standards and procedures developed by the Legislative Budget Office (LBO) may adopt, build upon, revise or be in addition to those currently in effect.

## Process

The LBO will develop the uniform standards and procedures by soliciting input from legislative staff, legislators, agencies and members of the public indicating an interest in providing feedback.

The director of the LBO will present initial proposed uniform standards and procedures at a meeting of the LBO Oversight Commission in June/July 2019. The LBO Oversight Commission will hold a second meeting prior to September 1, 2019, to approve the final uniform standards and procedures. The approved uniform standards and procedures will be published on the LBO website and in the State Register.

## Purpose

The uniform standards and procedures will reflect the mission, vision and values of the LBO and be developed in a manner consistent with the intent leading to the creation of the LBO. The focus will be on uniform standards and procedures that ensure fiscal notes are objective, accurate, timely and a reasonable reflection of the cost implications of proposed legislation.

## Proposed Topic Areas and Discussion Questions

Below is a list of topic areas and discussion questions intended to inform the LBO in the development of uniform standards and procedures. Additional topic areas may be developed and included in the presentation of standards and procedures to the LBO Oversight Commission for approval.

### 1. Access to information

- a. Are there changes that should be considered to the current Fiscal Note Tracking System (FNTS) access policy?
- b. What standards should be developed related to access to fiscal note information prior to a fiscal note being complete?
- c. How should preliminary notes be used and not used?

### 2. Administrative costs

- a. Are there standards that could be developed for costs that are generally common across agencies (i.e. salary/compensation, studies, commissions/advisory groups, information/technology projects, etc.)?
- b. What additional standards and expectations should be developed on absorbed costs?

### 3. Authorization to request fiscal notes

- a. Who is authorized to request a fiscal note?
- b. How does that translate to delegation of authority for fiscal analysts?
- c. What is the process for a non-authorized person to identify the need for a fiscal note?

### 4. Basis for developing fiscal note estimates

- a. What factors should be used to develop fiscal notes?
- b. Who should be allowed to provide data and input?
- c. Are there additional mechanisms by which scenarios and a range of cost estimates might be considered?

### 5. Clarification of interpretation of bill language

- a. What additional steps should be taken to align bill language, author interpretation and agency interpretation?
- b. How can authors, legislative staff and agencies work together to clarify bill language?
- c. Would sharing assumptions early help uncover differing interpretations?

### 6. Dispute resolution

- a. What are the different types of disputes that could arise?
- b. What informal and formal steps should be taken when a dispute exists?
- c. Is there a role that the LBO Oversight Commission should have related to dispute resolution?

### 7. Dynamic scoring/secondary costs

- a. What implications would the use of dynamic scoring/secondary costs have in the fiscal note process?
- b. Are there ways a discussion on dynamic scoring/secondary cost implications could be incorporated into the fiscal note document?

**8. Fiscal note purpose and requirements**

- a. What is the purpose of a fiscal note?
- b. When is a fiscal note advisory and when is it binding?
- c. Which bills should require a fiscal note?
- d. Does the current content and format provide sufficient information or are there ways this could be improved?

**9. Objectivity and reasonableness requirements**

- a. What training requirements should be established for staff involved in the process?
- b. Would a certification process lead to an increase in the integrity of fiscal notes?
- c. What should the LBO include in their review of fiscal notes to ensure the independence and objectivity of the office?

**10. Roles, responsibilities and relationships**

- a. Who are the major contributors to the process?
- b. What are the distinct and overlapping roles of each of these contributors?
- c. Are there special considerations for consolidated or local impact notes?

**11. Technical issues with bills**

- a. What steps should be taken when an agency identifies a concern related to the implementation and structure of the bill language?
- b. How can implementation concerns be presented/discussed in a way that informs the fiscal note without being a representation of an agency position on a bill?

**12. Timeliness**

- a. What informal and formal process can be put in place to prioritize fiscal note requests?
- b. How far in advance of a hearing should a fiscal note be requested and completed?
- c. Should fiscal notes be requested without a hearing scheduled for the proposed bill?
- d. What steps can the legislature take to manage the quantity of fiscal notes and provide as much time as possible for agencies to develop fiscal notes?
- e. What should the process be if a fiscal note is not completed on time?

## Feedback

The LBO is interested in gathering feedback from stakeholders that will inform the development of uniform standards and procedures for fiscal notes. To provide input, please email [lbo@lbo.leg.mn](mailto:lbo@lbo.leg.mn) no later than June 7, 2019.