



Legislative Budget Office (LBO) Update

LBO Oversight Commission

December 16, 2019

Fiscal Note Requests and FNTS

- Incomplete notes from 2019 session
- New requests
- FNTS phase 2 deploy complete

Knowledge-Building Sessions

- Occurred September 11 through December 11
- Invited House, Senate and Joint Office non-partisan staff
- Guest speakers covered 20 topics

LBO Pre-2020 Session Planning

- Managing confidential, sensitive and high stakes work
- LBO SWOT analysis (strengths, weaknesses, opportunities and threats)
- Individual staff strengths, personality traits and communication styles

Information Technology Costs

Information Technology: Uniform Standards and Procedures

- Agencies must follow consistent and standard factors and approaches when developing costs
- IT related costs must be reviewed by the CBTO or their designee prior to submission to the LBO

Information Technology: User Guide

- May discuss a range of outcomes, but should select most likely scenario when identifying fiscal impact
- Fiscal Impact Check Box: Information Technology
- Long-term costs

Full Time Equivalents (FTEs)

FTEs: Uniform Standards and Procedures

- Agencies must apply a consistent standard and methodology when developing costs
- Include sufficient documentation/detail
- Pre-session meeting with LBO, fiscal analysts and agency
- Explain differences in methodology

FTEs: User Guide

- Identify the classification/position type and salary
- Include benefits/fringe as a separate line from salary
- Break out other costs

Absorbed Costs

Absorbed Costs: Statutory Language

Minnesota Statute

- 3.98, subd. 2 states “The fiscal note, where possible, shall: ...
(4) include the costs which may be absorbed without additional funds;”

Absorbed Costs: Uniform Standards and Procedures

- Agencies may only absorb operational costs
- Must explain why they are able to absorb the costs
- May not be based on agency position on a bill
- May not be based on instructions within the bill to absorb costs
- Must detail all costs and indicate the amount to be absorbed

Absorbed Costs: User Guide

- Absorbed costs are different than “no fiscal impact”
- Must be shown on the table of the fiscal note
- Must include sufficient explanation
- Agencies may not absorb costs that are new, would displace other services/activities or are for forecast or grant programs
- Costs may not be absorbed based on the agency position on a bill or instructions to do so within the bill

Fiscal Note Assumptions

Assumptions: Uniform Standards and Procedures

- May not comment on the merits of the bill, but may identify technical defects
- Based on how the agency would implement the bill
- Must be transparent, reasonable, and adequately documented to explain the impact to services and operations
- May not include secondary costs

Assumptions: User Guide

- Explain in detail the foundation and methodology for all fiscal impacts
- Clearly state the basis of the estimates
- Provide as much detail as necessary to understand the entire fiscal note
- LBO Analyst and agencies will work together to coordinate assumptions for consolidated fiscal notes
- Agency should work with LBO and fiscal analyst if there are questions on the bill language

Questions and Discussion