

# ***FISCAL NOTE GUIDELINES***

**Marilyn Chism, Director  
Fiscal Research Division  
NC General Assembly**

**OSC Financial Conference  
December 14, 2010**



## ***Presentation Outline***

- Purpose
- Types of Fiscal Analysis
- Confidentiality
- Guidelines
- Questions and Answers

## *Types of Fiscal Analysis*

- Legislative Fiscal Notes
- Incarceration Notes
- Actuarial Notes
- Fiscal Memos

## *Legislative Fiscal Notes*

- Analysis of **all estimated effects** of a bill on the **expenditure or revenues** of units of State or local government
- Five year time horizon, beginning with the upcoming fiscal year (G.S. 120-36.7)
- Prepared upon request of legislator
- Posted on the NC General Assembly's website

## *Elements of Legislative Fiscal Notes*

- Bill number/Short Title/Sponsors
- Fiscal Impact Summary Table
- Bill Summary
- **Assumptions & Methodology**
- Sources of Data
- Technical Considerations
- Signatures/Approval

## *Incarceration Notes*

- Same elements as fiscal notes
- Required for any proposed change in law that could cause net increase in
  - **length of time for which persons are incarcerated or**
  - **number of persons incarcerated**
- G.S. 120-36.7(d)

## *Actuarial Notes*

- Same elements as fiscal notes
- Required for every proposed **change in retirement, hospital, medical, disability, or related benefits for state and local employees**
- G.S. 120-114

## *Fiscal Memo*

- Same elements as fiscal notes
- Prepared for legislation not formally introduced or adopted
  - Draft legislation
  - Amendments
  - Proposed Committee Substitutes (PCS)
- Prepared upon request of member
- Confidential document for requesting member

## *Confidentiality*

- Requests to agencies for information related to fiscal notes & memos are **confidential**.
- Analysts **cannot** provide information regarding the identity of the requesting member.
- Only agency personnel **directly** involved in preparation of materials should know of request.
- Once fiscal note is published, note and documents submitted to FRD in response to request become **public record**.
- G.S. 120-131.1

## *Timelines & Turnaround*

- *Fiscal Notes*
  - **five** legislative days (goal)
  - **two** legislative days if requested from floor (per House and Senate Rules)
- *Incarceration & Actuarial Notes*
  - two weeks (per statute)

## *Guidelines*

- FRD is responsible for preparing legislative fiscal analyses.
- FRD's starting point for analyses is most often the State agencies responsible for implementing legislation.
- Uniform approach to requesting fiscal note information from agencies implemented during the 2010 Session
  - Increase efficiency of the fiscal note information request process

## *Information Requested from Agencies*

- **Cost estimates** for the next five fiscal years
- Data to **support** the cost estimates
  - Completed fiscal note **templates**
  - **Narrative** explanations

## *Supporting Data*

- Proposed legislation's affect on agency's **operations**
  - specific divisions that will be affected
  - current vs. projected *activities* performed
  - current vs. projected *number of persons served*
  - current vs. projected *amount or types of services provided*
  - current vs. projected *workload per position*

## *Supporting Data*

- Whether projected workload can be accommodated within your agency's **existing capacity and/or budget**
  - If not, why not? How have you calculated that your agency is already at capacity?
- What additional resources agency would need to implement legislation?
  - Be as specific as possible



## Template: Operating Costs

**OPERATING COSTS**

Note: When providing costs for future years, please factor in the following annual CPI increases:

	General	Gas	Fuel Oils	Medical Care	Ftu/Drugs
FY 11-12	2.64%	11.78%	5.18%	4.43%	4.43%
FY 12-13	2.60%	1.81%	4.35%	4.12%	4.12%
FY 13-14	2.25%	0.52%	3.63%	3.90%	3.90%
FY 14-15	2.06%	1.43%	3.52%	3.81%	3.81%

Account	Account Title	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>532xxx</b>	<b>PURCHASED SERVICES</b>					
5321xx	Contractual Services					
5322xx	Utility/Energy Services					
5323xx	Repair Services					
5324xx	Maintenance Agreements					
5325xx	Rentals/Leases					
5327xx	Travel					
5329xx	Communications & Data Processing					
5329xx	Other Services					
<b>533xxx</b>	<b>SUPPLIES</b>					
5331xx	General Admin Supplies					
5332xx	Facility & Hardware Supplies					
5333xx	Vehicle/Equipment Operating Supplies					
5335xx	Clothing and Recreational Supplies					
5336xx	Drugs/Pharmaceutical Supplies					
5337xx	Research/Development & Educational Supplies					
5338xx	Purchases for Resale					
5339xx	Other Materials and Supplies					
<b>534xxx</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>					
5341xx	Land					
5342xx	Buildings - Purchased*					
5343xx	Buildings - Constructed*					
5344xx	Other Structures and Improvement*					
5345xx	Equipment (Furniture, Office Equip., Computers)					
5347xx	Intangible Assets					
<b>535xxx</b>	<b>OTHER EXPENSES (please provide detail)</b>					
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -

\* Please attach detailed justification for capital purchases and any exceptional items such as large one-time purchases.

## Template: Committee Costs

Number of legislative members:	
Number of non-legislative members:	
Number of meetings:	

### 2010-11 Committee Budget Estimate

<b>1) Legislative Members Subsistence</b>	\$0.00
\$104.00 Legislative Subsistence	
X 0 Number of Legislative Members	
X 1.5 Half of Members using Two Days of Subsistence	
X 0 Number of Meetings	
= \$0.00 Total Legislative Members Subsistence	
<b>2) Non-Legislative Members Subsistence</b>	\$0.00
\$116.15 Non-Legislative Members Subsistence	
X 0 Number of Non-Legislative Members	
X 1.5 Half of Non-Legislative Members using Two Days Subsistence	
X 0 Number of Meetings	
= \$0.00 Total Non-Legislative Members Subsistence	
* \$100.00 Daily Per Diem Rate Plus \$16 Committee Per Diem Rate (\$116.15)	
<b>3) Travel Expenses</b>	\$0.00
a) Legislative Members	
\$70.00 Round Trip Reimbursement (140 miles @ \$0.50/mile)	
X 0 Number of Legislative Members	
X 0 Number of Meetings	
= \$0.00 Total Travel for Legislative Members	
b) Non-Legislative Member	
\$0.00 Round Trip Reimbursement (280 miles @ \$0.22/mile)	
X 0 Number of Non-Legislative Members	
X 0 Number of Meetings	
= \$0.00 Total Travel for Non-Legislative Members	
<b>4) Clerical Staff</b>	\$0.00
\$818.00 Average Salary with Benefits for 5 day work week	
X 0 Number of Meetings	
= \$0.00 Total Clerical Staff	
* Average Weekly Wages for LA, CAL, AB, C, AII with 1 mgex Added.	
<b>5) Professional Staff</b>	\$0.00
<b>6) Special Travel and Expenses</b>	\$64.00
<b>7) Postage and Telephone Expenses</b>	\$0.00
<b>8) Supplies</b>	\$100.00
<b>9) Copying and Printing</b>	\$0.00
<b>10) Reserve</b>	\$0.00
<b>Total</b>	<b>\$154.00</b>

# Questions?

Marilyn Chism, Director  
Kristin Walker, Fiscal Analyst  
Fiscal Research Division  
919-733-4910  
[www.ncleg.net/fiscalresearch](http://www.ncleg.net/fiscalresearch)