

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1681

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Bell, Richard P.

3. Committee: Appropriations, Subcommittee on Technology Oversight and Government Activities

4. Title: Zero-Based Budgeting.

5. Summary: Zero-Based Budgeting. Whenever a state agency which receives General Fund revenue requests the Governor or his designee for funding to be included in the Governor's next Executive Budget, the state agency shall submit its budget request utilizing a zero-based budgeting methodology.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The implementation of zero-based budgeting would require additional staff and time in the budget process, both at the Department of Planning and Budget (DPB), and for the other state agencies. DPB would need to develop detailed guidelines about how the methodology would be implemented. State agencies would be required to submit larger and more detailed budget packages to DPB, and then DPB would have to review the additional materials.

At present, the state and its agencies have been working and training to develop a performance based-budgeting process. Additional training and potentially additional staff may be needed in some agencies due to the complexity of the zero-based budget process. Finally, DPB may need to make modifications to its new Performance-Based Budgeting System. Any expenses related to such changes would have to be supported through direct appropriation or as proposed in the introduced budget, through the internal service fund rates that will be charged to agencies to support the new system.

9. Specific Agency or Political Subdivisions Affected: All state agencies.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/17/10

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