

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2517

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: Lewis, L.

3. Committee: Appropriations

4. Title: Budget bill; basis for preparation.

5. Summary: Basis for the preparation of the Budget Bill. Requires the Budget Bill for the 2012-2014 biennium and future Budget Bills to be prepared and formulated utilizing zero-based budgeting principles.

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 will 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 is 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

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