

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: SB803

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Sturtevant and Chase

3. Committee: General Laws and Technology

4. Title: Submission of executive budget; zero-based budgeting.

5. Summary: Requires, beginning in the 2018-2020 biennium, that "The Executive Budget" and all "Executive Budgets" shall be prepared and formulated using zero-based budgeting principles. The bill requires that such zero-based budgets reflect the amount of funding deemed necessary to achieve the most cost-effective performance of each agency or department pursuant to an accompanying narrative delineating the tasks to be performed by each agency or department, together with the goals and objectives for each agency or department. Each such budget shall have a zero-dollar amount as its initial basis and shall not reflect any prior appropriation amount, adjusted or otherwise.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: The implementation of zero-based budgeting and determining the most cost-effective performance of each agency, together with goals of and objectives of each agency would require additional staff and time in the budget process, both at the Department of Planning and Budget (DPB) and for other state agencies. DPB would need to develop new detailed guidelines about how the methodology would be implemented. State agencies would be required to submit larger and more detailed budget packages to DPB.

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 programming modifications to the Performance-Based Budgeting System (PB System) and the Executive Budget Document. Any expenses related to such changes would have to be supported through direct appropriation or through increasing rates to the internal service funds that support the PB System.

The fiscal impact of these system changes and the additional staff that would be needed cannot be determined at this time. It also is not possible to determine the overall budgetary impact of changing from the current process to zero-based budgeting.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.