

# APPENDIX G

## Guidelines for Department/Agency Fiscal Estimate Preparation

State departments and agencies (hereafter referred to as agencies) play an important role in the fiscal note process. OFPR has formalized the input of agencies in this process by requesting from each agency an estimate of the fiscal impact of each bill or amendment that impacts that agency. The following information is intended to guide each agency in responding to OFPR.

### Agency Responsibilities for Responding on Bills and Amendments

Every Legislative Document (LD) and amendment must be responded to, in writing by the agency that is affected regardless of whether the agency concludes that the legislative document does or does not have a fiscal impact. In most cases, the analyst working with the agency will call, fax or E-mail the agency to notify the agency of the bills and amendments affecting the agency. However, the analyst's call or contact with the agency is a courtesy and should not be relied upon. The ultimate responsibility for getting fiscal estimate information to OFPR lies with the agency.

### Timing Deadlines for Responses

OFPR needs a response to all legislative documents (including amendments) within five working days of their release to the general public. If this deadline cannot be met, the OFPR analyst assigned to your agency (see Appendix D for list) should be informed as to when the fiscal estimate will be completed and forwarded.

Each agency should be aware that there will be times during the session (particularly near the end of the session) when the agency will not have five working days to respond to certain LDs, new drafts and amendments (i.e., when an immediate response is needed). An OFPR analyst will notify each agency by phone when these situations arise.

### Objectivity and Completeness of Responses

All fiscal estimates must be objective and accurate. An agency's response should not be slanted to influence the policy-making process, which involves the elected representatives of the people of the State of Maine. Rather, the agency's response must be completely factual.

- Any assumptions used in preparing the fiscal estimate should be clearly delineated.
- The agency's fiscal estimate should quantify the LD's impact in dollar terms.
- When the agency believes the LD does have a fiscal impact, the fiscal estimate should include the following:

A breakdown of any appropriation or allocation needed, including the following:

- Program Name and Number(s)
- Fund(s)
- Fiscal Year(s)
- Position Count\* and Type of Count (if any)
- Personal Services (if any)
- All Other (if any)

- Capital Expenditures (if any)
- Totals

- \* When a new position is being requested the agency must include the projected hire date and the job title, range, and justification if other than the first step is used to calculate the salary costs of the new position.

Revenue increases/decreases by fund and fiscal year.

A brief description of the fiscal impact (including any and all assumptions made).

Umbrella, unit, program and appropriation number(s) for any appropriation/allocation estimate.

Any other information needed to fully explain the agency's estimate.

If it is difficult to specify the fiscal impact, the best available estimate should be forwarded. A range can be used rather than a specific number if it represents the "best" data available.

### **Future Impacts**

5 M.R.S.A., §1665 requires agencies to submit an estimate of expenditures and revenues for the current biennium and the following biennium. For the 123rd Legislature, this means that agencies must estimate expenditures and revenue through fiscal year 2010-11 and submit that estimate to the State Budget Officer. This information must also be submitted to OFPR.

### **Municipal Mandates**

In 1992, Maine's voters approved a Constitutional Amendment requiring the State to fund 90% of the cost of state mandates on local units of government. This has significant implications for the fiscal note process. Many local government costs resulting from legislation have effectively become state government costs. Therefore, it is very important that each agency review bills affecting its areas of responsibility for their potential as state mandates and, at a minimum, identify the requirement(s) in the bill that may result in additional local expenditures for local governmental units. If an agency has data available to estimate the additional local costs, that information should be included as well.

### **Submitting Fiscal Estimates**

Forms to submit fiscal estimates are available from OFPR in hardcopy or Microsoft Excel file format. (A sample copy of the forms is included in Appendix G.) Agencies may create their own templates and forms as long as all the necessary information is included in approximately the same format. Estimates may be submitted by fax, e-mail or hardcopy whichever is most convenient.