Legislative Budget Office (LBO) Overview

House Ways and Means Committee
March 2, 2020
Presented by: Michelle Weber, LBO Director
Establishment of the LBO

• Laws 2017 Special Session, Chapter 4, Article 2

• Laws 2018, Regular Session, Chapter 214, Article 5

• Laws 2019, Special Session, Chapter 10, Article 1
### Budget (dollars in thousands)

<table>
<thead>
<tr>
<th>LBO Budget (in thousands)</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 Carryforward</td>
<td>$461</td>
<td>--</td>
</tr>
<tr>
<td>Base (previous)</td>
<td>$818</td>
<td>$818</td>
</tr>
<tr>
<td>2019 Spec Session, Chapter 10</td>
<td>$86</td>
<td>$665</td>
</tr>
<tr>
<td><strong>Total Available Funding</strong></td>
<td><strong>$1,365</strong></td>
<td><strong>$1,483</strong></td>
</tr>
<tr>
<td>Salary and Benefits</td>
<td>$1,183</td>
<td>$1,325</td>
</tr>
<tr>
<td>Supplies/Equipment</td>
<td>$25</td>
<td>$15</td>
</tr>
<tr>
<td>Travel and Training</td>
<td>$13</td>
<td>$13</td>
</tr>
<tr>
<td>Office Building-Out/Lease</td>
<td>$75</td>
<td>$62</td>
</tr>
<tr>
<td>MMB Contract for FNTS</td>
<td>$69</td>
<td>$69</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$1,365</strong></td>
<td><strong>$1,483</strong></td>
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Note: The base for the LBO is $1,193m in FY 22 and $1,194m in FY23.
2019 Transition Planning

• Fiscal Note Tracking System (FNTS)
• Staff and Office Space
• Fiscal Note Uniform Standards and Procedures
• User Guide and Operational Protocols
• Relationships
• Analytical Capacity and Expertise
What’s Similar

• Fiscal analyst requests and receives completed fiscal notes
• Agencies prepare fiscal notes
• Fiscal Note Tracking System (FNTS)
• Process and format
• Previous policies informed LBO Uniform Standards and Procedures
• Committee needs inform prioritization of fiscal notes
What’s New

• LBO receives request and makes agency assignments
• LBO reviews and analyzes information for reasonableness, accuracy and objectivity
• LBO works with agencies to align assumptions
• MMB EBO role in FNTS
• Fiscal notes published 24 hours after completion
Legislative Budget Office
Fiscal Note Process

House or Senate fiscal analysts request fiscal note and establish deadline in Fiscal Note Tracking System (FNTS).

Workflow emails

LBO staff reads bill and assigns agencies to the fiscal note.

Workflow emails

Agency Fiscal Note Coordinator reviews request and copy of the bill and makes internal assignments.

Agency staff analyze the bill, prepare the fiscal note,* and enter information into FNTS. If more than one agency assigned, lead agency shares assumptions with other agencies.

Yes

No

Workflow emails

Approved by LBO Analyst?

Agency Fiscal Note Coordinator submits ("signs off") on the fiscal note in FNTS. If LBO has questions or concerns, responds with additional information.

LBO Analyst reviews fiscal note. If more than one agency assigned, all agencies’ notes must be finished and approved before final sign off.

Completed fiscal note emailed to author, committee chair, fiscal analyst/requester and MMB. Posted on website within 24 hours.

*Information includes assumptions used, impact on agency, estimated costs or savings, including technology costs involved in change, additional staff required, long term considerations and any local impact noted.

Typical Timeline
8 days or less
Historic Fiscal Note Requests by Week

Fiscal Note Requests by Week

- 2017 Session
- 2018 Session
- 2019 Session
- 2020 Session

0 50 100 150 200 250

Jan Wk 1 Jan Wk 2 Jan Wk 3 Jan Wk 4 Feb Wk 1 Feb Wk 2 Feb Wk 3 Feb Wk 4 March Wk 1 March Wk 2 March Wk 3 March Wk 4 April Wk 1 April Wk 2 April Wk 3 April Wk 4 May Wk 1 May Wk 2 May Wk 3 May Wk 4

2020 Session

- 2017 Session
- 2018 Session
- 2019 Session
- 2020 Session
# LBO Analyst Assignment Areas

<table>
<thead>
<tr>
<th>Assignment Area</th>
<th>Analyst</th>
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<tbody>
<tr>
<td>Agriculture, Environment, and Housing</td>
<td>Jim Carlson</td>
</tr>
<tr>
<td>E-12 Education, Higher Education</td>
<td>Alyssa Holterman</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Christian Larson</td>
</tr>
<tr>
<td>Health and Human Services</td>
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<tr>
<td>• DHS (Health Care, Continuing Care for Older Adults, Cmty Supports)</td>
<td>Steve McDaniel</td>
</tr>
<tr>
<td>• DHS (Operations, DCT, Children &amp; Families) and MDH</td>
<td>Carlos Güereca</td>
</tr>
<tr>
<td>• MNsure</td>
<td>Kathryn Ho</td>
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<tr>
<td>• Health Boards</td>
<td>Sara Parke</td>
</tr>
<tr>
<td>Public Safety, Corrections and Judiciary</td>
<td>Maren Bardal and Adam Blom</td>
</tr>
<tr>
<td>State Government, Taxes and Pensions</td>
<td></td>
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<tr>
<td>• Constitutional Officers</td>
<td>Joe Harney</td>
</tr>
<tr>
<td>• Administration, Legislature, Military and Veterans</td>
<td>Michelle Weber</td>
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<tr>
<td></td>
<td>Alyssa Holterman</td>
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<tr>
<td>Transportation</td>
<td>Laura Cecko</td>
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Questions and Contact Information

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