

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	185,714		120,314	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	185,714		120,314	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 491 requires all departments, offices, and institutions of the state government requesting appropriations to include in their budget request a biennial strategic plan, and monthly performance measurements.

The Budget Division (of Administrative Services) is charged with working with each governmental department and agency in developing such plans and measurements.

Section 2 of the bill requires all governmental departments and agencies biennial strategic plans to include:

- A statement of mission, goals, strategies, and performance measures
- Identification of priority and other service populations under current law and how those populations are expected to change within the time period of the plan
- An analysis of any likely or expected changes in the services provided by the department or agency
- Monthly input, output, and outcome measures for the department or agency, and
- A description of the activities of the department or agency that have received either lesser priority or have been eliminated from the department's or agency's mission or work plan over the previous year because of changing needs, conditions, focus, or mission.

The Budget Division is also made responsible for including progress towards outcome measures in the department and agency biennial strategic plan in their monthly budgetary report.

LB 491's provisions will impact every state agency, board, and commission that requests appropriation. It is impractical to survey every state agency, board, or commission to determine the fiscal impact at each. For this reason, the table at the top of this fiscal note captures the bill's impact on the Budget Division of Administrative Services. As the central functioning department responsible for coordinating and reporting based on the bill's provisions, the Budget Division will face costs not incurred at the agency level.

The costs incurred at the agency level will vary dramatically from one entity to another. This will be impacted by factors such as: budgetary complexity, diversity of activities, agency size, and current level of similar functions being performed. What follows at the end of this fiscal note's narrative section is a sampling of several agencies response for fiscal impact. This is not intended to provide a comprehensive look at the bill's impact.

If agencies face increased costs as a result of the bill's provisions, they will need to utilize the deficit and budget submission processes to identify and receive funding for such costs.

The Budget Division estimates the need for additional staffing of 1.0 FTE to address new workload issues that will be incurred. The Budget Management Analyst would be responsible for assisting departments, offices, and other institutions of the state with developing and submitting the information required by LB 491. This position would also support agency development of strategic plans and identification of performance measurement targets that are included with the biennial budget requests. The cost of this position is estimated to be \$122,814 in fiscal year 2011-12 and an annualized cost of \$120,314 per year thereafter. This estimate appears to be reasonable.

Beyond the staffing needs, the Budget Division estimates \$62,900 in start-up costs. The Office of the CIO estimates \$25,500 in one-time development costs to accommodate the required elements included in the monthly performance measurements in the Nebraska Budget Request and Reporting System (NBRRS). The Office of the CIO also estimates \$30,000 for one-time development costs to provide the required functionality for NBRRS and NIS generated monthly progress reports. The ongoing annualized cost for web hosting is estimated at \$14,400.

Finally, the Budget Division estimates \$7,500 in one-time costs to provide strategic planning and performance training.

There is no basis to disagree with these estimates.

The following agencies were asked to provide fiscal impact statements. They are included to illustrate *some* agencies anticipated impact. The figures listed below are not included in the table on page one of this fiscal note. There is no basis to disagree with the agency's estimates, since each agency's situation is different from its counterparts'. The needs from one agency to another are expected to vary widely.

DHHS – 3.0 FTE (annualized positions) at a total annualized cost of \$236,293. First year estimates include half-time equivalents and start-up capital expenditures. These positions would implement and maintain the biennial strategic plan and monthly performance measures to track progress. This estimate assumes the agency would begin this work in January 2012 in preparation for the budget request that will be submitted in fall of 2012.

State Patrol – 1.0 FTE Database Analyst with a cost of \$55,500 per year and start-up costs of \$50,000 to do something not clearly identified in the narrative of their submitted document. It is likely that this cost would address "Further refinements to the strategic planning process...to meet the monthly requirements for developing performance measures and providing data to a central repository for gathering this data."

Department of Correctional Services – 2.0 FTE to address workload issues associated with monthly input, output and outcome measures for the agency. The full annualized cost is estimated to be \$116,264. This estimate assumes the agency would begin this work in January 2012 in preparation for the budget request that will be submitted in fall of 2012. The fiscal year 2011-12 estimate is \$64,132.

University of Nebraska – The University currently produces and submits "Strategic Framework and Accountability" measures with its biennial budget submission. If this is deemed to be sufficient in achieving the bill's requirements, the University anticipates no additional fiscal impact. However, if this is insufficient, the fiscal costs could be substantial.

Nebraska State College System – is unable to provide specific estimates but does note that additional staff time would be required to translate strategic planning into monthly performance measures at each College.

Administrative Services (excluding Budget Division) – 1.0 additional position to assist in developing all aspects related to the delivery of the strategic plan and monthly performance measurements. The annualized cost of this position is estimated to be \$81,571. This estimate assumes the agency would begin this work in January 2012 in preparation for the budget request that will be submitted in fall of 2012. The fiscal year 2011-12 estimate is \$42,479. In addition, programming, software and maintenance costs are estimated to be \$164,747 for fiscal year 2011-12 and \$126,106 for fiscal year 2012-13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lynn Heaton	DATE	3/2/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF ADMINISTRATIVE SERVICES – STATE BUDGET DIVISION: Concur.					
DEPARTMENT OF ADMINISTRATIVE SERVICES – EXCLUDING STATE BUDGET DIVISION: The estimate provided by the Department of Administrative Services appears reasonable. In addition to the amounts noted by the agencies from which fiscal notes were requested, there will be some additional costs incurred by all state agencies, boards and commissions to comply with the requirements of LB 491.					
DEPARTMENT OF CORRECTIONAL SERVICES: The estimate provided by the Department of Correctional Services appears reasonable. In addition to the amounts noted by the agencies from which fiscal notes were requested, there will be some additional costs incurred by all state agencies, boards and commissions to comply with the requirements of LB 491.					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: The estimate provided by the Department of Health and Human Services appears reasonable. In addition to the amounts noted by the agencies from whom fiscal notes were requested, there will be some additional costs incurred by all state agencies, boards and commissions to comply with LB 491.					
NEBRASKA STATE COLLEGE SYSTEM: Concur with the agency analysis that there will be some fiscal impact to comply with the provisions of the bill.					
NEBRASKA STATE PATROL: The estimate provided by the Nebraska State Patrol appears reasonable. In addition to the amounts noted by the agencies from which fiscal notes were requested, there will be some additional costs incurred by all state agencies, boards and commissions to comply with the requirements of LB 491.					
UNIVERSITY OF NEBRASKA: Concur with the agency analysis that there will be some fiscal impact to comply with the provisions of the bill.					

