

FISCAL NOTE AGENCY RESPONSE

Category: Improving State Operations

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Project Initiation and Completion Dates:

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EXECUTIVE SUMMARY

Utah state law requires that each proposed bill be evaluated for its financial impact. The Office of Legislative Fiscal Analysts (LFA) determines the change in expenses and revenue for hundreds of bills during the six-week legislative session. The LFA must coordinate comments on the impact from agencies across the state. Previous to the implementation of the Fiscal Note Agency Response system, gathering the input necessary to complete the evaluation was a labor intense clerical process requiring the use of highly technical analysts to spend hours following up and tracking down agency comments.

The new Fiscal Note system automates the collection and notification of comments on legislation. The technology enables analysts to focus on better quality and value added evaluation.

The business process of collecting data was greatly improved by:

- Saving analysts time tracking down responses
- Speeding response time from each government agency in the State of Utah
- Enabling legislators to see where their bills are during the fiscal note writing process

The LFA office saw the following results:

- The LFA office handled 10% more bills in 2015 because of the improved capacity.
- The LFA office is at least 30% more efficient. Now it takes less than two days to complete a fiscal note where it previously took three days.
- Agency realized a 50% to 70% reduction in time spent responding to bills.

Bills Analyzed	↑	10%
Efficiency	↕	30%
Response Time	↓	50-70%

The system cost \$150,000 to implement.

Conservative estimates suggest the new process reduces total agency costs across the state from \$250,000 to \$750,000 each year.

The estimate is based on the following assumptions:

- The system reduces time spent on responding to a single bill by one to three hours. There are approximately 5000 responses per year.
- The state employees who work on fiscal responses are typically in the top levels of each agency, annually costing the state an average of \$110,000 with benefits.
- That annual salary cost is approximately \$50 per hour.

BUSINESS PROBLEM AND SOLUTION DESCRIPTION

Problem

During the six-week legislative session, the Office of Legislative Fiscal Analysts (LFA) determines the change in expenses and revenue for approximately 1,100 proposed bills and substitutes, generating 5000 email messages from 120 agencies. Given the vast number of entities providing information and the substantial number of emailed spreadsheets, implementation of a simple, streamlined online process was imperative.

Six-Week Legislative Session	
1,100	Bills
5,000	Responses
120	Agencies
5	Avg. agencies affected/bill
3	Day limit for response

The LFA is required to create a fiscal note stating the financial impact every new bill would have on state revenue and expenses. This fiscal note must be sent to the Legislature 3 days after being informed of the new bill. The LFA gathers feedback from each state agency that is impacted by the bill. There are 120 state agencies, and, on average, any proposed bill impacts 5 agencies. (Some of the larger bills received input from 20 or more agencies.) In one six-week general legislative session, there are approximately 1,100 fiscal notes and 25 performance notes created.

Prior to this online application, 12 fiscal analysts would communicate back and forth with 120 agencies requesting information, reminding them about the request and then receiving the completed response from each agency. This process generated 5000 emails during the six-week legislative session. Also, on average, 10% of the fiscal notes were not completed within the 3-day limit because of delays in communication. The LFA wanted to see the gap shrink and improve the success rate. To manage all of the fiscal information and potential budgetary impacts, a custom online information collection tool was created.

Solution

The solution: a custom-built online system that captures projected changes in expenses and revenue from affected entities for each bill and retains them online for fiscal analysts to review. The Fiscal Note system allows hundreds of authenticated state agency users to collaborate with each other to provide clear and consistent information for each legislative session.

Analysts in the LFA have PhDs in economics but were spending large portions of their effort doing clerical work, hounding agencies to provide information about how a specific bill impacts that agency. The analysts are now able to spend time writing the fiscal report rather than on clerical duties.

The system provides different functionality for the two main user groups:

Legislative Fiscal Analyst Functionality:

1. The system dashboard can be sorted and/or filtered by the following fields - bill number, analyst who created the bill request, bill author and deadline.
2. LFA can view all responses and attachments provided by any agency user on any bill.
3. LFA can request a new round of responses for bill substitutes.
4. Displays a summary of each bill including timelines and submitted responses.
5. LFA can approve users access for any agency.
6. Bills follow a workflow from Agency to Analyst, to LFA Supervisor, to LFA Director to Legislators and can be rejected at any LFA stage.

Each bill page displays the time the bill was edited and the following:

1. **In Process** – The bill response summary page will show each time it was updated.
2. **Submitted** - When a response has been submitted, the date and time is recorded.

Bill Number	File Number	Date Added	Sponsor	Analyst	Time	Status	Complete
HB0362S06	2015FL0333	03/12/2015	Anderson, Johnny	Thomas Young	Late	FLOOR	7/21
Transportation Infrastructure Funding							
HB0420S02	2015FL1155	03/12/2015	Anderson, Johnny	Thomas Young	Late	FLOOR	7/17
Revisions to Transportation Funding							
HCR012	2015FL1282	03/12/2015	Dunningan, James A.	Gary Ricks	Late	FLOOR	1/1
Concurrent Resolution on Healthcare							
HB0458	2015FL1244	03/12/2015	Powell, Kraig	Angela Oh	Late	FLOOR	2/4
Charter School Property Tax Funding							

Agency User Functionality:

1. Agency users are immediately shown a dashboard of pending actions with a count down clock for each bill that helps the agencies respond to the most urgent request.
2. An agency can see all the previous submitted responses.
3. If a response for that bill has been requested, they will be able to generate and edit the response. They can also link a bill to specific sub entities (Division Level) and specify the fund codes and programs impacted by this bill.
4. Supporting material such as spreadsheets, word documents and PDFs can be uploaded.

Fiscal Response	Impact	Revenue	Exp.	Local	Biz/Ind
Board of Pardons and Parole Completed by Greg Johnson 2015-03-13 10:00:01.0	⊗	⊗	⊗	⊗	⊗
Risk Management - Bill Review Completed by Dave Williams 2015-03-12 21:47:03.0	⊗	⊗	⊗	⊗	⊗

Legislators can also log into a dashboard to see bill status during the fiscal note writing process and then approve it electronically.

Technology

The Fiscal Note system is built on a Java platform with a MySQL database. The front-end interface utilizes our proprietary Universal Framework, Java Script and Cascading Style Sheets (CSS) and HTML. The LFA uses Microsoft.NET to transmit new bills to a Java web service created by a third party. Users log into the application using the Utah.gov single sign on account management system.

Bill Number	File Number	Title	Session	Sponsor	Time Remaining
HB0362S06	2015FL0333	Transportation Infrastructure Funding	2015GS	Anderson, Johnny	Closed
HB0390S01	2015FL0767	Local Health Departments Emergency Funding	2015GS	Ray, Paul	Closed
HB0091S04	2015FL0098	Campaign Contributions Amendments	2015GS	Powell, Kraig	Closed
HB0186S05	2015FL0410	State School Board Membership and Election Amendments	2015GS	Gibson, Francis D.	Closed
HB0366S01	2015FL0624	Statute of Limitations for Sexual Offenses	2015GS	Christoffersen, Kay J.	Closed
HB0186S04	2015FL0410	State School Board Membership and Election Amendments	2015GS	Gibson, Francis D.	Closed

It was built on a redundant cloud-based framework with hot backup in a secondary location for absolute 100% uptime during the six-week period.

Communications Plan

There is a finite group of state employees that have been using the old process. The LFA office trains key agency users every year on how to respond to a fiscal note request. In January 2013, all users who were part of the beta program were trained on how to use the new online system.

The LFA office held agency training sessions in August 2013 and again in August 2014.

No other marketing was necessary for the successful operation of this online system.

SIGNIFICANCE

Improved Business Process

The business process was greatly improved for three main users, 1) the LFA analysts spent less time tracking down responses 2) the users from each government agency in the State of Utah spent less time shuttling an email with an attached spreadsheet between multiple users and 3) Legislators are able to see where their bills are during the fiscal note writing process.

One agency responded to 191 bill requests on average within 6 hours each.

The Tax Commission responded to 220 bills from the end of January through mid March. Their chief economist reported 50% to 70% reduction in time spent responding to bills. In addition to speeding up the reporting process, they benefitted from having an organized archive of all of their responses. In past years, every team member would print copies of their responses to be used as reference for future responses. They did not print copies in 2014 because the new system allows them to view all past responses.

In addition late responses were reduced from 10% to 1% as a result of implementation of the system. Such a dramatic decrease had never been possible by any other method.

Late Responses ↓ 10%-1%

Improved Response Turnaround

An analyst reported that agency responses arrived within 24 hours or less, a full 24 hours sooner than previous years. The analyst also spent much less time reminding agencies that he needs them to reply. By reducing the agency response time from 2 days down to one day is a significant improvement, allowing the LFA analyst to compose a more thoughtful “fiscal note” within the 3-day limit. With the new system they

have a record of what information is received, requested, and who is inputting the data, etc. This provides for greater efficiency and government transparency.

This Fiscal Note solution allows current state employees to use their time more efficiently. The total number of employees will stay the same regardless of how efficient they complete the fiscal note process. The economic benefit is realized by freeing up the time of highly educated state employees to provide better financial analysis. The legislature is able to make more informed decisions because of the better analysis that their decisions are based on. A portion of the state's \$15 billion are decided on because of the LFA's analysis.

Fiscal Note Agency Response Innovations:

Ease Of Use With Tablet Devices

Integration with tablet devices was critical for this project because many agency executives review the fiscal response before it is submitted to the LFA. These busy executives will frequently view the response from their tablet during legislative meetings.

Allowing Multiple Users To Work On The Same Response

By giving all users within an agency simultaneous access to the response, users are able to collaborate much more effectively. Previously, there was a serial process where the response was passed from one team member to the next until it was completed. Sometimes the response would bounce back and forth between team members until it was complete. Now they can all work together and immediately see the input from their team members.

Dashboard Summarizes Actions Needed And Prioritizes Effort

When agency users log in, they are immediately shown a dashboard of pending actions. The dashboard shows a count down clock for each bill and helps the agencies to stay focused on responding to the most urgent bill request.

BENEFIT OF THE PROJECT

The new system streamlines all communication coordinating issues by allowing multiple users to work on the same response at the same time, alleviating the previous confusion. One user compared the two processes by calling the online system “a cakewalk compared to before.”

Collaborative Instead of Linear

Additionally, agency users previously printed every version of their response before passing the response to the next person in their department. This was time consuming and is unnecessary in the new process because the past answers are easily accessible with the new online system.

Legislative Financial Analysts are seeing a tremendous improvement in their ability to provide quality analysis:

- The LFA office handled 10% more bills in 2015 because of the improved capacity.
- The LFA office is at least 30% more efficient. Now it takes less than two days to complete a fiscal note where it previously took three days.
- Prior to the Fiscal Note System, the Legislature’s economists, accountants, and financial analysts were spending large portions of their fiscal note effort notifying entities, hounding them for responses, compiling paper feedback into file folders, and walking those folders from office to office.

Bills Analyzed	↑	10%
Efficiency	↑	30%
Moving Paper	↓	100%

Transforming Government

This project is an internal government-to-government solution that allows existing employees to use their time more efficiently. It was not intended to impact direct costs.

The economic benefit comes from freeing the time of highly educated state employees to provide better financial analysis. The legislature is able to make more informed decisions because of the better analysis that their decisions are based on. A portion of the state’s \$15 billion are decided on because of the LFA’s analysis.

Operational Efficiencies

We conservatively estimate the new process reduces total agency costs across the state from \$250,000 to \$750,000 each year. The estimate is based off of the following assumptions: the system reduces time spent on responding to a single bill by one to three hours. There are approximately 5000 responses per year. The state employees who work on fiscal responses are typically in the top levels of each agency, annually costing the state an average of \$110,000 with benefits. That annual salary cost is approximately \$50 per hour.

$$\frac{\text{Salary}}{5,000} = \$250\text{K}-\$750\text{K Savings}$$

The system cost \$150,000 to implement.

The Fiscal Note system was released as a pilot program for 2013 with full implementation for the 2014 Legislative session. Eight state agencies participated in the pilot program from January through March 2013. There were 52 state employees from these eight agencies that used the online Fiscal Note system. These 52 users submitted 963 responses to the LFA office.

Currently, there are 120 state agencies and all agencies use the system. We estimate approximately 800 users have used the system during the legislative session. All agencies used the system during the 2015 legislative session.