

Attachment 1
AS 24.08.035 – Fiscal Notes on Bills

(a) Before a bill or resolution, except an appropriation bill, is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease that would result from enactment of the bill for the current fiscal year and five succeeding fiscal years or, if the bill has no fiscal impact, a statement to that effect shall be attached. The fiscal note or statement shall be prepared in conformity with the requirements of this section by the department or departments affected and may be reviewed by the office of management and budget. The fiscal note or statement shall be delivered to the committee requesting it within three days of the request. If the bill is presented by the governor for introduction in accordance with [AS 24.08.060](#) (b) and the uniform rules of the legislature, the fiscal note or statement shall be attached to the bill before the bill is introduced. An amendment or a substitute bill proposed by a committee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill.

(b) In addition to the fiscal note required by this section, the sponsor of a bill or resolution may prepare a fiscal note in conformity with the requirements of this section and submit it to the committee of first referral or the finance committee. A committee may prepare an additional fiscal note in conformity with the requirements of this section.

(c) a fiscal note for a bill or resolution must contain the following information:

- (1) the fiscal impact on existing programs;
- (2) the fiscal impact of new programs or activities;
- (3) a line item detail of the fiscal impact;
- (4) the source of funds expected to be utilized by general fund source, federal fund source, or other identified source;
- (5) the number of new positions that may be required, identified as full-time, part-time, or temporary;
- (6) an analysis of how the figures in the fiscal note were derived;
- (7) additional information necessary to explain the fiscal note;
- (8) a fiscal impact projection for the current fiscal year and for the succeeding five fiscal years; and
- (9) formal information consisting of
 - (A) the bill or resolution number,
 - (B) the name of the prime sponsors,

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- (C) the date the fiscal note was prepared,
- (D) the name of the committee requesting the fiscal note,
- (E) the name and phone number of the person who prepared the fiscal note, and
- (F) the budget request unit, program, or subprogram affected.

(d) The original of a fiscal note shall be submitted to the Division of Legislative Finance and copies shall be sent to the prime sponsor, the committee requesting the fiscal note, and the office of management and budget.

(e) *[Repealed, Sec. 2 ch 64 SLA 1992].*

(f) In addition to the other requirements of this section, if a bill directs an agency in the executive branch of state government to adopt, amend, or repeal a regulation or will result in an agency's adopting, amending, or repealing a regulation, the department affected shall include in the fiscal note for the bill a specific time by which the agency shall adopt, amend, or repeal the regulation. If the agency is not able to meet the deadline set in the fiscal note, the agency shall

(1) set a new deadline; and

(2) report to the Administrative Regulation Review Committee the new deadline and the reasons for being unable to meet the deadline set in the fiscal note.

(g) In (f) of this section, "agency" includes the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, the Alaska Energy Authority, the Alaska Public Offices Commission, and the Alaska Oil and Gas Conservation Commission, but does not include other boards or commissions.

Fiscal Note Detailed Instructions

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Fiscal Note Detailed Instructions

These instructions were developed by the Governors Legislative Office (GLO) and the Office of Management and Budget (OMB) and are updated for the 2017 legislative session. Please disseminate the instructions to all agency staff involved in the preparation of fiscal notes. If you have questions, please contact Natasha McClanahan, the Governor's Assistant Legislative Director at 465-4021, or Sylvan Robb, the OMB Legislative Liaison, at 465-3559.

General Information

- **Use the updated 2017 legislative session fiscal note forms.** Legislative Finance's fiscal note system will not accept 2016 fiscal note forms. We recommend purging last year's form so as not to confuse it with this year's updated form.
- **Do not alter the fiscal note forms.** Legislative Finance's fiscal note system does not accept forms with altered box sizes, formatting, etc.
- **Do not fill in the Fiscal Note Number or Publish Date.** The Clerks will do that.
- **Convert fiscal note documents to Adobe PDF by printing to PDF, not saving to PDF.** To do this, click File, Print, set the printer to Adobe PDF, and press Print.
- **Do not lock the Adobe PDF fiscal note documents.** The Clerks need to add Fiscal Note Number and Publish Date to the forms when they receive them.
- **The *Operating Expenditures and Fund Source* section totals must balance.** A "cost ≠ codes" error message occurs under the offending Fund Source column if they do not. Notes will not be accepted with this error.

Fiscal Note Details

The following section provides line-by-line guidance for filling out the fiscal note form. The numbers for each detail refer to the numbered entries on the sample fiscal note at the end of these instructions.

1. **Bill Version** - Only the bill number or the CS for the bill needs to be entered here. Do not enter the version letter as referenced on the bill. For example, you can enter SB 27 or CSSB 27.
2. **Identifier** - Enter the file name for the fiscal note PDF file. See [Naming Conventions](#).
3. **Title** - Provide the short title for the legislation.
4. **Sponsor** - Committee or legislator sponsoring the legislation. **The sponsor for the Governor's bills is "Rules by Request of the Governor."** This is the most common error on fiscal notes for the Governor's bills.
5. **Requester** - The requester is usually the committee scheduled to hear the bill. **For the first fiscal note of a Governor's bill, submitted before the start of Legislative session, the requester is "Governor."**

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6. **Department/Appropriation/Allocation** – Fill in these spaces appropriately.

Example: Department – Office of the Governor
Appropriation (RDU) – Commissions/Special Offices
Allocation (Component) – Human Rights Commission

7. **OMB Component Number** - Agencies are required to fill in the OMB Component Number for all fiscal notes. If a bill affects more than one component, typically a separate fiscal note needs to be prepared for each component. For department-wide fiscal notes, use the Commissioner's Office component number.

To lookup OMB Component Numbers, click on the OMB Component Lookup tab in the electronic version of the Fiscal Note, then click on the hyperlink called: [OMB Component Lookup](#). This hyperlink will take you to the Legislative Finance site to look up a component number.

Incorrect component numbers are a common mistake. Please double check the component number before submission.

8. **Operating Expenditures** - The fiscal note form includes two columns for FY2018: “FY18 Appropriation Requested” and “Included in Governor’s FY18 Request.” The Appropriation Requested is the appropriation required for FY18 should the bill become law. The Included in Governor’s FY18 Request should show zero funding unless funding specifically for this legislation, or comparable legislation, has been included in the Governor’s FY18 budget. **If the bill becomes law, the amounts in these columns become operating increments or appropriations.**

The section marked “Out-Year Cost Estimates” is your agency’s estimated cost for this legislation in future years. Do not adjust the out years for inflation.

Operating Expenditures means the added/deleted cost of the proposed addition or change and should not include the current level of program expenditures. Express all expenditures in thousands of dollars rounded to the nearest hundred (e.g., \$7,757 = \$7.8). If there are no expenditures for the indicated years, enter a zero. Remember that your expenditures need to be carried through FY2023. The amounts shown for a given fiscal year should reflect the actual cost or savings of that particular year, relative to the status quo.

The Administration's policy is to develop fiscal notes without taking into account inflation, because most state programs do not receive automatic increases in funding for inflation. If you are preparing a fiscal note for a program that is dependent upon inflation rate (e.g., formula programs) please use the information in the table below. In addition, **state in the beginning of the Analysis section that amounts include inflation.**

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	<u>* Statewide Population</u>	<u>% Change</u>	<u>**Inflation %</u>
FY 2018	777,858	0.97	2.25
FY 2019	785,192	0.94	2.25
FY 2020	792,431	0.92	2.25
FY 2021	799,521	0.89	2.25
FY 2022	806,479	0.87	2.25
FY 2023	813,298	0.84	2.25

* Source: Dept. of Labor, Alaska Population Projections 2012 - 2042 (Baseline)

** Source: Alaska Permanent Fund as reported by Callan Associates

For indeterminate fiscal notes, place three asterisks (***) in each year of the “Personal Services” line only, and this will automatically populate the “Total Operating” and the fund source “Total” lines with ***. In the analysis section, include a brief statement similar to: “The fiscal impact of this legislation cannot be accurately determined at this time,” along with additional explanation if appropriate. **Keep in mind that by stating the impact is indeterminate, the legislation will result in no additional increment or appropriation if passed.** Indeterminate fiscal notes should be the exception.

9. **Fund Source** - Use this section to show the funding source for any increase or decrease in expenditures. The first 3 fund sources are locked and cannot be changed (Federal Receipts, GF Match, and GF). The next 3 fund sources require the preparer to enter only the Fund Source Code – the Fund Source Title will automatically populate. The sheet titled “Fund Code by Name” or “Fund Code by Number” lists the fund sources and fund codes.

If a new fund source is needed that is not included in the fund source list, you will need to notify Natasha McClanahan at the GLO and Sylvan Robb at OMB. The offices will need to ensure that OMB can track the legislation and create the new fund source if the legislation is enacted. GLO will work with Legislative Finance to create the new fund code in the system so that the fiscal note can be uploaded.

If a fund source change results from the legislation, enter a negative amount in the current fund source space and a positive amount in the proposed fund source space.

10. **Positions** - List the number of new or reduced full-time, part-time, or temporary positions that are related to implementation of the legislation. Show positions in the out years as well if applicable. **Show positions as whole numbers regardless if they are FT, PT, or Temporary.**
11. **Changes in Revenues** – Show the increase or decrease in revenues as a result of the legislation. Select the Revenue Fund Source by following the steps in #9.

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12. Estimated Supplemental (FY17) operating costs - Use this space when the proposed legislation will impact current year (FY2017) spending.

13. Capital Expenditures - This section is for legislation that requires a capital appropriation. Show the full amount needed for the capital appropriation here. If the capital will be phased over several years, state it in the Analysis Section.

Fiscal notes with capital expenditures should be monitored closely in the legislative process to be sure the necessary capital is included in the capital budget if the legislation becomes law.

14. Associated Regulations - Answer Yes or No as to whether or not a change to existing regulations will be needed as a result of the legislation. If yes, include the date by which new or revised regulations will be in place.

15. Why This Fiscal Note Differs from Previous Version - Do not leave this box blank. If it is the first version of the fiscal note, then input "Not applicable, initial version". If this is a revised fiscal note, then "Updated for the new CS" is an **inappropriate** response to this item without further explanation. Instead, briefly summarize the change to the legislation or analysis that caused the fiscal impact to change.

16. Prepared By - Enter the name, division, and phone number of the person who prepared the fiscal note. The preparer should be able to answer questions regarding the fiscal note.

Date and time for revised notes is important. If a revised fiscal note is prepared, the date of the revision should be used as the "prepared by" date. [Note: The preparer's name and date prepared will appear in BASIS with the fiscal information.]

The Date/Time is formatted and cannot be changed. Be sure to enter the date as mm/dd/yyyy [If you use any other format the note will be rejected]. The time defaults to 12:00 AM. Be sure to enter correct time.

17. Approved By - With the electronic distribution procedure, the commissioner or designee does not need to sign the fiscal note. However, the commissioner or a designee must still approve the fiscal note. The commissioner's or designee's name should be left blank until the fiscal note is approved; when approved, the commissioner's or designee's name and the date should be entered here (typed into the Excel fiscal note document) to indicate when and by whom the note was approved.

18. Analysis - Include only information needed to explain or justify the expenditure or revenue change. **This is not a position paper. Fiscal notes are not used to convey the Administration's support or opposition on a bill.** The analysis should be concise and

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generally limited to one additional page. Fiscal notes become part of the permanent record and are a reflection on your department. Please write professionally, accurately, and factually. Fiscal notes with errors will be returned to the department for corrections.

Do not modify the Fiscal Note Template. Modifying the fiscal note format can result in problems while loading into the Fiscal Note System. Do not change the size of the Analysis text box. If the analysis requires more space, choose one of the Fiscal Note Template's tabs for three or four page fiscal notes. Contact the GLO in the rare instance you need a fiscal note with more than four pages.

Your analysis should cover the following areas, as required:

- a. Assumptions** - State the assumptions upon which the expenditures detail is based.
- b. Program Summary** - Present a concise narrative summary of the change to the program. Minimum informational requirements are:
 - i. Positions** - List new positions required and include their titles, brief job descriptions, salaries, benefits, etc. Use the personal services data from the most recent Statewide Scenario in ABS.
 - ii. Other Expenditures** - Identify and justify major expenditure items.
 - iii. Funding** - Furnish the basis of any estimate for federal or other funds or a change in revenue.
 - iv. Section Cost Analysis** - The fiscal detail for a lengthy bill may be the sum of costs for various sections of the bill.
- c. Performance Measures** - If the legislation will have an impact on the department's mission, core services, or performance measures, explain what the impact will be.
- d. Computations** - If a formula method is used in determining the data shown in the expenditures section, show your computations in sequence. Clearly identify the elements and mathematical processes that are used in each step.
- e. Economic Impact** - Some program changes may have little impact on the State budget, but may significantly impact the State's economy. Department comments on projected economic impact should be included as part of the analysis.
- f. Attachments** - Additional information that should be considered during discussion of the proposed legislation may be attached to the fiscal note as PDF files and transmitted to the Governor's Legislative Office. Some examples are:

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- i. Department technical comments regarding the legislation itself - suggested revisions, affect upon existing or proposed programs, and alternative legislation, etc. **Comments should be limited to technical information and not be used to express the Administration's position.**
- ii. Pertinent department memoranda relating to the legislation.
- iii. Charts or graphs.
- iv. Relevant articles from newspapers, magazines, and professional publications.

Keep page numbering consistent. First page of the fiscal note is always page 1 and continues from there.

Fiscal Note Distribution

Convert fiscal note documents to Adobe PDF by printing to PDF - not by saving to PDF.

After the fiscal note is approved, the Excel fiscal note document needs to be converted into Adobe Acrobat PDF format. To do this, while in the Excel fiscal note document, click File, Print, set the printer to Adobe PDF, and press Print. Saving to PDF can result in formatting problems when loading into the Fiscal Note System.

Fiscal Note Naming Conventions Use the following formats for naming your PDF fiscal note files:

1. Before a bill number has been assigned:
Law Log Number-Department-Component-Date
Example: 0009-EED-ESS-1-20-16
2. After a bill number has been assigned:
Bill Number-Department-Component-Date
Example: HB125-EED-SSS-1-20-16 for HB 125
Example: HB021-EED-SSA-1-20-16 for HB 21

(The bill number must be three digits)

3. Committee Substitutes:
Bill Number(Committee)-Department-Component-Date
Example: HB125CS(HSS)-EED-ASCA-1-20-14
Example: SB219HCSCS(HSS)-DOA-PD-1-20-14

Transmitting the Fiscal Note

After converting a fiscal note to the Acrobat PDF format, email the fiscal note documents (Excel and PDF) as attachments to the following designated staff in the Governor's Legislative Office and Office of Management and Budget:

GLO Assistant Legislative Director: Natasha.McClanahan@Alaska.gov

OMB Legislative Liaison: Sylvan.Robb@Alaska.gov

Deputy Legislative Director: Emily.Gaffney@Alaska.gov

Fiscal Note Detailed Instructions

OMB Legislative Backup: Brian.Fechter@Alaska.gov

Email Conventions

Subject Line – Use the name of the PDF file and the short title of the bill.

Example: HB005-DCCED-CBPL-01-20-14// Board of Architects, Engineers, Surveyors

Body of the Email – Include the following information:

- (1) Legislative bill sponsor,
- (2) Requesting legislative committee,
- (3) Committee hearing date and time.

Copying and pasting the upper portion of the bill page on BASIS into the body of your email is the quickest and best way to provide this information.

Example:

29th Legislature(2015 - 2016) [Next Bill](#)

BILL HISTORY/ACTION FOR LEGISLATURE

BILL	HB 214	BILL
CURRENT STATUS	(H) JUD	VERSION
	Then FIN	
STATUS DATE	03/31/2016	SHORT TITLE REPEAL WORKERS' COMP APPEALS COMMISSION
SPONSOR(S)	REPRESENTATIVE OLSON	
TITLE	"An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Alaska Workers' Compensation Board; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions and orders; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 508(g), 601(b), 602, and 603, Alaska Rules of Appellate Procedure; and providing for an effective date."	

After approving the fiscal note, GLO will distribute the note (or notification of the note), to the bill sponsor, requesting committee, Division of Legislative Finance, and OMB Legislative Liaison. **This is the version of the fiscal note that should be used by departments when testifying in committees.** Do not circulate the note externally before GLO distribution. If you have a time-sensitive note please call the GLO in addition to emailing the note.

Attachment 3 - Fiscal Note with Key

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Bill Version 1
 Fiscal Note Number _____
 () Publish Date _____
 Dept. Affected 6
 Appropriation _____
 Allocation _____
 OMB Component Number 7

Identifier (file name) 2
 Title 3
 Sponsor _____
 Requester 4 & 5

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY17 Appropriation Requested	Included in Governor's FY17 Request	Out-Year Cost Estimates				
			FY18	FY19	FY20	FY21	FY22
OPERATING EXPENDITURES	FY17	FY17	FY18	FY19	FY20	FY21	FY22
Personal Services <u>8</u>							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts <u>9</u>						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time <u>10</u>							
Part-time							
Temporary							

CHANGE IN REVENUES <u>11</u>							

Estimated **SUPPLEMENTAL (FY16) operating costs** 12 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY17) costs** 13 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS
 Does the bill direct, or will the bill result in, regulation changes adopted by your agency? 14
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)
15

Prepared by 16
 Division _____
 Approved by 17

Phone _____
 Date/Time _____
 Date _____

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. 0

Analysis

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