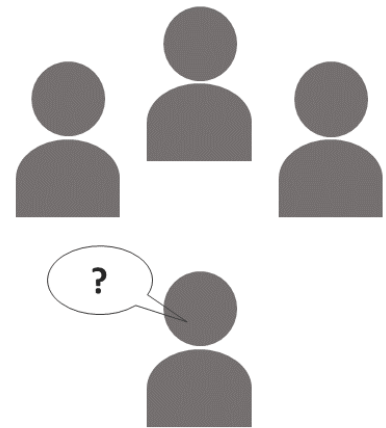


# Focus Group Summary

*data as of July 23, 2019*

Presented to LBO Oversight Commission

August 1, 2019



The Legislative Budget Office (LBO) conducted a series of focus groups to inform the development of the LBO Standards and Procedures. The focus groups followed an informal poll and a survey of key stakeholders on the fiscal note process.

## Methodology

Six groups were included in focus group discussions. Each group met with individuals from their same category. Over 200 individuals were invited to participate. As of July 23, 53 individuals participated, with an expected final total of 60.

The LBO Director facilitated focus group discussions. Questions were developed using themes that emerged from the results of the survey on the fiscal note process. Those themes were:

- Timeliness
- Communication (especially in regards to sharing assumptions and clarification of bill language)
- Common Costs

## Findings

Focus group discussions provided context and detail about the fiscal note process. It was stated multiple times that the process is complex with many contributors, but for the most part, works well.

The discussions touched on topics such as prioritization, how to handle changes to bill language, the developing and sharing of assumptions, and the level of detail to include in fiscal notes. The tension between timeliness and quality was also discussed.

Three concepts were woven throughout focus group conversations:

- the importance of communication
- establishing and maintaining trust
- building awareness of the fiscal note process and Standards & Procedures

These concepts were foundational in developing recommendations for the LBO Standards and Procedures.

### Focus Group Participant Categories

- Agency CFOs
- Agency Fiscal Note Coordinators
- Finance Committee Administrators
- House and Senate Fiscal Analysts
- House Research, Senate Analysts & Counsel
- MMB Budget Division

### Focus Group Discussion Points

- Different opinions and methodologies for prioritization exist.
- Much of prioritization happens through informal communication.
- Reasonableness of assumptions and understanding bill language is often a matter of open communication.
- Consistency in fiscal note data builds trust and understanding.
- Standardization can be difficult due to differences among agencies.
- It is hard to address timeliness without addressing volume.

## Recommendations

The LBO developed recommendations to address issues discussed by participants. Some recommendations are actionable immediately and have been included in the draft Standards and Procedures. There are also recommendations for future consideration.

*Note: Recommendations that are addressed in Standards and Procedures are denoted with an (\*).*

### ***The importance of communication***

- The LBO should set up internal processes to track due dates, ask committee staff if due dates are accurate, and communicate any due date changes to agencies. \*
- Requesters should specify a due date that accurately reflects need as well as considers a reasonable timeline given committee schedule, complexity of the bill, and other relevant factors. \*
- Requesters should use the message section of the Fiscal Note Tracking System to provide information regarding prioritization. \*
- Requesters should update due dates to accurately reflect when a fiscal note is needed or if there is a change from the original due date. \*
- Requesters should inactivate fiscal note requests promptly when new language is available on a bill. \*
- Agencies should communicate when a fiscal note will not be completed on time. \*

### ***Establishing and maintaining trust***

- When there is a lack of clarity on bill language that is impeding completion of a fiscal note, the agency, fiscal analyst, and the LBO should work together to coordinate communication between the legislative committee and the agency. \*
- Agencies should present common administrative costs (such as compensation, studies and reports, and commissions) clearly and use a consistent methodology within an agency. Agencies should state in the fiscal note if and why they deviate from their standard methodology on such costs. \*
- Further discussions need to occur prior to determining if additional standards can be developed for absorbed costs, to consider differing view points.

- The LBO should convene a meeting prior to the start of a legislative session between agency and non-partisan fiscal staff for agencies to provide the LBO and non-partisan fiscal staff the methodologies used to calculate common administrative costs. \*
- The LBO should institute a training program for its analysts that makes clear the expectations of a fiscal note review to ensure uniformity in LBO review of fiscal notes.
- Due to the LBO dedicated focus on the fiscal note process, the LBO should work to reduce the time it takes to review fiscal notes. It should track the review time, build metrics, and track success rates of meeting the targeted review time. \*
- The LBO should review past fiscal notes in the interim period to provide information on the accuracy of fiscal notes, identify fiscal note improvements, and build up a knowledge base of fiscal estimates.

### ***Building awareness of the fiscal note process and Standards and Procedures***

- The LBO should meet with Committee Chairs to discuss best practices related to managing the quantity and timing of fiscal note requests.
- The LBO should provide information to new legislative members and their staff on best practices to determine if a fiscal note is needed and how to request a fiscal note.
- The LBO should encourage legislators to work with agencies when crafting bill language to address any issues of bill intent.
- The LBO should monitor the use of unofficial fiscal notes and evaluate the impact on timeliness of all fiscal notes.
- The LBO should establish relationships with committee administrators and non-partisan research staff and counsel to keep them informed of fiscal note Standards and Procedures.

### **Next Steps**

Upon completion of the final focus group on July 30, a report will be written and distributed to LBO Oversight Commission members and other key stakeholders, and made available on the LBO website.