

FISCAL NOTE

April 10, 2017

Bill No:	HB 410	Printer's No:	1046	Sponsor:	Warner (R)
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COST / (SAVINGS)

Fund (s)	2016-17	2017-18
General Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: The bill would require the commonwealth to use performance-based budgeting (PBB) for budgets beginning with fiscal year 2018-19.

ANALYSIS: The bill would establish the Performance-Based Budget (PBB) Board to conduct a review of state agency PBB information to develop a PBB plan for the agency on a five year rolling schedule as part of the annual budget preparation and program evaluation process. Agencies would have to submit information to the Board and the Independent Fiscal Office (IFO) as part of the review. Information for review includes:

1. A detailed description of each program and line item of an agency's budget;
2. Current performance measures;
3. Mission statement;
4. Budget year goals; and
5. Any other information requested by the IFO.

The plan would have to be prepared by the IFO and approved by the PBB Board, which will consist of the Director of IFO and the Majority and Minority Chairpersons of the Senate and House Appropriation Committees.

The bill would require each standing committee of the General Assembly to review agencies assigned to its PBB plan by holding a performance hearing annually between February 1 and May 30. Additionally, the Auditor General would be required to conduct performance audits on at least two agencies annually.

The Governor and the General Assembly would consider the reports of the Board in the annual budget development and implementation processes.

The act would take effect in 60 days.

FISCAL IMPACT: There will have to be employees dedicated to creating, measuring, reporting and analyzing the metrics in the agencies, the budget office, the IFO and the Appropriations Committees, which would result in increased costs.