

FISCAL NOTE

March 17, 2017

Bill No:	SB 181	Printer's No:	276	Sponsor:	Mensch (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 and would require efficiency reviews of tax credits.

ANALYSIS: The bill would require the Independent Fiscal Office (IFO) to conduct a review of state agency performance-based budget information to develop a PBB plan for the agency on a five year rolling schedule. 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;
5. Program specific goals; and
6. Any other information requested by the IFO.

The plan would have to be approved by the Performance-Based Budget Board, which will consist of the Secretary of the Budget and the Majority and Minority Chairpersons of the Senate and House Appropriation Committees. Approved plans would be used for the creation of the agency's budget. Rejected plans would be returned to IFO for further review.

The bill also requires the IFO to review the efficiency of tax credits on a five year rolling schedule to determine if the credits meet their original intent, if the credit could be more efficiently and effectively carried out, if the credit should be terminated or continued, or if the credit should be amended to create more efficiency and effectiveness.

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.