



Legislative Budget Office

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DATE: March 4, 2020
TO: Legislative Budget Office Oversight Commission Members
FROM: Michelle Weber, Director, Legislative Budget Office 2019
RE: 2019 LBO Report

This memo provides a summary of the Legislative Budget Office (LBO) work from September 24, 2018, through January 31, 2020.

On September 24, 2018, I began serving a six-year appointment as the Director of the Legislative Budget Office (LBO). The initial priorities of the office were to achieve two statutory deadlines on items requiring approval by the LBO Oversight Commission. Each of the items listed below were completed by the dates established in law.

1. By November 1, 2018, execute an agreement between the LBO and Minnesota Management and Budget (MMB) to transfer operational control of the Fiscal Note Tracking System (FNTS) to the LBO by September 1, 2019.
2. By September 1, 2019, develop and publish Fiscal Note Uniform Standards and Procedures governing the fiscal note process under Minnesota Statute § 3.98.

In addition to the statutory requirements listed above, the office achieved the following accomplishments during its first year of operation:

- Created the LBO website, posted and organized information on fiscal notes, the LBO Oversight Commission, and the LBO staff.
- Developed and implemented a two-year work plan for the office, including a structured approach for the work of the office during the interim.
- Hired and conducted orientation and training for nine analysts and one coordinator.
- Developed a performance review structure for LBO staff and conducted initial performance reviews for all staff.
- Established internal protocols for LBO analysts to follow during the fiscal note review process.
- Solicited public input during the development of the Fiscal Note Uniform Standards and Procedures that included:

- survey feedback from 126 individuals.
- 11 focus groups with 60 participants representing committee administrators, agency fiscal note coordinators, non-partisan fiscal staff, non-partisan research staff, MMB Budget Division staff, and agency chief financial officers.
- a public comment opportunity for legislators, legislative staff, and agency staff.
- Met with each of the large agencies that complete fiscal notes to introduce them to their LBO analyst and learn about agency procedures for preparing fiscal notes.
- Managed the preparation and logistics of eight LBO Oversight Commission meetings.
- Worked with House and Senate leadership staff to secure short-term office space in the basement of the State Office Building and establish a commitment for long-term office space in the 525 Park building.
- Collaborated with MMB to implement the following changes to the fiscal note tracking system (FNTS):
 - Added the LBO analyst role and new reports for the LBO.
 - Created the MMB executive budget officer role.
 - Ensured publication of completed fiscal notes within 24-hours (as required by statute).
 - Made a direct link available to the Office of the Revisor's website to directly link o completed fiscal notes.
- Requested and participated in introductory meetings with finance committee chairs.
- Finalized the mission, vision, and values of the office.
- Developed an approach and timeline for responding to local impact notes, including identifying contacts within local entities to assist in the preparation of notes.
- Conducted an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) for the office and developed risk mitigation strategies.
- Published a fiscal note user guide, established a training curriculum, and delivered training to approximately 70 individuals.
- Identified primary back-ups within the LBO to ensure continuity of work.
- Built staff expertise in policy areas by engaging in the following activities:

- 2019 fiscal notes case studies
- 2019 fiscal notes review
- Research project
- Review of agency information and resources
- Weekly study group meetings
- Meetings with fiscal note process stakeholders
- Knowledge-building sessions
- Review of 2019 finance committee hearings

Over the next year, the focus of the office will be to ensure that the transition of fiscal note oversight to the LBO is as smooth as possible and does not compromise the timeliness or quality of fiscal note information provided to the legislature. To achieve these goals, the LBO will:

- Prioritize the assignment, review and analysis of fiscal notes and local impact notes.
- Establish performance metrics for the office and implement the mitigation strategies identified during the SWOT analysis.
- Continue to establish relationships with agencies, members, legislative staff, executive budget officers, and local government associations.
- Finalize introductions to finance committee chairs and meet with minority leads.
- Further build the expertise of the staff within the office and conduct cross training based on the back-up structures identified.
- Identify enhancements to and a long-term strategy for the FNTS.
- Work with the LBO Oversight Commission to provide updates on the work of the office and receive direction and approval for changes/additions to the Fiscal Note Uniform Standards and Procedures.
- Conduct a review after the 2020 Session to identify improvement strategies for the 2021 Session.

Please let me know if you have any questions or would like additional information.