

**FINAL
FISCAL NOTE**

Drafting Number: LLS 11-0309	Date: June 9, 2011
Prime Sponsor(s): Rep. Tyler; Hulinghorst Sen. Spence	Bill Status: Signed into Law
	Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE INCLUSION OF LEAN GOVERNMENT PRINCIPLES IN THE PERFORMANCE-BASED BUDGETING PROCESS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect on May 13, 2011.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill amends the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, concerning performance-based state budgeting, to incorporate lean government principles, including a detailed definition of principles authorized by the bill. If a state department elects to include lean government principles in its strategic plan, the bill requires a report on how those principles are applied in the department.

State Expenditures

The bill is assessed as having no fiscal impact. State departments that elect to include lean government principles in their strategic plan will absorb the immediate cost of training and planning as part of the performance-based budgeting process. In future years, the application of lean government principles may produce cost savings to executive departments, but the source and magnitude of any savings is unknown without reports on departmental application of the principles.

Departments Contacted

All Departments	Office of State Planning and Budgeting
State Auditor	Office of Information Technology
Office of Legislative Legal Services	Legislative Council Staff
Joint Budget Committee Staff	Governor