

**STATE  
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 15, 2011)

<b>Drafting Number:</b> LLS 11-0309	<b>Date:</b> March 7, 2011
<b>Prime Sponsor(s):</b> Rep. Tyler; Hulinghorst	<b>Bill Status:</b> House Appropriations
	<b>Fiscal Analyst:</b> 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
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, *as amended by the House State, Veterans, and Military Affairs Committee*, 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 amended 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**

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| 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                               |