
Fiscal Notes 101

What's with all of this pink paper?

If it's pink, it must be a fiscal note! A fiscal note is a decision-making tool for legislators that provides an objective, point-in-time estimate of a legislative measure's "fiscal impact" on the state and local governments, including school districts. A bill's fiscal impact includes how the bill affects the revenue or expenditures of the impacted agencies. Nearly all bills have a fiscal impact, although it might not always be possible to quantify. **Yet, every bill receives a fiscal note!** The fiscal note is prepared by a nonpartisan fiscal analyst using myriad resources including executive, judicial, and legislative agency data, independent research, **information that you provide**, and information obtained from other interested groups, such as lobbyists. As prime sponsor of a bill, you can expect to receive a fiscal note for your bill 24-48 hours ahead of its first scheduled committee hearing. Later in the process, fiscal notes are revised when new information comes to light, or when the bill is amended *and the fiscal impact changes*. **Please consult with your assigned fiscal analyst as amendments to your bill are considered and drafted.**

Who are fiscal analysts?

Fiscal analysts are employed by the Legislative Council Staff, the nonpartisan research arm of the Colorado General Assembly. Currently, we have nine core fiscal analysts who analyze and track about 70 bills each per session, and a handful of adjunct analysts who also serve key functions as researchers, economists, and committee staff. **Fiscal analysts serve all members, regardless of party affiliation, and never take positions on bills.** In this role, fiscal analysts evaluate and prepare a fiscal note for each bill, except for appropriations bills that have specific dollar amounts. **To find us, please visit the Legislative Services Building, 2nd floor, or call 303-866-3521.**

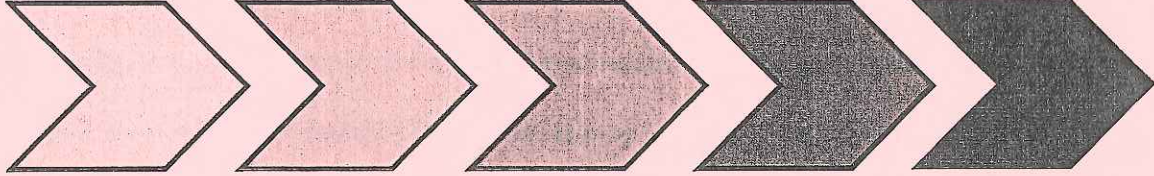
Legal authority

Legislative Council Staff is required under Section 2-2-322, C.R.S. to review each printed bill and concurrent resolution for probable fiscal impact. In the House of Representatives a fiscal note is required before a bill can be referred out of a committee of reference, and in the Senate a fiscal note is required before a bill can be passed on second reading.

Improving your fiscal note experience

- ✓ Avoid surprises by talking to your fiscal analyst early and often.
- ✓ We may be able to help you avoid fiscal impacts, but if costs can't be avoided, at least you will be prepared.
- ✓ Share information with your fiscal analyst; invite your fiscal analyst and drafter to meetings about your bill.
- ✓ Don't hesitate to contact us if you have questions or want to discuss a fiscal note.
- ✓ If you don't know who your fiscal analyst is, the bill drafters or Fiscal Note Manager, Chris Ward (303-866-5834), can help you.

THE FISCAL NOTE PROCESS



• Bills are assigned to fiscal analysts based on subject area, often before a first draft is prepared. When a bill reaches a status called "bill paper," this signals that the bill is ready to be analyzed for fiscal impact, although we still need your permission to release the bill if it has not yet been formally introduced in the legislature. **This is a great time to speak with your fiscal analyst about any information you have related to the bill or its fiscal impact.**

• The fiscal analyst sends the bill out to affected state and local agencies seeking fiscal data and information related to the bill's specific provisions. Each state agency has a fiscal note coordinator who works internally with budget staff to identify revenue and expenditures impacted by the measure. Worksheets are compiled by the agency and submitted to legislative fiscal analysts. **Departments and agencies generally need two weeks to respond to our initial request for input.**

• Your fiscal analyst conducts independent research related to the bill and similar legislation or programs, and will speak with interested parties when possible. **Please contact your fiscal analyst if you learn of new and helpful information related to your bill. Please invite your fiscal analyst to any meetings related to the bill.**

• Your fiscal analyst combines independent research findings with information received from affected agencies, calculates the estimated impact, and compiles the analysis into a fiscal note. Fiscal analysts require several days to review the information, ask questions, determine the fiscal impact, and write the fiscal note. **It's a good idea to engage with your fiscal analyst early and often!**

• The fiscal note undergoes an internal peer and final review and professional formatting, which requires about a day to perform. The fiscal note is personally delivered to the prime bill sponsor(s) 24-48 hours prior to the bill's first scheduled hearing. The fiscal note is released to the members of the committee of reference at least 24 hours prior to the bill's first hearing. Revisions to fiscal notes are made only when the bill is amended or new information comes to light **that changes the fiscal analysis.**