

What Makes a Good Estimate of Local Fiscal Impact?

Overview

Each legislative session, the Commission on Local Government (CLG) is responsible for filing an estimate of expected net increases in expenditures and net revenue reductions that selected bills would impose on localities (Va. Code §30-19.03). The purpose is to give legislators information about the costs of proposed mandates on Virginia localities before they take action on the bills.

Once the CLG receives the list of bills referred for fiscal impact analysis, CLG staff will notify network participants by e-mail. Network participants are asked to begin their analyses immediately. As estimates are received, the CLG staff synthesizes the input, prepares a fiscal impact statement for each bill, and files it in the manner prescribed by statute. The CLG's goal is to file each fiscal impact statement before any action is taken on the legislation in committee.

1. Overall Objectives

- Thorough research
- Relevant information
- Accurate information
- Comprehensive analysis
- Reasonable conclusion
- Clear, succinct writing
- Timely filing

2. Preliminary Considerations

- Initial Notification from the CLG. You will receive an e-mail from the CLG indicating that a bill has been assigned by the Division of Legislative Services (DLS) for local fiscal impact analysis. The message from the CLG will include a link to the bill on the Legislative Information System (LIS) as well as the due date for the response. It will also include a link to the login page for the web portal.
- Determine Who Should Conduct Any Necessary Research. Depending on the substance of a particular bill, you may decide that the best person to conduct the analysis is a subject matter expert in a different department. If so, it is advisable to enlist that person's help in completing your estimate. Note, however, that all communications from the CLG will continue to be directed to you.

3. Conducting the Analysis/Writing the Estimate

- Consider All Relevant Factors. Consult the statute cited above for specific guidelines. Consider applicable operating expenses, capital costs, program implications and policy implications. Omit any information that is not germane to the analysis such as: "This bill is in our legislative package." or "We oppose this bill." Information about "costs" other than expenditures, such as opportunity costs or increased exposure to liability, is valuable and should be included in your estimate.

- Be Specific; Be Clear; Be Concise. Use specific dollar amounts and explain how they were derived. Local volunteers will be required to provide a dollar estimate as part of the analysis in the web portal. Please keep in mind that the web portal entries allow for a character limit of 2,000. It is important to provide quality, concise analysis. To conserve space, try to use standard abbreviations.
- Make Sure Your Estimate Is Reasonable. We understand that there can be wide disparity in the way a bill affects different localities. However, if your estimate is far out of the range of those submitted by other local governments, CLG staff will not be able to use it without a follow-up call for additional information.

4. Submitting a Timely Response

The local fiscal impact analysis process is intended to get information in front of legislators before they make policy decisions. CLG assigns a due date that is intended to allow time to consolidate all analyses, draw conclusions, and submit before action can be taken on a bill in subcommittee. The web portal will not allow for a volunteer to submit local analysis after the posted due date.