

Process Committee Recommendations on Budget Notes

Approved 9/19/06

The Process Committee heard testimony from a variety of witnesses on the use and effects of budget notes approved during consideration by the Ways and Means Committee. Ken Rocco, Legislative Fiscal Officer, was very helpful in providing background material on the historical use of budget notes, as well as a number of Attorney Generals' opinions on the subject. As was explained to the committee, a budget note generally provides direction to an agency regarding a particular program in their budget and may require a report back to the Emergency Board during interim. Budget notes cannot and do not set policy for an agency.

The Committee appreciates that not all matters related to an agency budget or the management or implementation of programs is suitable for inclusion in a bill or other measure, however it strongly recommends that the use of budget notes be kept to a minimum. Budget notes are part of the budget report for a measure and inclusion of a note is approved by the co-chairs of Ways and Means. Budget notes are not approved by a majority of the House and the Senate, or signed by the Governor. This kind of approach denies other members of the body the opportunity to vote on the direction given by a budget note and can deprive the public from knowing in a timely manner that a budget note has been attached to an agency's budget report.

Recommendations relating to Budget Notes

- 1. Minimize the use of budget notes**
- 2. Require more detailed budgets instead**
- 3. Make budget notes more accessible to legislators and the public prior to approval of a bill and provide an opportunity for comment on the inclusion of budget notes in bills**