

# **FISCAL RESEARCH DIVISION OVERVIEW**

**Joint Subcommittee on Education  
Appropriations  
February 8, 2011**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

## **Overview of the Fiscal Research Division**

### **Presentation Outline**

- Who We Are
- What We Do
  - During the Legislative Session
  - During the Interim
- Budget Process
- Fiscal Analysis of Legislation
- Requests for Fiscal Research Division Assistance



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## Overview of the Fiscal Research Division

### Who We Are

- Nonpartisan, professional staff (analysts and support staff) serving all 170 members of the General Assembly.
- G.S. 120-36.1 and 120-36.3
  - Established the Fiscal Research Division in 1971.
  - Powers and duties include analyzing requests and recommendations of current and proposed appropriations; examining State government operations and recommending increases in efficiencies; conducting special studies; and reviewing and evaluating compliance with legislative directives.

## Overview of the Fiscal Research Division

### Who We Are

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|--|--|
| <ul style="list-style-type: none"> <li>• <b>Education</b></li> <li>• General Government/Capital</li> <li>• Transportation/Information Technology</li> <li>• Salaries and Benefits</li> <li>• Joint Budget Development</li> </ul> | <ul style="list-style-type: none"> <li>• Health and Human Services (HHS)</li> <li>• Justice and Public Safety (JPS)</li> <li>• Natural and Economic Resources (NER)</li> <li>• Economy and Taxation</li> </ul> |
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## Overview of the Fiscal Research Division

### Education Team

#### Higher Education

Andrea Poole

- Community Colleges
- Private Colleges and Universities
- Financial Aid

Denise Harb

- UNC System

#### Public Schools

Brian Matteson

Kris Nordstrom

## Overview of the Fiscal Research Division

### What We Do

- During the Legislative Session:
  - Staff standing committees:
    - Appropriations
    - Finance
    - Pensions & Retirement
    - Health
  - Prepare fiscal and actuarial notes
  - Respond to members' requests

## Overview of the Fiscal Research Division

### What We Do

- During the Legislative Interim
  - Respond to members' requests
  - Staff or support study commissions and various committees
  - Monitor budget implementation
  - Conduct research and visit State facilities and programs
  - Produce budget summary documents

## Overview of the Fiscal Research Division

### Budget Process

- Biennial Budget for North Carolina
  - Long Session
    - Odd years
    - 2-Year budget
  - Short Session
    - Even numbered years
    - Adjustments to 2<sup>nd</sup> year of Biennial Budget
  - House and Senate rotate preparation  
(House will take lead for 2011 Session)

## Overview of the Fiscal Research Division

### Budget Process

- Governor presents budget recommendations
  - Include anticipated revenue and recommended expenditures
- House prepares budget
- Senate fails to concur and prepares its version of the budget
- Conference committee appointed to resolve differences
- Appropriations Act enacted

## Overview of the Fiscal Research Division

### Appropriations

- No money shall be drawn from the State treasury but in consequence of appropriations made by law
  - NC Constitution, Art. V, Section 7
- Appropriation
  - An enactment by the General Assembly authorizing the withdrawal of money from the State treasury
    - State Budget Act (Chapter 143C)

## Overview of the Fiscal Research Division

### Appropriations

- House and Senate each operate Full Appropriations Committees
- Each is divided into Subcommittees organized around functional areas of State government
- Subcommittees consider budget and policy requests and recommendations in their respective areas
- Statewide issues (such as Salaries, Capital) are addressed by Full Appropriations Chairs

## Overview of the Fiscal Research Division

### Appropriations

- Fiscal Analyst teams provide staff support for Appropriations Committees
  - Conduct analyses and provide recommendations on appropriations and public policy
  - Make presentations to committees
  - Prepare Committee Reports
  - Assist Bill Drafting Division with preparation of appropriations bills
  - Coordinate administrative requirements for meetings with Chairs
    - Schedules
    - Agendas

## Overview of the Fiscal Research Division

### Fiscal Analysis of Legislation

- **Fiscal Notes**
  - Five-year analysis of all estimated fiscal effects of a bill on expenditures or revenue of the State.
- **Fiscal Analysis Memoranda**
  - Same analysis as a fiscal note, but remains confidential between the requestor and the analyst.
- **Specialized Notes**
  - Actuarial Notes (G.S. 120-114) required for proposed changes to the health or retirement systems
  - Incarceration Notes (G.S. 120-36.7(d)) required for proposed changes that may impact on incarceration rates in State facilities
  - Both provide five-year analysis of fiscal effect.

## Overview of the Fiscal Research Division

### Requests for Fiscal Research Division Assistance

#### Members' Requests for Information

- Conversation, telephone calls, e-mails, or letters/memos
- Indicate when the information is needed
- Factual data will be provided
- **Confidential** communications

#### Fiscal and Actuarial Notes

- Formal process and tracking system
- Final notes posted on NCGA Website connected to bills

## Overview of the Fiscal Research Division

### Contact Information

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