

HOW TO WRITE A FISCAL LINE ITEM

And why every bill needs one!

Please review the following info/directions in order to make certain your bill meets the necessary fiscal criteria.

How will we arrive at a budget?

When considering the budget, it is important to remember not only the legislation passed during the conference, but also that all currently existing Tennessee programs and departments must continue to be funded. *For the purpose of the 2008 conference, we will use the Tennessee Budget for Fiscal Year 2006-2007 as a model for our own.*

So how does this apply to you in writing your bill this year?

To aid our governor in the creation of his or her budget, it is necessary for *every bill* to include a fiscal note, describing the financial effects of your bill on the state budget. Your bill may have one of several effects:

- 1) Your bill may have no financial effect upon the state, if so, a fiscal note must still be included, stating the same, *or*
- 2) Your bill may raise revenues for the state. In this case the fiscal note should include both the projected revenue, and a designation for this revenue. Designations for said revenue may include already existing state departments and programs or it may be allocated to the discretionary spending fund for the state legislature. Most bills should allocate revenues to the discretionary spending funds, *or*
- 3) Your bill may cost the state money. In this case, the fiscal note should specify the expected cost to the state, and should also include the source of the funding for this cost. You may either transfer funds from an existing state department or program, or allocate funds from the legislature's discretionary spending.

It is important to note that every dollar spent from the discretionary spending fund must be raised by another piece of legislation passed by the conference. If discretionary outlays are greater than the revenue generated, then the governor may not be able to fund every piece of legislation passed, and some bills will not be signed.

When writing your bill, you will need to consider the current fiscal year (2006-2007) state budget as you determine the nature of your fiscal line item. To write a fiscal line item first you need to decide what department your legislation would be enforced by and/or impact. For example, if you bill calls for a new after school program in public elementary schools, such a program will be administered by the Department of Education. Your fiscal line item must indicate how and where the Department of

Education will get the money to fund the program. The budget figures for each department are available in the Fact Book published by the Legislature at this link <http://www.legislature.state.tn.us> The Fact Book is located on the right side of the Legislative page. Remember you can only base your funding on state dollars .i.e. you can't take it from earmarked Federal Funds.

Remember also that you always have the amendment process at the conference should you need to change or add to your fiscal line item after the deadline for bill submission.