

**State Fiscal Note for Bill  
Number: 2020-H-7498**

**Date of State Budget Office Approval:**

**Date Requested:** Monday, February 24, 2020

**Date Due:** Thursday, March 5, 2020

**Impact on Expenditures**

FY 2020 \$0  
FY 2021 \$0  
FY 2022 \$0

**Impact on Revenues**

FY 2020 \$0  
FY 2021 \$0  
FY 2022 \$0

*Explanation by State  
Budget Office:*

This bill is a joint resolution that would require the Governor to submit a biennial budget beginning in 2021 and in each odd-numbered year thereafter, subject to the approval of the voters at the November 2020 election.

*Comments on  
Sources of Funds:*

The budget for the State of Rhode Island impacts all sources of funds.

*Summary of Facts  
and Assumptions:*

According to the NASBO Fiscal Survey of States, 20 States currently prepare biennial budgets, although this number was much higher many decades ago. The shift from biennial to annual budgets occurred over time as more state legislatures switched from biennial to annual sessions. Proponents of biennial budgeting cite the major advantages to be time savings, being more conducive to long-term planning and allowing more time for program review and evaluation than with annual budgeting. Conversely, forecasting revenues accurately over a longer timeframe can be more difficult.

Although there is the possibility of cost savings from agency time spent on developing annual budgets, it is more likely the any time savings would be taken up with additional program review and evaluation in the non-budget years. In addition, most biennial budget states update their budgets in the off-years, so there is still a need for budget reviews and development of recommended mid-cycle changes. Thus, expenditure savings are not likely to be significant.

*Summary of Fiscal  
Impact:*

No change in revenues or expenditures would be anticipated due to a change from an annual to a biennial budget.

*Budget Office Signature:*

*Fiscal Advisor Signature:*

*Prepared by:*

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Thursday, March 5, 2020

Page 1 of 1