

## **Legislative Fiscal Analysts: Roles in Legislative Budget Development and Relationships with State Budget Actors**

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*The research explores the roles and relationships of legislative fiscal analysts with key budget actors during legislative budget development. The study relies upon data from 57 telephone interviews with legislative fiscal analysts, legislators, agency officials, and executive budget analysts in four states.*

*The current study reveals that legislative fiscal analysts provide the basic foundation for legislative deliberation and decision making on the budget. Legislative fiscal analysts narrow the range of legislative discussion by identifying issues, informing legislators about agency budgets and programs, and in some states, developing policy alternatives and/or making specific budget recommendations. The most important activity performed by the legislative fiscal analysts is analysis of agency budget requests. Of the various roles that analysts can assume during legislative budget development such as clerical worker, monitor of expenditures, facilitator of information, and policy initiator, the facilitator role was found to be the most appropriate and important role.*

*Analysts and legislators develop relationships where legislators rely upon legislative fiscal analysts for budgetary and programmatic information. Legislator reliance upon analysts is a product of analyst expertise in a specific policy area. Agencies understand the importance of analysts as significant sources of information for the legislature and therefore, a majority of the agency officials indicate that it is very important to establish good relationships with legislative fiscal analysts. Although legislative and executive analysts report collegiality, the importance of establishing a good relationship is less important than that reported by agency officials.*

### **Introduction**

The legislative fiscal office has become a significant tool for the legislature in the preparation of the state budget. During the state legislative reform movement in the 1970s, fiscal offices were created to strengthen the capacity of legislative decision making on the budget. Legislative fiscal offices provide legislatures with the ability to independently analyze budget information and this independence is an important factor in the decline of gubernatorial dominance in the budget process (Abney and Lauth, 1998). Today, all fifty states have the resources of legislative fiscal staff. During the legislative reform movement, several studies assessed the

basic duties, characteristics, and impact of legislative fiscal staff (Balutis, 1975; Budtke, 1975; Butler, 1975; Farnum, 1975; Kent, 1975; Kyle, 1975; Rosenthal, 1971). These studies identified the key duties of the legislative fiscal office as the summary and analysis of agency requests and gubernatorial recommendations, the presentation of budgetary information before legislative committees, the staffing of committees, the preparation of fiscal notes, and in some offices, the development of independent revenue estimates and budget recommendations for the legislature.

The early studies also attempted to uncover whether the presence of a fiscal staff had implications for the work of the state legislature. For example, Rosenthal (1971) analyzed the differences in fiscal committee review of the budget both before and after the creation of a legislative fiscal office. Rosenthal found that the number of budget changes by the fiscal committee increased after the creation of the legislative fiscal office. Therefore, legislative fiscal committees became more active due to the presence of fiscal staff. Rosenthal also found that legislative fiscal staff primarily aid legislators sitting on the appropriations/fiscal committees.

After the initial flurry of research in the 1970s, few studies regarding the legislative fiscal office appeared until recently. Chadha, Permaloff, and Bernstein (2001) found that single chamber fiscal offices perform a wider range of functions and command more resources than joint fiscal offices. The authors speculate that competition between the chambers leads to the expansion of the single chamber offices and the functions performed. Legislative fiscal analysts are perceived as highly influential on legislative decision making according to a study by Hoffman (2006). The primary vehicle for influence is the ability of analysts to provide budgetary information to legislators.

Other research identifies the decision mechanisms used by legislative fiscal analysts when making decisions such as developing budget recommendations for the legislature. Willoughby and Finn (1996) found that both executive budget analysts and legislative fiscal analysts use multiple cues (political and analytical) when making budget recommendations. Research by Goodman and Clynch (2004) also found the use of multiple cues. However, legislative fiscal analysts are less likely to use political cues than executive budget analysts. While executive budget analysts are influenced by the policy preferences of governors (political cues), legislative fiscal analysts must contend with a diversity of legislative opinions regarding the budget. Therefore, legislative fiscal analysts rely more on rational, analytical processes to make decisions.

One issue not covered in the scholarly research on legislative fiscal analysts is an assessment of the roles played by analysts in the development of the state budget. Legislative fiscal analysts clearly take on the role of providing the basic foundation for budgetary decision making, but are there other important roles? Within the executive branch, there is ample research on executive budget analyst roles (Appleby, 1980; Davis and Ripley, 1969; Gosling, 1987; Johnson, 1984; Tomkin,

1998; Thurmaier and Gosling, 1997; Thurmaier and Willoughby, 2001; Wildavsky, 1964). The traditional role of the executive budget analyst in the budget process has been the adversarial, “cutter” role with respect to agency budget requests (Wildavsky, 1964). However, Thurmaier and Willoughby (2001) argue that most state executive budget analysts take on multiple roles. These roles include the adversarial role, as well as agency advocate, policy analyst, and facilitator. Executive budget analysts can be the traditional “cutter” as well as provide support for an agency budget request, initiate a policy change, or facilitate the exchange of information to and from the governor. Further, the orientation of the budget office impacts the primary role choice for executive budget analysts. For example, analysts are more likely to take on an adversarial role in a budget office where the budget is viewed as a control tool.

The current study adds to previous research by classifying the activities performed by the modern legislative fiscal office into specific roles for legislative fiscal analysts, identifying the primary role of legislative fiscal analysts in state budget development, and exploring analyst relationships with legislators, agency officials, and executive budget analysts during legislative budget development. Several assumptions regarding legislative fiscal analyst roles are established from the previous research. First, executive budget analysts take on multiple roles in the state budget process (Thurmaier and Willoughby, 2001). Because executive and legislative analysts perform similar tasks for the governor and legislature, respectively, it is expected that legislative fiscal analysts will also exhibit multiple roles. Second, legislative fiscal analysts are influential in state budget development because they provide budget information to legislators (Hoffman, 2006). Therefore, it is expected that the primary role for analysts will be as a facilitator or information conduit where the analyst is viewed as the primary means for legislative knowledge on the state budget.

### **Data Collection**

Data used in this study are primarily from 57 telephone interviews conducted in 2002 and 2003 with legislative fiscal analysts, legislators on appropriations or budget committees, agency officials, and executive budget analysts in Arizona, Colorado, Kansas, and Maine. These states were purposively selected for three reasons. First, all four legislative fiscal offices represent the most common organizational structure for legislative fiscal staff, the joint nonpartisan legislative fiscal office (Donlan and Weberg, 1999). The joint non-partisan legislative office is present in 29 states. Twelve state legislatures rely on caucus fiscal staff, committee staff or separate fiscal office representing each chamber. The remaining states (9) use a combination of staff arrangements including joint non-partisan staff, caucus staff, and committee staff. Second, the legislative fiscal analysts were accessible for interviews as none of the states were in legislative session when the interviews were conducted. Third, a case study of four states allows the researcher to provide a deeper insight on legislative fiscal analyst roles and relationships.

The number of individuals interviewed in each state ranged from 13 to 15. Table 1 shows respondents interviewed by group. Legislative fiscal analysts, legislators, agency officials, and executive budget analysts with primary responsibility for the Corrections, Education, or Medicaid budgets were questioned. The selection of specific policy areas was an effort to strengthen the validity of the fiscal analysts' self-assessment of their roles and relationships by interviewing the key budget actors having the most contact with the analyst responsible for a specific state agency budget.

**Table 1. Respondents by Group**

<b>Group</b>	<b>N=</b>
Legislative Fiscal Analysts	11
Legislators	13
Agency Officials	22
Executive Budget Analysts	11
<b>Total</b>	<b>57</b>

The interviews consisted of open-ended and closed-ended questions, allowing the interviewer to probe respondent comments. The legislative fiscal analysts were asked to 1) identify the activities performed for the legislature during the period of legislative decision making on the budget, 2) describe the nature and frequency of contact with legislators, agency officials, and executive budget analysts, 3) discuss the most useful types of information provided to legislators, and 4) identify their role in legislative budget development. Legislators, agency officials (agency directors, agency legislative liaisons, and agency fiscal officers), and executive budget analysts were asked similar questions regarding their relationship with the legislative fiscal analyst including the usefulness of information provided to legislators, the frequency and nature of contact, and the most appropriate role played by the legislative fiscal analyst in legislative budget development.

## **Findings**

### **Activities Performed by Legislative Fiscal Analysts**

Legislative fiscal analysts identified and described the activities performed for the legislature when it is making decisions about the budget. For the purposes of this study, legislative budget development is that period in the budget process where the legislature reviews, analyzes, and debates agency budget requests and/or executive recommendations culminating in the legislative approval of appropriation bill(s) comprising the state budget.

Legislative fiscal analyst activities include analyzing agency budget requests and executive recommendations, developing budget recommendations, preparing fiscal notes (the fiscal impact of proposed legislation), collecting various expenditure data, preparing financial reports, staffing committees, researching issues, and responding to legislative requests for information. Table 2 shows these activities grouped into four broad roles for legislative fiscal analysts: clerical worker, monitor, facilitator, and policy initiator.

**Table 2: Legislative Fiscal Analyst Activities and Roles**

<b>The Clerical Worker</b>	<b>The Agency Monitor</b>
<ol style="list-style-type: none"> <li>1. Schedules committee/subcommittee meetings</li> <li>2. Assists chair with committee/subcommittee agenda</li> <li>3. Records committee/subcommittee actions</li> <li>4. Drafts sections of appropriation bill(s)</li> </ol>	<ol style="list-style-type: none"> <li>1. Monitors agency funds/expenditures</li> <li>2. Records changes in caseload/recipients</li> <li>3. Monitors program implementation</li> <li>4. Tracks appropriation bill(s) and amendments</li> </ol>
<b>The Facilitator</b>	<b>The Policy Initiator</b>
<ol style="list-style-type: none"> <li>1. Establishes contact with various information sources</li> <li>2. Responds to legislative requests for information</li> <li>3. Prepares fiscal notes</li> <li>4. Disseminates information to and from legislators</li> </ol>	<ol style="list-style-type: none"> <li>1. Prepares budget recommendations for legislature</li> <li>2. Develops policy alternatives and options</li> </ol>

The study reveals some variation in activities by legislative fiscal office. Although all analysts reported engaging in activities comprising the clerical role, monitor role, and facilitator role, not all analysts engage in activities encompassing the policy initiator role. The primary clerical activity cited by most analysts in this study is the staffing of committees and subcommittees. This activity is the most pronounced in Kansas where analysts are the primary support for the subcommittees of the Senate Ways and Means and House Appropriations Committees. In this capacity, analysts work with the subcommittee chairs to prepare agendas, contact individuals to testify before the subcommittee, record subcommittee action, and prepare the subcommittee report to the full committee. Another reported clerical activity is the drafting of the appropriations bill. Some analysts in this study draft portions of the appropriations bill. In other states, this activity is the responsibility of the executive branch or other legislative staff office.

Monitoring activities are quite prevalent in all four legislative fiscal offices. Legislative fiscal analysts engage in significant agency monitoring. The primary monitoring activity is the tracking of agency funds and expenditures. Analysts also report tracking appropriation bills and amendments throughout the legislative session and monitoring the number of program recipients. The latter activity is crucial for legislative decision making as analysts create and update models and spreadsheets for projecting future Medicaid recipients, the number of beds needed in state prisons, and changes in public school enrollment. Further, analysts monitor the implementation of agency programs. Although this activity predominately occurs during budget execution, reports of agency program implementation are often disseminated to legislators during budget development.

As facilitators, analysts provide an essential link between legislators and agency officials, where most information gathering centers on agency budgets and programs. The seasoned analyst has a vast network of agency sources with which to respond to legislator requests for information. The successful analyst will seek out information. For example, one analyst stated that legislators were puzzled as to why one public hospital had costs well above other public hospitals in the same area. This analyst explained, "I sat down with the finance officer of that hospital and found out that the variable driving the increased cost was the case mix. The people in that particular hospital were sicker than those in the other hospitals. I identified the real problem and relayed that information back to legislators."

As facilitators, the primary activity common to all analysts in this study is the analysis of agency budget requests and/or executive recommendations. The analysis is compiled into a written document with descriptions of key agency responsibilities and services, explanation of factors driving the budget, major funding changes from previous fiscal years, analysis of the agency budget request by line item, figures comparing actual expenditures with current year appropriations and the upcoming fiscal year budget request, and identification of key agency issues and concerns. Analysts in three states also make formal presentations to the appropriations/budget

committees regarding the analysis of agency budget requests and/or executive recommendations. These presentations occur during public hearings on the state agency budgets.

Another facilitating activity is fiscal note preparation. Analysts in Arizona and Maine report that fiscal note preparation is a significant activity during the legislative session. The Maine legislature places the sole responsibility for the creation of fiscal notes with the fiscal analysts. The importance of the fiscal note process for Maine analysts is reflected in a legislative staff document describing the fiscal note process and outlining the assumptions used in the preparation of the notes.

As a policy initiator, the analyst goes beyond evaluating agency budget requests and the fiscal impact of proposed legislation to recommending new agency programs and funding and/or changes in existing programs and funding. Activities comprising the policy initiator role include the creation of policy options and/or budget recommendations. Legislators provided examples of policy initiation. One legislator commented, "They [analysts] give us innovative ways to do things differently such as how to maximize general revenue and federal dollars in the Medicaid program." Another legislator responded, "Analysts initiate a policy change by providing different options to me. I tell them what my concerns are and then they explain different ways to do things, legally and technically."

Policy initiating activities are the most prominent in Arizona and Colorado where the legislature requires analysts to submit budget recommendations for each state agency. In Arizona and Colorado, the legislative fiscal analysts and executive budget analysts evaluate the agency budget requests, develop revenue estimates, and prepare independent budget recommendations. In Arizona, the preparation of legislative budget recommendations occurs simultaneously with the analysis of agency budget requests prior to the legislative session. In the preparation of the budget recommendations, Arizona legislative fiscal analysts work closely with the chairs of the appropriations committee in each chamber discussing the agency budget requests and various policy options in the preparation of budget recommendations. The budget requests and recommendations are incorporated into the *Proposed Budget Book* given to the appropriations committees. Legislative analysts provide justifications for the various line item budget recommendations and explain the rationale used in developing the specific recommendations during presentations to the appropriations committees. In Colorado, the preparation of budget recommendations occurs after the legislative session begins and after the certification of funds available for the next fiscal year has been completed. The Colorado legislative fiscal analysts make formal presentations to the Colorado Joint Budget Committee explaining and justifying their recommendations. During these presentations, legislators question the legislative analysts regarding their recommendations and assumptions.

In summary, analysts in this study engage in a variety of activities as legislative staff and these activities can be categorized into distinct roles. All analysts engage in activities comprising the clerical, monitor, and facilitator roles. Policy initiation activities are not common to all analysts in this study. These activities are the most prevalent in states where the legislature authorizes analysts to prepare budget recommendations.

### *Legislative Fiscal Analyst Role in the Budget Development*

To identify the most significant role for analysts in legislative budget development, respondents selected the most appropriate role (clerical worker, monitor, facilitator, policy initiator) for the legislative fiscal analyst. Respondents were allowed to select more than one role. As expected, multiple roles exist for the analysts in this study. Also as expected, facilitation is the primary role for analysts. Table 3 shows that the facilitator role is the most dominant role, followed by the monitor role.

**Table 3. Legislative Fiscal Analysts Roles**

<b>Role</b>	<b>Legislative Fiscal Analyst N=11</b>	<b>Legislators N=13</b>	<b>Agency Officials N=22</b>	<b>Total Role Responses N=46</b>
Clerical	-	4 (31%)	-	4 (1%)
Monitor	6 (55%)	6 (46%)	7 (32%)	19 (41%)
Facilitator	10 (91%)	12 (92%)	19 (86%)	41 (89%)
Policy Initiator	2 (18%)	2 (15%)	7 (32%)	11 (24%)
<b>Total Responses</b>	<b>18</b>	<b>24</b>	<b>33</b>	<b>75</b>

Perceptions of the most appropriate role differ by type of respondent. The strongest support for the facilitator role is found among the legislators, followed closely by the legislative fiscal analysts. The strongest support for the monitor role is found among the legislative analysts, an indication that they see themselves as facilitators of information as well as checks on agency activities. Only legislators



selected a clerical role for analysts providing support for the significance of analysts as committee staffers in some states. Although not a significant role in this study, more support for analysts as policy initiators is found among agency officials than the other two groups of respondents. The absence of a strong policy initiator role for analysts in Arizona and Colorado is somewhat puzzling given the fact that these analysts prepare budget recommendations for the legislature, an activity identified as a component of the policy initiator role. A review of respondent comments helps explain this lack of perceived policy initiation. Respondents indicate that policy initiation is done at the request of the legislators. Ultimately, legislators have the final word as to whether a proposal made by a legislative analyst is accepted, rejected, or modified. Further, legislative analysts do not see themselves as policy initiators. As one analyst stated, "I initiate policy on behalf of the legislators." The support for policy initiation among agency officials is likely due to the significance agency officials place on the specific budget recommendations made by some analysts in this study.

As expected, legislative analysts take on multiple roles in state budget development. However, analysts are primarily facilitators. Although other roles are present, the analyst as an information collector, analyzer, and disseminator is the dominant theme. Few respondents perceive analysts to be policy initiators, even among those fiscal analysts preparing budget recommendations.

### **Legislative Fiscal Analyst Relationships with Legislators**

The legislative fiscal analysts in this study provide information primarily to legislators sitting on the appropriations/budget committees. Rank and file members of the legislature receive little direct support from fiscal staff. This finding is consistent with earlier research (Rosenthal, 1971). In all states, legislator contact with analysts is quite frequent prior to and during public hearings on the budget when most analysts prepare their analysis of agency requests and executive budget recommendations. During this period, analysts often meet individually with legislators to discuss the budget requests. Contact varies between analysts and legislators as some analysts are more visible to legislators than others. Analysts responsible for presenting their analyses to the various fiscal committees are quite visible and in those states where the appropriations/budget committees have subcommittees, the subcommittee chairs reported weekly contact and, at times, daily contact with the analyst responsible for subcommittee staffing.

Legislative Reliance Upon Analysts as Facilitators : In an effort to more fully explore analysts as facilitators, legislative fiscal analysts selected the extent that legislators rely on them for information from three categories: a great deal of reliance, some reliance, or little or no reliance. As facilitators, 82 percent of the analysts reported that legislators rely on them "a great deal" for information. One analyst explained that legislative fiscal analysts are the "eyes and ears" for the legislature by keeping legislators informed on key issues. Other analysts responded

that legislators rely on them a great deal due to the information advantage that they have over legislators. Unlike legislators, who have many commitments, analysts have full time responsibility for gaining knowledge of a particular agency and disseminating that information to legislators. Legislator comments support analyst perceptions of reliance. One legislator commented, “We [legislators] rely on them [analysts] for almost all our information, more so than the agencies.”

One dimension of legislator reliance upon analysts for information is trust. Analysts were asked whether they believe legislators trust them and if so, why? Nine of 11 (75 percent) analysts reported a “great deal” of legislator trust. According to the analysts, trust stems from their ability to provide honest, accurate, and timely information. One analyst responded, “We earn trust. It is the reliability of information. If you make a mistake, find it, and fix it. I have been here a long time giving them perspective and background and they trust me.” Likewise another analyst stated, “When I provide legislators information, I tell them both sides of the story. This builds trust. If they hear only one side from me then they are not likely to listen to me again. They want you to be honest.”

Further, in providing information, analysts are perceived as experts by legislators. As one legislator stated, “We tend to listen closely to the analysts, we give what they [analysts] say a lot of credibility because they [analysts] are the experts on the agency budgets.” Analyst expertise is also reflected in comments indicating that legislators most often contact the legislative fiscal analyst with a specific question about an agency’s budget as opposed to approaching the fiscal office director.

The Most Useful Types of Budgetary Information: Legislative fiscal analysts were asked to identify the most useful type of information provided to legislators during legislative budget development. All but one legislative fiscal analyst reported that the analysis of agency budget requests is the most useful kind of information prepared for legislators. Analyst comments speak to the importance of this activity. One analyst stated, “When I am finished with my presentation on the agency budget request, it is a question and answer session by the committee members. It helps legislators to get a perspective on the agency.” Likewise, an analyst commented, “We make the initial analysis to the subcommittee, the legislators don’t look at the executive budget itself, it is too lengthy. Our analysis is the main document legislators use to make decisions.” One analyst summed up the importance of the written document on the agency budget request by stating, “Legislators carry it around and make notes on it. If we raise an issue in it, then they [legislators] almost always bring it up. It sets the agenda for their debates.”

The presentation of agency budget requests is an opportunity for analysts to clarify fiscal and programmatic issues, identify key concerns in the agency budget, and discuss the implications of budget reductions. One analyst stated, “I informed the members of increased enrollment in K-12, the status of local property tax

collections, and the need to increase funding in certain areas of the public school budget.” Another analyst with expertise in corrections policy explained “I discussed inmate growth in the state prisons and case processing in the courts to give the legislators an idea of whether these things mean more inmates or less.”

Legislator comments validate analyst perceptions of the most useful type of information. From the legislative perspective, information providing an overview and historical analysis of agency expenditures and programs, explanation of past decisions and key issues confronting the agency, and identification of unusual items in the agency budget request is critical to decision making. One legislator stated, “I want a thorough analysis of a program, why it is there, what it does, how it functions, what are its resources, what good it does, and how long has it been established.” This kind of information is routinely provided by the analysts in their evaluations of agency budget requests.

Analysts providing budget recommendations and/or fiscal notes also point to the usefulness of these activities. Legislative fiscal analyst budget recommendations on funding levels, position requests, and new programs allow the legislative committees to compare these recommendations with those made by the executive branch. With respect to fiscal notes, one analyst commented, “We print them out on office letterhead and the legislators wave them around and say ‘this is how much it is going to cost.’” Likewise, a legislator remarked, “Fiscal notes are very important. We [committee] look at these notes to know all of the costs of a bill. They are really important, maybe more so than anything else that they [analysts] do.”

In summary, legislators rely upon analysts for information regarding an agency’s budget, programs, and services. This reliance is based upon the time constraints of most legislators, the expertise of analysts in a particular policy area, and trusting relationships between analyst and legislator. The analysis of agency requests, submission of budget recommendations, and fiscal notes were specifically mentioned by analysts as highly useful in the legislative budget debate. Legislators make special note of the ability of analysts to set the foundation for the legislative budget debate by providing a thorough analysis of the agency budget request.

### **Legislative Fiscal Analyst Relationships with Agency Officials**

In the course of providing information to legislators, analysts and agency officials engage in frequent contact. Analysts rely quite heavily upon state agencies for information regarding agency budgets, programs, and services. In fact, the agency may be the sole source of information for many legislative inquiries. Analysts request descriptions of agency programs, clarification of budget requests, and explanations of agency decisions. Analysts and agency officials report heavy contact during the period when analysts are summarizing agency budget requests and making budget recommendations. Analysts and agency fiscal officers describe interacting with each other several times a week, and sometimes daily, during this

period. Maintaining a network of contacts and establishing good relationships with agency officials is essential for the legislative fiscal analyst. But how do agency officials view their relationship with analysts?

To assess the importance of the analyst/agency relationship, agency officials rated the importance of establishing a good relationship with the legislative fiscal analyst. Previous research indicates that agency fiscal officers take the role of legislative staff seriously and attempt to establish good relations with them (Duncombe and Kinney, 1987). The current study expands previous research by asking three different types of agency officials (directors, legislative liaisons, and fiscal officers) to rate the importance of establishing a good relationship with the legislative fiscal analyst responsible for their agency’s budget. Respondents rated the importance of establishing good relationships as either very important, important, somewhat important, or not important.

**Table 4. Importance of Establishing a Good Relationship with Legislative Fiscal Analyst**

<b>Relationship</b>	<b>Agency Director N=6</b>	<b>Agency Legislative Liaison N=6</b>	<b>Agency Fiscal Officer N=10</b>	<b>All Agency Officials N=22</b>
Very Important	4 (66%)	5 (83%)	9 (90%)	18 (82%)
Important	1 (17%)	1 (17%)	-	2 (9%)
Somewhat Important	1 (17%)	-	1 (10%)	2 (9%)
Not Important	-	-	-	-
<b>Total</b>	<b>6 (100%)</b>	<b>6 (100%)</b>	<b>10 (100%)</b>	<b>22 (100%)</b>

Table 4 shows that 91 percent of agency officials believe that it is very important or important to establish a good relationship with the fiscal analyst with 82 percent responding that a good relationship is very important. Nine of 10 (90 percent) fiscal officers interviewed believe it is very important to establish a good relationship, while 9 of 12 (75 percent) directors and legislative liaisons believe that establishing a good relationship with the legislative analyst is very important.

Agency officials are cognizant of the role played by analysts in legislative budget development. One agency official described the importance of the legislative fiscal analyst in legislative decision making by stating, “The fiscal analysts are very influential in the information that they provide. They decide what issues to elevate to the committee’s attention and what not to elevate. The committee always asks the analysts what they think. Nine times out of ten the committee goes with what the analyst says.” Agency officials perceive legislative analysts to be central to legislative decision making. Further, agency officials rely upon analysts to accurately report agency issues and concerns. Because of this, agency officials believe it necessary to establish a trusting and honest relationship with these individuals. Ten of 22 (45 percent) agency officials specifically commented that establishing a good relationship builds trust between the two groups. Trusting relationships enable agency officials to feel confident that the legislative fiscal analyst accurately and objectively communicates the agency perspective to the legislature. Likewise, analysts want assurances that agency officials are providing fair and accurate information. One agency official stated, “If I have a good relationship with [analyst] and if [analyst] has a good relationship with me, then [analyst] can understand the logic behind our requests. The analyst must be able to convey our requests and information accurately and objectively. There is an element of trust that I work on to achieve. They [analysts] build institutional knowledge about what we do and they [analysts] share that with legislators.”

A good relationship between agency and analyst promotes the joint effort needed to educate the legislature on agency programs and services, provide accurate and timely information, and fulfill legislative intent. Analysts and agency officials provided many examples of joint effort. Analysts work with agency officials to obtain information requested by the legislature, agency officials call analysts to seek clarification on a committee request or action, analysts provide a “heads up” on proposed legislation, and agency officials inform analysts of future agency initiatives or program changes.

Although the role of agency advocacy is not formally played by analysts, some agency advocacy occurs. One agency official noted that during budget hearings the analyst convinced the budget committee to refrain from cutting several necessary items. Likewise, an analyst advocated for a new agency computer system to enhance efficiency. Despite some examples of agency advocacy, strained relationships develop as analysts work with agencies to implement legislative initiatives. Although occurrences of strained relationships were minimal in this study, they do exist. For example, several analysts mentioned that it is often uncomfortable to request information from agency officials that burden the agency in terms of time and staff resources.

To further evaluate the relationship between analyst and agency, agency officials were asked if they seek advice from the legislative analyst on presenting

budget information and/or approaching legislators. Nine of 22 (41 percent) agency officials responded that they do ask the legislative fiscal analyst for advice. Agency officials often ask analysts for suggestions on presenting information, clarifying complex issues, or organizing the agency budget request. One agency official said that the legislative fiscal analyst is often used to “test the waters” regarding an agency proposal. For this agency official, bouncing an idea off the analyst gives the agency a good idea of how legislators will react and provides an opportunity for agency officials to counteract potential legislative arguments.

In summary, the majority of the agency officials interviewed (91 percent) indicate that it is “very important” or “important” to establish a good relationship with the legislative fiscal analyst. Analysts and agency officials rely upon each other for assistance. For analysts, the agency is the primary point of contact when legislators seek information about agency programs and finances. Agencies understand the importance of analysts as significant sources of information for the legislature. Establishing a good relationship is necessary so that both parties are confident each will provide accurate and honest information.

#### ***Legislative Fiscal Analyst Relationships with Executive Budget Analysts***

Legislative fiscal analysts and executive budget analysts perform similar functions for the legislature and governor, respectively. During executive budget development, the executive budget analyst reviews agency budget requests, gathers agency justification for those requests, and makes suggestions or recommendations to the governor. Once the governor’s budget is presented to the legislature, budget analysts provide support, clarification, and other information to the governor regarding legislative and agency budget initiatives (Thurmaier and Willoughby, 2001). In the course of providing information to the legislature and the governor, legislative fiscal analysts and executive budget analysts interact, usually regarding a specific agency. Just as legislative fiscal analysts are responsible for a particular state agency or policy area, the work of the executive budget office is also divided in this manner. In this study, the executive budget analysts interviewed correspond to the same policy areas as the legislative fiscal analysts.

Generally, analysts in both branches report exchanging information, verifying numbers, discussing possible legislative or gubernatorial proposals, and informing each other on actions taken by the legislature or the governor. The most frequent contact between analysts occurs during the analysis of agency budget requests and preparation of budget recommendations by the legislative fiscal analysts. A great deal of variation exists in legislative/executive analyst contact. Some analysts have extensive contact with their counterparts due primarily to personal friendships developed over time, while other analysts report little contact with each other.

Each legislative analyst selected the most appropriate description of the relationship with the executive budget analyst from four categories: collegial,

adversarial, neutral, or other. Ten of 11 (91 percent) legislative analysts reported collegial relationships with their executive budget counterparts. Comments on collegiality from executive budget analysts validate the comments from the legislative fiscal analysts. One executive budget analyst stated, “They [legislative fiscal analysts] are sources of information on how and why the legislature has changed the budget. We ask them what goes on in the committees. They ask for our help in determining the policy implications of proposed legislative changes. We must work with each other.”

To further explore the legislative/executive analyst relationship, executive budget analysts rated the importance of establishing a good relationship with the legislative fiscal analyst.

**Table 5. Importance of Establishing a Good Relationship with Legislative Fiscal Analyst**

Relationship	Executive Budget Analysts (N=11)
Very Important	(6) 55%
Important	–
Somewhat Important	(3) 27%
Not Important	(2) 18%
<b>Total</b>	<b>(11) 100%</b>

Table 5 shows that 55 percent (6 of 11) of the executive budget analysts believe establishing a good relationship is very important, while 27 percent (3 of 11) believe it is somewhat important and 18 percent (2 of 11) report that it is not important to establish a good relationship with the legislative fiscal analyst. The relationship between legislative analysts and executive budget analysts is one primarily of sharing information and verifying numbers. Although collegial relationships generally exist among the analysts in this study, the necessity for establishing a good relationship is less important than for agency officials. As discussed previously, agency officials have a greater stake in establishing positive relationships with

legislative fiscal analysts due to the analysts' responsibility for presenting agency budget requests, agency issues, and in some cases, making agency budget recommendations.

Further, legislative-executive authority in the budget process is likely to impact the relationship between legislative and executive fiscal analysts. In states where the legislature provides a legitimate check on executive budget power, more independent and competitive relationships are likely to exist between legislative and executive analysts. In fact, in states where both fiscal offices are strong, neither staff is reliant upon the other for information; therefore it is less necessary to establish strong relationships. In this study, the analysts working for strong legislatures with respect to budget power reported less contact with the executive budget office than those analysts working for legislatures in executive-dominated states.

In summary, 55 percent of the executive budget analysts believe establishing a good relationship with legislative fiscal analysts is very important. Generally, respondents describe collegial relationships with one another, even if they reported less significance in establishing a good relationship. More variation was found in the legislative/executive analyst relationship than in the analyst/agency relationship.

### **Conclusion**

Legislative fiscal analysts have primary contact with chairs and members of the appropriations/budget committees. Although analysts provide information to all members of the legislature, analysts in this study provide information primarily to members of the appropriations/budget committees. The most useful kind of information provided by legislative analysts is a broad assessment of agency programs and services, the historical context of agencies, and explanations of past decisions. Analysts further identify key issues and potential problems, offer policy options, and prepare budget recommendations. Therefore, not only do analysts provide the basic foundation upon which budget decisions are made, they shape the legislative agenda by narrowing the budget debate by identifying key issues and explaining policy options. Shaping the legislative agenda is likely more significant for those analysts given the opportunity by legislators to make budget recommendations.

As expected, legislative fiscal analysts take on multiple roles in budget development. However, facilitation is the primary role. Legislative fiscal analysts are key players in budget development because they are facilitators. Not only do they provide necessary budget information to legislators, analysts facilitate the flow of information between agency officials and legislators. Recognizing that legislative fiscal analysts are instrumental in providing information to legislators on agency programs and fiscal issues, the majority of agency officials believe it is very important to establish good working relationships with the legislative fiscal analyst. Although reporting mostly collegial relationships with each other, the establishment



of a good relationship between legislative analyst and executive analyst is less important than the legislative analyst/agency relationship.

Due to the importance of the facilitator role, future research should study how analysts provide the basic information for legislative decision making. Research should more thoroughly examine the sources of analyst information and why analysts bring certain issues to the attention of legislators over other issues. Although this study described the roles and relationships of legislative fiscal analysts in nonpartisan joint offices, other staff arrangements exist. Future research should study separate chamber fiscal offices and partisan fiscal staff. Analysts in these staff arrangements may exhibit different roles and relationships with key budget actors. In single chamber offices, analysts may exhibit loyalty to the chamber and initiate policy on its behalf. A previous study (Chadha, Permaloff, and Bernstein, 2001) suggests competition exists between chamber staff; therefore, it is likely that analysts offer competing policy proposals. Fiscal analysts serving either the majority party or minority party have a clear political mission. In these arrangements, analysts may be encouraged by legislators to become policy initiators.

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