



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1425

PRINTER'S NO: 1747

PRIME SPONSOR: D. Evans

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Expenditure Increase/(Decrease):		
State Funds—restricted revenue account (utilities)	\$1,040,000	\$0

OVERVIEW:

This bill appropriates \$1,040,000 to the Office of Small Business Advocate (OSBA) for its utility-related operations for Fiscal Year 2009/10. The Office is part of the Department of Community and Economic Development. Funding for utility-related activities within the OSBA comes from assessments on the utilities regulated by the Public Utility Commission.

In addition to representing small businesses before the Public Utility Commission on utility issues, the Small Business Advocate also represents businesses before the Insurance Department on worker compensation insurance policies pursuant to Act 44 of 1993. This bill, however, provides funding only for the utility-related activities.

The effective date is July 1, 2009, or immediately, whichever is later.

ANALYSIS:

This bill reflects the Governor's recommended 2009/10 budget of \$1,040,000 for the OSBA. It provides for a \$20,000 increase (2.0%) over the 2008/09 appropriation of \$1,020,000.

According to budget documentation and testimony provided to the Committee on Appropriations, the increase is necessary due to personnel costs, which will increase by \$30,000. The OSBA has seven full-time employees, comprised of the Advocate himself, four assistant advocates, all of whom are lawyers, an administrative officer, and a legal assistant.

A significant portion of the cost for operating the OSBA is the hiring of expert witnesses, estimated at \$400,000, which is reduction of \$15,000 from the current year budget. Expert witnesses are important because administrative law judges rely on expert witnesses in rendering decisions on utility cases.

Sources used in the preparation of this fiscal note include budget documentation and testimony submitted to the Committee of Appropriations and other information provided by the Office of the Small Business Advocate.

PREPARED BY: Erik D. Randolph, Senior Analyst
House Committee on Appropriations, (D)

DATE: July 29, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*