



**HOUSE COMMITTEE ON APPROPRIATIONS**  
2009-10 Legislative Session

**FISCAL NOTE**

**HOUSE BILL No. 2280    PRINTER'S NO: 3260    PRIME SPONSOR: D. Evans**

| <b>FISCAL IMPACT SUMMARY</b>                       | <b>FY 2009/10</b> | <b>FY 2010/11</b> |
|--|-------------------|-------------------|
| <b>Expenditure Increase/(Decrease):</b>            |                   |                   |
| State Funds—restricted revenue account (utilities) | \$0               | \$1,061,000       |

**OVERVIEW:**

This bill appropriates \$1,061,000 to the Office of Small Business Advocate (OSBA) for its utility-related operations for FY 2010/11. 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, 2010, or immediately, whichever is later.

**ANALYSIS:**

This bill reflects the Governor's recommended 2010/11 budget of \$1,061,000 for the OSBA. It provides for a \$21,000 increase (2.0%) over the 2009/10 appropriation of \$1,040,000.

According to budget documentation and testimony provided to the Committee on Appropriations, the increase is necessary because of personnel costs, which are estimated to increase by \$38,000. This increase will be partially offset by reducing operating and fixed expenses by \$17,000. 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. 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.

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**DATE:** March 8, 2010

**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.*