

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 427 (The Speaker) (Department of Fiscal Services)
Commerce and Government Matters

Program Evaluation (Sunset Review)

This bill sets the evaluation schedule for the third cycle of the program evaluation procedure or “sunset review” for 2000, 2001, 2002, and 2003. Some entities have been deleted from the list of activities that undergo review and others have been added. The bill also outlines the criteria for the preliminary evaluation and removes the Department of Budget and Management from the consultation process in preparation of the evaluation plan.

Fiscal Summary

State Effect: Expenditures would be affected as discussed below. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small business. The sunset evaluations could impact small businesses.

Fiscal Analysis

State Effect: There have been two sunset review cycles and the third will begin in the year 2000. The second sunset review cycle during 1990 to 1995 involved 47 full evaluations covering 58 regulatory activities. The next cycle begins during the 1998 interim when preliminary program evaluations will be presented to the Legislative Policy Committee for those programs to be evaluated in 2000. The full evaluation of those programs will be prepared beginning in the 1999 interim with recommendations to the General Assembly at the 2000 session. This process is conducted for all 64 regulatory activities included in the bill. The schedule for the evaluations is based on the program termination date. The third cycle of the sunset review process will begin in the 1998 interim and continue through the

2003 session.

The cost of the second cycle over a five-year period was just over \$900,000. Approximately \$300,000 was for salaries of existing legislative staff assigned to the process, \$450,000 was for contractual assistance, \$92,000 was for surveys, and the remainder was for operating expenses. The cost of the third cycle is expected to be similar.

Small Business Effect: The sunset evaluation process should not directly affect small business. However, recommendations or legislative actions resulting from the sunset evaluation process may impact small business as many regulatory entities are small businesses.

Information Source(s): Department of Fiscal Services

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