

SB1178 Open Meeting Minutes
Relating to Cost Benefit, Return on Investment and Dynamic Scoring Techniques
August 4, 2010

Attendees

EDR	Amy Baker Sayed Miah	Frank Williams	David Dobbs	Tim Campbell
House	Don Langston	Mark Kruse	Don Rubottom	
Senate	Bob McKee			
EOG	Tim Proctor	Christian Weiss	Clyde Diao	
Agencies	Paul Piller (DCA)			
Others	Charles Milsted (AARP) Vicki Weber (Hopping Green and Sams – Florida Chamber of Commerce)			

Discussion

Amy Baker began the meeting by stating that this was the first of a series of meetings. She stated that this was a fact finding meeting to receive input from the interested parties about their thoughts on the bill and to hear any questions the parties had on the implementation of the bill. Amy also briefly described the three analytical techniques specified in SB1178 – Cost-Benefit, Return-on-Investment, Dynamic Scoring. To perform dynamic scoring a statewide model will have to be developed. The statewide model will incorporate more information on Florida's population, industries and tax structure than the off-the-shelf national models. She stated that the development of the state model would be an open process and that it may take 3 years or more to be fully operational depending on the complexity built into it. She mentioned that the model may be used in the appropriations and revenue analysis processes to help shape the end product.

Vicki Weber commented that she understood that development of the state model would take time (years) and would involve some trial and error. She expressed the hope that the development process would be transparent and user friendly. Transparency to include – publishing the written requests by leadership for conducting a special analysis; communicating who determines which method to use and the process for making the determination; communicating the assumptions made each time an analysis is completed. Vicki stated that she hoped the methods would provide useful information to the members for making decisions on proposals, even if the special techniques only produced supplemental information. She also stated that sufficient time would need to be allowed to conduct an analysis.

Clyde Diao had questions about whether the statewide model would provide a cost-benefit analysis or an impact analysis; whether all three methods could be a part of one big model; how opportunity costs will be determined. He also stated that monetizing some items for a cost-benefit analysis will be challenging; the ROI results should be compared to industry standards; the discount rate used for the Net Present Value calculation must be agreed upon.

Amy commented that the various methods will probably not be used during session because of time constraints.