

Step-by-Step Guide to Conducting a Regulatory Impact Analysis and Filing in eRules

Step 1a – 1b – Identify Those Affected

Identify the five affected parties and the types of impacts

Steps 2 – Count the Number of Affected Individuals

Count the number of individuals in each affected party

Step 3 – Estimate the Fiscal Impacts

Estimate (calculate) the fiscal impacts to the five different parties

An Excel Calculator Tool is available to help with calculations:
<https://rules.utah.gov/agencyresources/forms/TotalFiscalCostCalculator.xlsx>

Step 4a – 4b – Record the required information and attach the Fiscal Analysis Table in your rule filing

For a more thorough guide to the Regulatory Impact Analysis (definitions of classes and impact types, and case examples), please see

<https://rules.utah.gov/agencyresources/forms/RegulatoryImpactAnalysisTraining-TheGOMBCriteria.pptx>

Step 1a - Identify those Affected

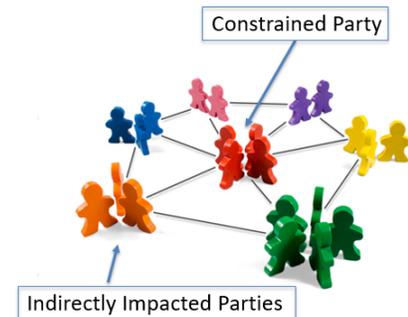
Group those affected into the following classes before you start your 4-step analysis.

1. State Government
2. Local Government
3. Small Businesses (fewer than 50 employees)
4. Non-small Businesses (50 or more employees)
5. Other Persons (citizens, organizations, etc.)

Step 1b - Identify the Impacts

Identify the “Constrained Party”

The Constrained Party is the group specifically identified in a rule whose range of behavior is limited or expanded. Only the Constrained Party can experience direct impacts, while other groups will experience indirect impacts.



Decide what type of impact each group has:

1. Types of Impacts to Affected Parties
 - a. Costs
 - i. Direct Fiscal
 - ii. Indirect Fiscal
 - iii. Direct Non-Fiscal
 - iv. Indirect Non-Fiscal
 - v. Inestimable Fiscal
 - vi. Inestimable Non-Fiscal
 - b. Benefits
 - i. Direct Fiscal
 - ii. Indirect Fiscal
 - iii. Direct Non-Fiscal
 - iv. Indirect Non-Fiscal
 - v. Inestimable Fiscal
 - vi. Inestimable Non-Fiscal

Steps 2 - Count Those Affected (You will do this five times)

ONE – STATE GOVERNMENT	TWO – LOCAL GOVERNMENT
<p>Class - State Government</p> <ol style="list-style-type: none"> 1. Consider all state agencies directly affected 2. Use appropriate data tools to find number of affected state agencies (DWS FirmFind, NAICS Search, and Agency Resources) 3. Consider impacts to state government entities acting as businesses <p><i>For state government, if they are indirectly impacted, all fiscal impacts must be measured and recorded no matter how distant they are from the exchange relationships with the constrained party.</i></p>	<p>Class - Local Government</p> <p>Follow same process for State Government (left)</p> <p><i>For local government, if they are indirectly impacted, all fiscal impacts must be measured and recorded no matter how distant they are from the exchange relationships with the constrained party.</i></p>
THREE – SMALL BUSINESSES (LESS THAN 50 EMPLOYEES)	
<p>Class - Small Businesses</p> <ol style="list-style-type: none"> 1. Consider all small businesses directly affected 2. Consider all of the small-businesses that are indirectly impacted 3. Use the Census’s North American Industry Classification System (NAICS) to find the 6-digit industry code(s) 4. Using DWS FirmFind, search with NAICS code for all firms in particular industry 5. Use industry specific data tools and/or contact affected entities to find population numbers as needed 	
FOUR – NON-SMALL BUSINESSES (50+ EMPLOYEES)	FIVE – OTHER PERSONS
<p>Class - Non-Small Businesses</p> <ol style="list-style-type: none"> 1. Follow same process for small business (above) 	<p>Class - Other Persons (provide counts for each group)</p> <ol style="list-style-type: none"> 1. Consider all the individuals that are directly impacted 2. Consider all the individuals that are indirectly impacted 3. Use data from the Bureau of Labor Statistics (BLS) by finding the Occupational Employment Statistics (OES) page at https://www.bls.gov/oes/current/oessrcst.htm - A map of the US is shown, and by clicking on Utah, it will bring up current data 4. Search for profession terms in the BLS map tool for counts 5. Using sites like DHS, WFS, the US Census, and any other resources, count the number of other individuals that are impacted

Step 3 – Estimate (Calculate) the Fiscal Impacts

ONE – STATE GOVERNMENT	TWO – LOCAL GOVERNMENT
<p>Class - State Government</p> <ol style="list-style-type: none"> 1. Find total annual impacts for the next three fiscal years. The following is a <i>guide</i> for how to do so: <ol style="list-style-type: none"> a. Find the rate increase/decrease for each entity affected b. Find any one-time costs for each entity affected c. Multiply rate increase/decrease of each party by its respective estimated count (counts found in step 2), then add one-time costs (if any) d. Record the total impact for the fiscal year; do this two more times for the next two fiscal years 	<p>Class - Local Government</p> <p style="text-align: center;">Follow same <i>guide</i> for State Government (left)</p>
THREE – SMALL BUSINESSES (LESS THAN 50 EMPLOYEES)	
<p>Class - Non-Small Businesses (fewer than 50 employees)</p> <p style="text-align: center;">Follow same <i>guide</i> for state government (above)</p>	
FOUR – NON-SMALL BUSINESSES (50+ EMPLOYEES)	FIVE – OTHER INDIVIDUALS
<p>Class – Small Business (50 or more employees)</p> <p style="text-align: center;">Follow same <i>guide</i> for state government (above)</p>	<p>Class - Other Persons</p> <p style="text-align: center;">Follow same <i>guide</i> for state government (above)</p>

Step 3 – Additional Resource to Help With Calculations

For help with entering numbers and doing calculations, please see the GOMB Fiscal Analysis Excel Calculator Tool:

<https://rules.utah.gov/agencyresources/forms/TotalFiscalCostCalculator.xlsx>

Screenshot of Excel workbook sheet:

FY17 Total Costs Impact			FY18 Total Costs Impact			FY19 Total Costs Impact		
\$86,806.00			\$86,806.00			\$86,806.00		
FY17 Total Benefits Impact			FY18 Total Benefits Impact			FY19 Total Benefits Impact		
\$73,786.00			\$73,786.00			\$73,786.00		
FY17 Total Overall Impact			FY18 Total Overall Impact			FY19 Total Overall Impact		
(\$13,020.00)			(\$13,020.00)			(\$13,020.00)		

i. All direct fiscal impacts must be measured and reported.
 ii. Inestimable direct fiscal impacts must be reported along with a characterization of why the fiscal impacts are inestimable.
 iii. All direct non-fiscal impacts must be reported.

For state government government, if they are indirectly impacted, all fiscal impacts must be measured and recorded no matter how distant they are from the exchange relationships with the constrained party

If more than 5 agencies are impacted, itemize the 5 most affected, and include all others in as a 6th item, and maintain record of itemizations for the 6th item within your agency.

COSTS														
NAME OF STATE AGENCY	HOW IMPACTED	TYPE OF IMPACT	FY 17 Affected Parties	FY 18 Affected Parties	FY 19 Affected Parties	FY17 Cost Increase	FY18 Cost Increase	FY19 Cost Increase	FY17 One-Time Costs	FY18 One-Time Costs	FY19 One-Time Costs	Do not change fields in grey		
												FY17 Total Increase Impact	FY18 Total Increase Impact	FY19 Total Increase Impact
State Agency 1	Increase in insurance fees on trucks	DIRECT FISCAL COST	500	500	500	\$100	\$100	\$100	\$1	\$1	\$1	\$50,000	\$50,000	\$50,000
State Agency 2	Increase in insurance fees on trucks	DIRECT FISCAL COST	200	200	200	\$100	\$100	\$100	\$1	\$1	\$1	\$20,000	\$20,000	\$20,000
State Agency 3	Increase in insurance fees on trucks	DIRECT FISCAL COST	80	80	80	\$100	\$100	\$100	\$1	\$1	\$1	\$8,000	\$8,000	\$8,000
State Agency 4	Increase in insurance fees on trucks	DIRECT FISCAL COST	40	40	40	\$100	\$100	\$100	\$1	\$1	\$1	\$4,000	\$4,000	\$4,000
State Agency 5	Increase in insurance fees on trucks	DIRECT FISCAL COST	38	38	38	\$100	\$100	\$100	\$1	\$1	\$1	\$3,800	\$3,800	\$3,800
6 or more other Utah State Agencies	Total costs in monies for all included	INDIRECT FISCAL COST	1	1	1	\$1,000	\$1,000	\$1,000	\$1	\$1	\$1	\$1,000	\$1,000	\$1,000
			FY17 Total Affected	FY18 Total Affected	FY19 Total Affected				FY17 Total One-Time Costs	FY18 Total One-Time Costs	FY19 Total One-Time Costs	FY17 Total Increase Impact	FY18 Total Increase Impact	FY19 Total Increase Impact
			859	859	859				\$6	\$6	\$6	\$86,806	\$86,806	\$86,806

BENEFITS														
NAME OF STATE AGENCY	HOW IMPACTED	TYPE OF IMPACT	FY 17 Affected Parties	FY 18 Affected Parties	FY 19 Affected Parties	FY17 Benefit Increase	FY18 Benefit Increase	FY19 Benefit Increase	FY17 One-Time Benefits	FY18 One-Time Benefits	FY19 One-Time Benefits	Do not change fields in grey		
												FY17 Total Increase Impact	FY18 Total Increase Impact	FY19 Total Increase Impact
State Agency 1	Decrease in monies paid for repairs for trucks	DIRECT FISCAL BENEFIT	500	500	500	\$85	\$85	\$85	\$1	\$1	\$1	\$42,500	\$42,500	\$42,500
State Agency 2	Decrease in monies paid for repairs for trucks	DIRECT FISCAL BENEFIT	200	200	200	\$85	\$85	\$85	\$1	\$1	\$1	\$17,000	\$17,000	\$17,000
State Agency 3	Decrease in monies paid for repairs for trucks	DIRECT FISCAL BENEFIT	80	80	80	\$85	\$85	\$85	\$1	\$1	\$1	\$6,800	\$6,800	\$6,800
State Agency 4	Decrease in monies paid for repairs for trucks	DIRECT FISCAL BENEFIT	40	40	40	\$85	\$85	\$85	\$1	\$1	\$1	\$3,400	\$3,400	\$3,400
State Agency 5	Decrease in monies paid for repairs for trucks	DIRECT FISCAL BENEFIT	38	38	38	\$85	\$85	\$85	\$1	\$1	\$1	\$3,230	\$3,230	\$3,230
6 or more other Utah State Agencies	Total benefit in monies for all included	INDIRECT FISCAL BENEFIT	1	1	1	\$850	\$850	\$850	\$1	\$1	\$1	\$850	\$850	\$850
			FY17 Total Affected	FY18 Total Affected	FY19 Total Affected				FY17 Total One-Time Benefits	FY18 Total One-Time Benefits	FY19 Total One-Time Benefits	FY17 Total Increase Impact	FY18 Total Increase Impact	FY19 Total Increase Impact
			359	359	359				\$6	\$6	\$6	\$73,786	\$73,786	\$73,786

Step 4a - Record the Required Information in Narrative Format

ONE – STATE GOVERNMENT

**If no impact (unlikely) enter: “This (proposed rule) (rule change) is not expected to have any fiscal impacts on state government revenues or expenditures because _____.” (there *must* be an explanation)*

Explain your estimated impacts to State Government. In this explanation, you must state the following:

1. How each state government entity will be affected by the rule
2. Count of state government entities that will be affected
3. The type of impact to each state government entity
4. Individual-level fiscal impacts (costs and benefits) and include an annual estimate of total impact on state government
5. Whether the costs are one-time or ongoing
6. A description of any fiscal impacts that were inestimable *and why*
7. A description of any non-fiscal impacts

7A) State Budget Example Narrative: <Area affected> in the State of Utah, <total number> of state agencies provide <description of services>. It is estimated these state government service providers supply <total number> of <service description>, annually. With the average increase/decrease in <service description> rates estimated at <\$average rate.00>, state agencies are expected to experience a <type of impact> and receive an <increase/decrease> in revenues of approximately <\$total revenues.00>.

For parties where no impact is estimable, example narrative: There are <total number of> state agencies that will experience a fiscal cost associated with increased/decreased <service description(s)> prices. The full impact to state government cannot be estimated as the necessary data are unavailable <“because the data necessary to determine how increased revenue for <company type(s)> is allocated to <service description(s)> and retained earnings is not available.”>

**Make sure to include fiscal impacts to state government no matter how far removed they are from the constrained party. Provide enough detail that the reader can understand the various assumptions made in arriving at the estimates.*

TWO – LOCAL GOVERNMENT

**If no impact (unlikely) enter: “This (proposed rule) (rule change) is not expected to have any fiscal impacts on local government revenues or expenditures because _____.” (there *must* be an explanation)*

Follow the reporting requirements for State Government (above), but as it relates to local government.

7B) Local Government Example Narrative: Same as for state government (above) but as it relates to local government

**Make sure to include fiscal impacts to local governments no matter how far removed they are from the constrained party. Provide enough detail that the reader can understand the various assumptions made in arriving at the estimates.*

THREE – SMALL BUSINESSES (LESS THAN 50 EMPLOYEES)

**If no impact (unlikely) enter: “This (proposed rule) (rule change) is not expected to have any fiscal impacts on small businesses revenues or expenditures because _____.” (there *must* be an explanation)*

Explain your estimated impacts to small businesses. In this explanation, you must state the following:

1. How each small business will be affected by rule
2. All industries affected by name and respective NAICS code (obtained from NAICS website or DWS FirmFind code)
3. Count of small businesses affected
4. The type of impact to each small business
5. Individual-level fiscal impacts (both costs and benefits) and include an annual estimate of total impact on small businesses
6. Whether the costs are one-time or ongoing
7. A description of any fiscal impacts that were inestimable *and why*
8. A description of any non-fiscal impacts

7C) Small Business Example Narrative: <total number of> small businesses in Utah provide <service description> (NAICS #####). These <total number of> firms provide approximately <total number> of service descriptions per year. With the increase in the average <service description> rate to <\$average rate.00>, these small businesses will experience a <type of impact> of <increase/decrease> in revenues just <over/under><\$total revenues.00>. <Secondary company type>, (NAICS #####) will experience an <type of impact> and <total number>of these are small businesses. <Secondary company service description> (NAICS ##### and #####) are provided by <total number of> small businesses in Utah and they are expected to receive an indirect fiscal benefit as <buyer> buys <more/less> <service description>.

*Note: If there are direct negative impacts on small businesses in Utah, Utah Code 63G-3-301(6) requires a discussion of how the agency attempted to reduce the impact on small firms. If applicable, include the information in this box.

*Note: In the case of indirect fiscal costs to small businesses, agencies do not need to attempt a reduction of negative impacts on small businesses. Indirect impacts occur only to businesses that are not constrained by the rule, so reduction of negative impacts is not required.

FOUR – OTHER PERSONS

****If no impact (unlikely) enter: “This (proposed rule) (rule change) is not expected to have any fiscal impacts on other individuals revenues or expenditures because _____.” (there *must* be an explanation)***

Follow the reporting requirements for Small Businesses (above) but as it relates to other persons

7D) Other Persons Example Narrative: Same as for Non-Small Business (above), replacing ‘businesses’ with ‘individuals’, ‘persons’, as needed.

FIVE – NON-SMALL BUSINESSES (50+ EMPLOYEES)

****If no impact (unlikely) enter: “This (proposed rule) (rule change) is not expected to have any fiscal impacts on non-small businesses revenues or expenditures because _____.” (there *must* be an explanation)***

Follow the reporting requirements for Small Businesses (above) but as it relates to non-small business.

This narrative belongs to box 15 in the eRules system, in the Appendix 2 section that will be submitted (see links to templates that you will use listed on last page).

Appendix 2 in .rtf rule filing document, Non-Small Business Example Narrative: The impacts to small businesses were characterized above and the impacts to non-small businesses are described here. There are <total number of> large businesses in the <industry(ies) in question (NAICS #####, NAICS #####) in Utah. These businesses will experience a <type of impact> [If more than 10 NAICS codes, instead use - “For a complete listing of NAICS codes used in this analysis, please contact the agency.”] This/these business(es) account(s) for an estimated <total number of> <service description(s)>per year. At the average price increase/decrease per <service description(s)> of <\$average.00>, this/these business(es) is/are expected to receive <\$total amount.00> in increased/decreased revenues per year.

9) Comments by the department head on the fiscal impact the rule may have on businesses: This should be a brief summary of the impacts to small and non-small businesses in Utah. Mentioning counts for small and non-small businesses and the types of impacts they will experience is probably sufficient. The full details of the impacts to small business will be found in Box 7C and the full details for non-small businesses will be found in the appendix. To minimize redundancy, it is recommended the rule filing entity does not simply copy and paste the contents of Box 7C and the appendix in this box.

Step 4b - Attach Fiscal Analysis Table in Your Rule Filing to box 15 in eRules

15) Attach Fiscal Analysis Table. Two templates are available for your use:

- GOMB Table Rule Filing Documents:

<https://rules.utah.gov/agencyresources/forms/GOMBTableRuleFilingDocumentWord.rtf>

Follow formatting in the template exactly; the table MUST be 3.25 wide, Font Courier New, font size 7. The 'total fiscal costs' is the sum of all the fiscal costs. The total fiscal benefits, is the sum of all the fiscal benefits. The 'net fiscal benefits' is total fiscal benefits minus total fiscal costs.

If you use the Excel Total Fiscal Costs Calculator.xlsx, you can copy and paste the table from that document.

Helpful Links:

- 1) NAICS Codes:

<https://www.census.gov/eos/www/naics/>

- 2) To Find Count of Firms in Utah:

<https://jobs.utah.gov/jsp/firmfind/#/>

- 3) To Find Count For Other Persons in Utah:

<https://www.bls.gov/oes/current/oesrcst.htm>