



House Bill 142: Implement Zero-Based Budgeting

A costly budget approach that doesn't guarantee better outcomes for the public's money

HB 142 Summary: Implements zero-based budgeting beginning with the executive branch in 2027 and establishing it as standard practice for the entire state budget in FY 2031-33.

Complexity of zero-based budgeting leads to higher costs that undermine supposed goals of efficiency

- Zero-based budgeting generates a large amount of paperwork that requires significant staff time to develop proposals, collect, and analyze data on long-standing public programs and services. This raises the costs associated with budget development and diverts resources from programs and services.
- The National Council of State Legislatures reported in 2011 that: "State governments found it impossible to adapt to a budgeting process that required annual or biennial justification of every activity and program."¹

Zero-based budgeting, developed in the 1970s as a tool to cut public funding, was largely abandoned by the 1980s

- Researchers found that the lack of available data and the lack of alignment between cost analysis, public and policymaker priorities, and long-term planning proved to be limits on eliminating programs and services.²

More about HB 142

- Defines a zero-based budget as a one that reflects "the amount of funding deemed necessary to achieve the most cost-effective performance of each State agency."
- Proposes that zero-based budgeting be adopted by the governor beginning in fiscal year 2027 and start with the executive branch.
- State agencies would be required to present zero-based budgets for four fiscal years and include the amount and justification for each item as if the item were being funded for the first time.
- Establishes that the entire state budget will use zero-based budgeting beginning in the 2031-2033 biennium.

¹ https://kipdf.com/ncsl-fiscal-brief-zero-base-budgeting-in-the-states_5aeeeb877f8b9a4d6f8b45e5.html

² https://csif.gsu.edu/files/2014/06/zero-base_budgeting_for_the_21st_century_public_administrator.pdf