

Legislative Tracking: Getting the Jump on Governmental Action That Could Impact Your Business



State Net White Paper

This session, Congress and the 50 state legislatures will consider over 170,000 measures, roughly 30,000 of which will become law.¹ While certain 'hot' issues such as corporate accountability and identity theft will receive considerable attention from lawmakers, no segment of the U.S. economy will avoid scrutiny (see table: Bill Volume By Issue, page two). A major challenge for American businesses will be determining which of the thousands of measures that are introduced will actually impact their bottom line.

Why tracking legislation is critical

Legislative mandates can impose significant costs on U.S. businesses. Compliance with the federal Clean Air Act Amendments of 1990, for instance, is expected to cost American businesses an estimated \$27 billion annually by the year 2010.² That figure includes only direct compliance costs, such as capital expenditures for pollution control equipment. Indirect compliance costs, including lost productivity and missed business opportunities, will push that number much higher.

State legislation can be equally burdensome. For example, California's new mandated health care law, enacted this year, is expected to cost medium to large-size companies in the state \$5.7 billion per year.³

Beyond costs mandated by the laws themselves, legislative enactments also provide the legal basis for the promulgation of rules to implement the laws' provisions. The rules have their own associated compliance costs, which can be significant; one recent study placed compliance costs for federal regulations alone at \$843 billion in 2000.⁴

In addition, rules often impose substantial penalties for noncompliance, actively enforced by the regulating agency or agencies; the Department of Labor's Occupational Safety and Health Administration (OSHA), for example, levies approximately \$100 million in fines each year.⁵

Legislative tracking enables organizations to limit their exposure to these costs. With early notification of emerging legislation that could impact their business, organizations can have an impact on the legislative process well before measures become law, and before related rules are adopted. And legislatures have considerable latitude—far more than regulatory agencies—in addressing the concerns of those likely to be impacted by a proposed measure. Lawmakers can even decide not to consider a particular piece of legislation at all. It is primarily for this reason that over \$2 billion is spent lobbying Congress and the state legislatures each year.¹

Legislative tracking can also be beneficial for organizations that don't actively lobby Congress or the state legislatures. Active monitoring of legislative activity allows such organizations more time to prepare for impending changes in the laws affecting their business and the various costs that will be incurred. Although lawmakers generally provide

Bill Volume By Issue		
Issue	Introductions	Enactments
Agriculture	2,765	758
Business	18,036	4,103
Chemicals	1,863	410
Consumer Affairs	2,787	497
Education	16,130	2,853
Energy	1,678	419
Environment	5,768	1,315
Finance	5,836	1,644
Food & Beverages	2,902	625
Government & Politics	47,109	11,617
Health & Social Services	27,927	5,812
Info & Telecommunication	11,438	2,677
Insurance	6,995	1,329
Labor & Employment	15,421	2,990
Law & Justice	35,881	7,052
Real Estate & Construction	12,916	2,559
Recreation & The Arts	6,794	1,461
Resource Management	7,315	1,878
Taxation	4,422	703
Transportation	14,323	2,977
Utilities	3,243	647

With early notification of emerging legislation, businesses can impact the process well before measures become law.

some period of time to comply with new laws, additional time allows for smoother implementation of the mandated changes.

Another benefit of legislative tracking which tends to be overlooked is its potential for identifying business opportunities. Legislative mandates can create demand for new products and even spur new industries. The environmental compliance industry, for example, has grown dramatically over the past three decades as more and more companies have sought outside assistance with meeting the increasingly complex requirements of federal and state legislation.

Examples of peculiarities in the official reporting of legislative information:

The official web site of the Georgia General Assembly (www.legis.state.ga.us) indicates whether a bill has gone to committee, but not which committee. That information can only be obtained by looking at the full text version of the bill or by contacting the state directly.

The Hawaii State Legislature uses non-standardized language in the reporting of its status actions (www.capitol.hawaii.gov). The variation in wording complicates the process of tracking bills.

Missouri has separate web sites for each chamber of its legislature. One site is often better than the other for obtaining certain information.

More than 30 different terms for automated cash machines (ATMs) are currently used in the 50 state legislatures.

Why tracking legislation is difficult

The sheer volume of legislative information makes it difficult to manage. A single moderately active state, like Pennsylvania, introduces roughly 5,000 measures each biennium. Amendments to those measures as they move through the legislative process generate another 1,000 unique bill versions. That translates to nearly 30,000 pages of text that a company doing business in the state would need to scan in order to determine if any of the bills would impact their business. The workload adds up quickly for companies with operations in multiple states, while organizations concerned with all fifty states and Congress must review over 1.3 million pages of bill text each year.

While every state legislature and the U.S. Congress maintain public web sites with search tools to help users locate relevant bill information, the sites have significant limitations, particularly for organizations that need to monitor developments in more than one state. First, there is considerable variation from state to state and even chamber to chamber in both the legislative process and in the design and function of the web sites, so using them effectively requires knowledge of the ins and outs of both.

The search tools provided on the state sites also have drawbacks. Beyond searching by bill number, which is useful for obtaining information about a single bill, most of the sites provide full-text searching (the method popular search engines like Google are based on), for identifying legislation containing key words and phrases relevant to the user. This method of searching, however, frequently yields irrelevant 'hits,' usually necessitating additional effort to screen out the extraneous information.

Moreover, full-text searching will not find bills containing words and phrases similar to the search terms entered, but only exact matches. Consequently, failing to enter the proper search terms can mean missing critical information. And in the legislative arena, that prospect is very likely; for example, there are 30 different terms for automated cash machines currently in use among the 50 state legislatures.

Identifying relevant bills is just the crucial first step in legislative tracking. Active monitoring of those bills as they move through the legislative process is what enables organizations to effectively marshal a lobbying or compliance effort. Keeping track of multiple bills moving at different rates in different directions, however, can be a challenge, one that is only compounded when the bills being tracked are located in multiple states. Further complicating the task is the speed at which the legislative process can move. It is not uncommon for a bill to go from introduction to enactment in less than a week, particularly at the beginning or near the end of a session. Furthermore, some states, like Florida, New Mexico, and Wyoming, have sessions that are only a couple of months long, or even shorter in election years. Consequently, timely notice of actions and committee hearings can be crucial.

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Some of the state sites provide online tools that assist with bill tracking. With these tools, users can enter the bill numbers of critical legislation in a private database and receive notification when there is activity on those bills. The tracking tools, however, are only available in about half of the states; typically limit the number of bills that may be monitored; and usually cover only status actions, like passage of the first house. Automatic notification of other critical information, such as when a bill is scheduled for committee hearing, is generally not provided.

How State Net Can Help

State Net maintains a staff of seventy dedicated to the task of monitoring state and federal legislative activity. These legislative specialists cull essential information—including the full text of all state measures and committee hearing schedules—from every state legislature and Congress, using only the most reliable sources. Electronic sources are utilized wherever available to ensure that information is made available to clients in the most timely manner possible.

State Net's legislative specialists are intimately familiar with the legislative process of each state. They know the peculiarities to watch out for when dealing with a particular state's information and exactly who to call when their experience tells them something isn't right. So, nothing is missed, the information is accurate, and no time is wasted.

Once official state data are received, the specialists review it for accuracy and index every measure by industry and issue, using State Net's proprietary subject-indexing system. Developed over more than thirty years in the legislative tracking business, the system is based on our extensive knowledge of the way legislation impacts business. State Net is the only government affairs information service that indexes bills in this way because it is such a labor-intensive process. But the system provides organizations with a powerful tool to assist them in identifying critical legislation, and when combined with State Net's own text searching tool, produces results that are far more relevant—and require far less additional screening—than standard text searching alone.

State Net also offers extensive bill tracking capabilities. Clients can track an unlimited number of bills in their own private bill-tracking database; attach comments to individual bills, such as whether they support or oppose the measures and why; and generate reports from their database to assist staff or distribute to constituents. And clients can elect to receive email alerts not just about status actions on bills in their tracking database, but committee hearings as well.

Effective Searches Combine Multiple Methods

Text Search

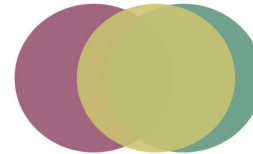


Overlap indicates the number of relevant bills identified with each searching technique.

Index Search



Combined Index & Text




Yields consistently more accurate & reliable results

Clients can identify relevant bills with the click of a button and efficiently monitor developments in all 50 states.

Working 16 hours a day, State Net's legislative team logs over 7,500 phone calls to legislative contacts, processes over 500,000 status actions, and catalogues well over a million pages of bill text each year.

The result of this effort is a legislative service that allows clients to identify the specific bills that are relevant to their operations with the click of a button and monitor their activity or review full text of the bills with ease, leaving them more time for taking action.

State Net's services extend beyond providing tools to simplify the task of legislative tracking to actually doing the work for clients. State Net provides services ranging from monitoring one or two of a client's key issues as a safety net for their internal staff or outside lobbying effort to managing a client's entire legislative tracking program as a cost-effective alternative to an in-house government affairs staff. By relying on State Net to manage the tasks that are our strength, clients are able to focus more of their resources on other important elements of their government affairs programs. 

Legislative Reporting

Five critical elements to success:

1. Issue customization

Do you see everything you need to see and nothing else?

2. Easy information access

Can you monitor critical legislative developments at a glance? Can you quickly access full details when needed?

3. Experienced support

When you call for more information, clarification or research assistance, do you reach a live and knowledgeable person?

4. Reliability

Does your information source guarantee their information accuracy?

5. Complete Coverage

All your efforts are for naught if you miss the one bill with a million dollar price tag. Does your source have the staff and experience to cover all 50 states and Congress?

Footnotes

¹ Projections based on actual bill volumes for 2001-02, the last legislative biennium cycle.

² Environment Protection Agency, "The Benefits and Costs of the Clean Air Act, 1990 to 2010," General Accounting Office, Nov. 1999, pp. ii-iii.

³ Jack Kyser, et al., "Analysis of the Economic Impacts of Mandatory Health Coverage in California," Report prepared for the California Chamber of Commerce, Sept. 2003, p.2.

⁴ W. Mark Crain and Thomas D. Hopkins, "The Impact of Regulatory Costs on Small Firms," Report prepared for Small Business Administration, Office of Advocacy, RFP no. SBAHQ-00-R-0027, October 2001, p.4.

⁵ Kenneth L. Deavers, et al, *A Century of Progress, A Century of Change: The American Workplace 1999*, Employment Policy Foundation, 1999, p.38.

⁶ Federal lobbying expenditures exceeded \$1.78 billion in 2002, according to PoliticalMoneyLine, an online disclosure service tracking money in politics; according to the Center for Public Integrity, \$715 million was spent by lobbyists and their employers in the 39 states that compiled information on lobbyist spending in 2002.



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State Net was created more than three decades ago to deliver timely and reliable information to government affairs professional. Today, the company's services are widely recognized as the standard by which all others are measured. State Net provides online legislative and regulatory tracking, issue-based consultation and political analysis. With nearly 300 employees and office in major state capitals, they serve more than 1,200 organizations nationwide.