

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1878/1	Introduction Number SB-143
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Description
 requiring the state auditor to appoint an inspector general to investigate Department of Transportation programs and activities and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By LAB/ Anne Sappenfield (608) 266-2818	Authorized Signature Anne Sappenfield (608) 266-2818	Date 4/7/2017
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Fiscal Estimate Narratives

LAB 4/7/2017

LRB Number	17-1878/1	Introduction Number	SB-143	Estimate Type	Original
Description requiring the state auditor to appoint an inspector general to investigate Department of Transportation programs and activities and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill requires the state auditor to appoint an inspector general who is assigned to and housed at the Department of Transportation. The inspector general may examine the accounts and other financial records of the department, review the performance and program accomplishments of the department, and review claims by any person whose substantial interest has been adversely affected by a department action or order. Under the bill, the inspector general shall determine whether the department action or order was inconsistent with any law or administrative rule and shall report all such determinations to the specified individuals and committees of the Legislature. In addition, the inspector general shall investigate fraud in department programs or activities and report any finding of fraud to the Department of Justice and shall investigate waste, abuse, or inefficiency in department programs or activities and report any findings of waste, abuse, or inefficiency to specified individuals and committees of the Legislature. The inspector general shall submit an annual report of activities to the Legislature.

Under the bill, the legislative service agencies, which include the Legislative Audit Bureau, the Legislative Fiscal Bureau, the Legislative Reference Bureau, the Legislative Technology Services Bureau, and the Legislative Council staff, shall, upon request of the inspector general, assist the inspector general in performing any duty or exercising any power authorized by the bill.

The bill requires the Department of Transportation to pay all costs incurred by the inspector general in carrying out investigations of fraud, waste, abuse, or inefficiency and deposit those payments to the Legislative Audit Bureau's program revenue appropriation. The 1.0 full-time equivalent inspector general position created by the bill is to be funded from the Legislative Audit Bureau's program revenue appropriation.

Because the bill requires the Department of Transportation to pay all costs incurred by the inspector general in carrying out investigations, the Legislative Audit Bureau presumes the cost of salary and fringe benefits for the inspector general would also be reimbursed by the Department of Transportation. Given that the bill does not increase the Legislative Audit Bureau's expenditure authority within its program revenue appropriation, there is no increase in costs to the Legislative Audit Bureau. If the bill is enacted, the Legislative Audit Bureau and the Department of Transportation would enter into a memorandum of understanding that specifies the specific personnel costs to be paid for by the Department of Transportation based on the actual appointment made by the State Auditor.

It is not possible to estimate the fiscal effect to the Legislative Audit Bureau of responding to requests to provide assistance to the inspector general since the volume and scope of requests cannot be predicted. It should be noted, however, that any such assistance provided to the inspector general would likely reduce the flexibility of the Joint Legislative Audit Committee to direct the Bureau to complete other audits and evaluations.

Long-Range Fiscal Implications