

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-5378/1	Introduction Number AB-0835
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Description
 creating a legislative office of inspector general and making an appropriation

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.765(3)(cm)	

Agency/Prepared By DPI/ Morgan Aschenbrenner (608) 264-9559	Authorized Signature Erin Fath (608) 266-2804	Date 2/10/2020
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Fiscal Estimate Narratives

DPI 2/10/2020

LRB Number	19-5378/1	Introduction Number	AB-0835	Estimate Type	Original
Description creating a legislative office of inspector general and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonpartisan, legislative service agency known as the "Legislative Office of Inspector General," consisting of 14 inspectors general and their staff who are assigned to and housed at the headquarters of certain state agencies including DPI. Each inspector general would be appointed for a 6-year term by the Joint Committee on Legislative Organization.

Under this bill, the inspector general assigned to the DPI would be required to investigate fraud, waste, abuse, or inefficiency in DPI programs or activities. Also under the bill, citizens will be allowed to bring concerns regarding a state agency that they believe has substantially affected their interest directly to an inspector general.

An inspector general shall endeavor to identify savings for state agencies that would pay at least the costs incurred by the inspector general in carrying out the investigations. In carrying out any agency investigations, inspectors general must be permitted at all times, with or without notice, access to any books, records, or other documents maintained by the agency relating to its expenditures, revenues, operations, and structure.

State: Indeterminate

As no increase in revenue is provided to state agencies within the bill, it is assumed that the agencies, such as DPI, will be required to absorb all the costs associated with the inspectors general. This could have an adverse impact on current programming, as the legislatively imposed increase in indirect agency expenditures is not accounted for in the department's base appropriations for program operations.

Fiscal impacts on the department include initial upfront cost of accommodating the inspector general and staff. This includes the one-time cost for the agency to build an office of \$25,000 GPR and the cost of cubicles would be \$5,000 GPR per cubicle.

DPI assumes it would be absorbing the related costs with the fringe and salary of the inspectors general, staff, and diverted time and resources from its current programs to provide relevant records for potential investigations, estimated at \$111,100 on an annual basis. The bill provides 14.0 FTE PR positions to be funded under the appropriation under s. 20.765(3)(cm), though additional FTE authority is not included for supporting staff.

Before the DPI may expend on its activities and programs any money saved as a result of the inspector general investigations, the DPI must first use these savings to pay all costs incurred for services provided by the inspector general in carrying out the investigations. The DPI is unable to estimate the ongoing state fiscal effect of this bill because it is indeterminate to what extent cost savings will be realized.

Further, to the extent that an inspector general were to identify savings within the department's operations, it is unknown which fund sources would be affected and to what extent those savings could, practically speaking, be diverted to pay for the operational costs related to the inspector general. For example, if savings were identified within the operations of a federally-funded program, the department may be prohibited from applying those savings to the operations costs associated with the inspector general.

See the worksheet prepared for this fiscal estimate for projected salary and fringe benefit costs for an inspector general. Because the department cannot reasonably project which fund sources would be impacted by the work of the inspector general, it is assumed that the department's GPR appropriation for general program operations would absorb the operational costs of the inspector general.

Local: No direct impact

There is no direct local fiscal impact.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description creating a legislative office of inspector general and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$111,100		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	30,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$141,100		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS	141,100		
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$141,100		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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