

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number 19-5378/1 **Introduction Number AB-0835**

Description
creating a legislative office of inspector general and making an appropriation

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
- Decrease Existing Appropriations
- Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
- 1. Increase Costs 3. Increase Revenue
- Permissive Mandatory Permissive Mandatory
- 2. Decrease Costs 4. Decrease Revenue
- Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected
- Towns Village Cities
- Counties Others
- School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.521(1)(a), (g), (im)

Agency/Prepared By	Authorized Signature	Date
ETHC/ Julie Nischik (608) 261-2035	Dan Carlton (608) 267-0715	2/12/2020

Fiscal Estimate Narratives
ETHC 2/12/2020

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Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 835 creates the Legislative Office of Inspector General which requires the appointment of Inspector Generals to be housed in each "state agency." The bill indicates there is one inspector general assigned to the Ethics Commission. The bill authorizes an inspector general to have additional staff. The bill also provides that the inspector general assigned to the Ethics Commission is also assigned to the Elections Commission. The bill provides that the 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. Any monies saved would have to first be used to pay all costs incurred by the inspector general in carrying out the investigations.

The inspector general could discover cost saving opportunities for the Commission. The saved amounts would first be credited to the inspector general to cover the costs of the inspector, and future savings would be a credit to the Commission's ongoing budget. Neither the savings nor the costs are known. Therefore, there is no way to estimate the budgetary impact on the Commission at this time. The following are considerations concerning the potential costs incurred by the Commission if the bill became law.

As drafted, the bill provides very limited descriptions of the financial responsibilities of the Ethics Commission.

The bill states an agency is responsible for office space and services provided by the inspector general.

Regarding the responsibility to provide "office space" for an inspector general, the bill does not provide sufficient information to determine whether the Commission currently has sufficient or appropriate space to house the inspector general. Additionally, the cost of office space would depend on how many additional people would be working at the Ethics Commission. In December 2018, the Commission moved its office to the DOA Building located at 101 E. Wilson Street in Madison, Wisconsin. That move saved approximately \$25,000 per year, but also reduced our occupied space by half. Due to the limited amount of office space available, it would be challenging to accommodate more staff in the existing office space. Currently, the Ethics Commission has available cubicle space for one additional person. If there is only one person assigned to the agency, and the individual only requires cubicle space, there is current space available. If there is more than one person, or if the inspector general required office space other than a cubicle, there would be costs associated with providing those accommodations. Given the limited amount of information in the bill, the cost of office space expenses as a result of the bill is unknown.

Regarding the Commission's obligation to pay for "all services provided by the inspector general" and any potential additional staff, the bill is not clear as to what "services provided" are required to be paid by the Commission. Some areas of service payments could include all, some, or none of the following: salary, fringe, supplies required by the inspector including typical office supplies, a laptop, monitors, and other computer peripherals, IT support and licensing, and any specialized supplies or licenses.

Another cost to consider is the staff time for current Ethics Commission staff to onboard the inspector general to become knowledgeable on the various programs under the Commission's jurisdiction. Those costs would depend on how much training is needed by the inspector to become knowledgeable of the Commission's programs and who would provide that training.

Finally, while the bill provides that the inspector general assigned to the Wisconsin Ethics Commission is also assigned to the Wisconsin Elections Commission, the bill does not provide any information concerning how the costs would be borne or if costs would be shared. If the costs were to be shared, the costs could be split evenly between the two agencies, or it could be shared on a pro rata basis. Currently, the Wisconsin Ethics Commission staff is composed of eight (8.0) FTE positions. The Wisconsin Elections Commission, according to its 2017 Annual Report, has 9.75 GPR and 22 PRF FTE positions. An even split would result in a disproportionate impact on the Ethics Commission. A pro rata sharing arrangement would reduce the impact on the Ethics Commission. Without knowing if or how the costs are to be borne between the two agencies, the Commission is unable to determine how sharing of the costs of the inspector general will impact its new fiscal obligations.

As AB 835 would be effective the date after publication, the bill could be effective during the current biennial

budget period. Depending on the considerations above, it is likely that the Commission would need additional appropriations to pay for those costs.

Long-Range Fiscal Implications

The fiscal impacts of the bill are unknown and could vary widely depending on the implementation of the bill as currently drafted.

Fiscal benefits of efficiencies/changes due to the work of the inspector general would go to s. 20.765(3)(kr) until all costs incurred to carry out an investigation are covered. If the inspector general finds fiscal efficiencies, after costs incurred by the investigation are covered, the agency would realize a benefit. The timeline for these savings is unknown. If the inspector does not discover any cost saving opportunities for the Ethics Commission, the agency would be responsible for covering the costs of the services provided to the agency. As stated in the assumptions above, those costs are unknown at this time. As a result, the increase in annualized costs in the fiscal estimate worksheet is left blank to indicate that it is more likely than not that the bill will result in an increase in the annualized costs, but the amount thereof is indeterminate.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):	
Onboarding costs to be absorbed by the agency: Staff time rate for Administrator (8 hours: \$404.32 Staff time rate for Staff Counsel (8 hours): \$318.88 Staff time rate for Ethics Specialists (3 specialists, 8 hours each):\$705.84 Total: \$1,429.04 Laptop/other office supplies not absorbed by existing budget: • \$1,058 for on-contract laptop • \$100 for other miscellaneous supplies	
II. Annualized Costs:	
	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$ \$0
(FTE Position Changes)	(0.0 FTE) (-0.0 FTE)
State Operations - Other Costs	0
Local Assistance	0
Aids to Individuals or Organizations	0
TOTAL State Costs by Category	\$0 \$0
B. State Costs by Source of Funds	
GPR	0
FED	0
PRO/PRS (20.521(1)(im))	0
SEG/SEG-S	0
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	\$0 \$0
GPR Earned	0 0
FED	0 0
PRO/PRS	0 0
SEG/SEG-S	0 0
TOTAL State Revenues	\$0 \$0
NET ANNUALIZED FISCAL IMPACT	
	State Local
NET CHANGE IN COSTS	\$0 \$
NET CHANGE IN REVENUE	\$0 \$

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Date

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