

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1451/1		Introduction Number SB-001 (JR7)	
Description Creation of a Government Accountability Board, enforcement of elections, ethics, and lobbying regulation laws, venue for prosecution of certain offenses, granting rule-making authority, making appropriations, and providing penalties			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> 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			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGs 20.510, 20.511			
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

ELB 1/22/2007

LRB Number 07-1451/1	Introduction Number SB-001 (JR7)	Estimate Type Original
Description Creation of a Government Accountability Board, enforcement of elections, ethics, and lobbying regulation laws, venue for prosecution of certain offenses, granting rule-making authority, making appropriations, and providing penalties		

Assumptions Used in Arriving at Fiscal Estimate

This legislation combines the State Elections Board and State Ethics Board into a single agency under the direction of a single Board with two divisions. The new agency is titled the Government Accountability Board. The Board is supported by a Legal Counsel rather than an Executive Director. The number of authorized employees remains the same and all employees except the current Executive Directors retain their current positions. The compensation of Board members is increased from \$25 per meeting to \$200 per meeting. The legislation creates a sum sufficient account to pay the costs of conducting investigations including hiring investigative staff and special counsel. The legislation also eliminates a sum sufficient account authorized to reimburse municipalities for extended poll hours created by 2005 Wisconsin Act 333. The legislation combines existing GPR and program revenue accounts for the current agencies into single agency accounts for each revenue source.

Currently the State Elections Board collects filing fees from non-candidate registrants with activity in excess of \$2500 annually. The State Ethics Board collects license fees from lobbyists and registration fees from principals. These fees are combined in a single account. Since campaign finance fees may only be used to fund campaign finance administration and lobby fees may only be used for the administration of the lobby law, the fees should be placed in separate program revenue accounts.

For the purpose of this fiscal estimate it is assumed that the compensation for employees of the new agency remains at the same level except for the new position of Legal Counsel. This position will have to be reallocated from an existing position because the legislation does not authorize a new position. The salary and fringe benefit costs for the Legal Counsel position are estimated at \$177,700 based on the current maximum pay range for Executive Salary Group 6 and an agency fringe rate of 40%. This will increase the compensation costs by the difference between this estimate and the costs associated with the position that is reallocated. If a new position is authorized, the costs would be \$177,700 for salary and fringe benefits plus the set up costs for a new position for furniture, space, telecommunication and information technology.

For the purpose of this fiscal estimate it is assumed that the agency operating costs will remain the same for rent, information technology, communication, office supplies, photocopy and other operating expenses. The fiscal estimate does not factor in the cost of relocating the combined agency into shared space.

The legislation makes no changes in the administrative and training responsibilities of the existing agencies so those operating costs remain the same. Election administration related training of local election officials conducted by the State Elections Board staff is presently paid with federal funds and will continue through the next biennium.

The legislation creates a funding mechanism for conducting investigations and enforcement actions. There was no budget for this in the State Elections Board. The costs were primarily opportunity of costs for existing Elections Board personnel to conduct investigations and enforcement actions. The legislation provides a sum sufficient funding source to hire investigators and special counsel. In the 2005 and 2006 calendar years the State Elections Board received 50 complaints. Based on an analysis of the complaints it is assumed that 13 of these complaints would have been handled by investigators or special counsel paid from the newly created appropriation. It is not known what those costs would have been since the State Elections Board does not have quotes on the hourly rate charged by investigators or special counsel. Nor can we provide an estimate of the number of hours that special investigators and counsel would work.

The cost of conducting Board meetings in a political year will increase based on the higher compensation for Board members and a larger number of meetings to address the significantly increased subject matter for which the new Board is responsible. In 2005-2006, the State Elections Board held 21 meetings. The per

diem costs for these meetings were \$4,725 based on a per diem cost of \$225 for each meeting. (21 meetings for 8 Board members @\$25) Assuming the same costs for travel and meals, the per diem costs for the same number of meetings of the Government Accountability Board would be \$25,200 based on a per diem cost of \$1200 for each meeting. (21 meetings for 6 members @\$200)

This assumption does not take into consideration the number of meetings held by the State Ethics Board in the same time period on different issues that would now be the province of the Government Accountability Board. In addition, the Board chair or designee would be entitled to a \$200 per diem for conducting the canvass of each state election event. There are 6 scheduled state elections and an average of 6 additional recounts and 6 special election events (3 primaries and 3 elections) in a biennium.

The legislation eliminates the sum sufficient account authorized to reimburse municipalities for extended poll hours created by 2005 Wisconsin Act 333. This reduces the agency costs by an estimated \$225,000 in a biennium based on reimbursement costs of \$37,500 for 6 election events in a biennium.

The combined agency will still have the existing operational costs including the new election administration programs mandated by the Help America Vote Act of 2002 (HAVA) 2003 Wisconsin Act 265, and 2005 Wisconsin Acts 92, 176, and 451. The agency will also be responsible for the development and implementation of a campaign finance recordkeeping and reporting system authorized by 2005 Wisconsin Act 25.

Long-Range Fiscal Implications