

Fiscal Estimate Narratives

WEDC 1/11/2016

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| LRB Number | 15-2497/2 | Introduction Number | AB-0382 | Estimate Type | Original |
| Description Creating a legislative office of inspector general and making appropriations | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

AB-382 (SB-368) creates the Legislative Office of Inspector General, a legislative service agency, consisting of a lead inspector general to serve as the chief administrative officer, 13 inspectors general and their staff. Inspectors general and their staff are assigned to and housed at the headquarters of state agencies, including the Wisconsin Economic Development Corporation (WEDC). The inspector general assigned to WEDC shall also be assigned to the Wisconsin Housing and Economic Development Authority (WHEDA). Each state agency shall pay for all services provided by the inspectors general and shall credit the payments to an appropriation account.

WEDC has identified the following provisions that would have a fiscal impact upon the organization:

- 13.97 (2) (b): Costs for office space and all services provided by the lead inspector general and staff
- 13.97 (2) (c) and (f): Costs for office space and all services provided by the inspector general and staff assigned to WEDC and WHEDA
- 13.97 (3) (a): Costs for providing a tool or system to access at all times with to any books, records or other documents maintained by the agency relating to its expenditures, revenues, operations and structure
- 13.97 (3) (b) (4): Costs for publishing and submitting an annual report of inspector general activities to the chief clerk of each house of the legislature

WEDC assumes the organization will be responsible for paying a proportionate amount of the additional costs associated with the lead inspector general and other administrative staff in the Office of Inspector General. These costs are indeterminate.

WEDC assumes that the inspector general assigned to WEDC and WHEDA will have a position equivalent to a senior auditor. In addition, WEDC assumes two (2) junior-level auditors will be required to fulfill statutory requirements. WEDC estimates the annual salary cost for a senior auditor at \$90,000, and \$72,000 annually for each junior-level auditor. In addition, WEDC estimates an annual fringe benefit rate of thirty (30) percent. The total annual costs of salary and benefits for inspector general staff assigned to WEDC and WHEDA is estimated at \$311,220. Assuming WEDC and WHEDA share these costs equally, the corporation would be responsible for \$155,610 in annual salary and benefit costs under this bill.

WEDC assumes there is sufficient office space in the WEDC and WHEDA headquarters offices to house the inspector general and her or his staff.

WEDC estimates a one-time cost of \$1735 per inspector general staff member to provide computer hardware and peripheral devices, in addition to annual costs of \$3,045 per inspector general staff member to provide the necessary computer software and services required to interface with WEDC enterprise data. The total annual costs of information technology and services is estimated at \$14,340 in calendar year 2016, and \$9,135 each year thereafter. WEDC does not assume that these costs can be shared with WHEDA as the tools required to interface corporation's enterprise data cannot be used to access WHEDA enterprise data.

WEDC assumes there will be negligible costs that can be absorbed by the organization associated with publishing and submitting an annual report of inspector general activities to the chief clerk of each house of the legislature.

It is anticipated that the initial cost will be approximately \$170,000 per year in addition to the costs associated with funding the lead inspector general and staff.

This bill does not provide new allocation, but instead requires WEDC to draw from existing resources. As WEDC is largely funded from GPR to cover both operations and business incentives, adding additional requirements to the corporation will reduce resources available for other programs.

Long-Range Fiscal Implications