

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-3192/1	Introduction Number SB-368
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Description
 Creating a legislative office of inspector general and making appropriations

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 type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
WEDC/ John Parrish (608) 210-6869	Rebecca Deschane (608) 210-6763	11/12/2015

Fiscal Estimate Narratives

WEDC 11/12/2015

LRB Number	15-3192/1	Introduction Number	SB-368	Estimate Type	Original
Description Creating a legislative office of inspector general and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

SB-368 (AB-382) 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 total initial cost will be approximately \$170,000 per year in addition to the costs associated with funding the lead inspector general and administrative 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