

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB520

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Farrell

3. Committee: General Laws

4. Title: Performance review of state agencies.

5. Summary: Requires that the Office of the State Inspector General (OSIG) conduct a performance review of each executive branch agency at least every four years. The effective date of the bill is July 1, 2014.

6. Budget Amendment Necessary: Yes. The introduced budget does not contain a separate budget for the office of the state inspector general.

7. Fiscal Impact Estimates: Because the introduced budget does not contain a separate budget for the office of state inspector general (OSIG), a budget amendment may be needed to make changes to the proposed changes to the scope and duties of the office. The current plan is to create the OSIG from within existing resources in state agencies. If this legislation adds new duties and additional workload, it may be necessary to amend the budget.

There are about 126 executive branch agencies. Each year, HB520 would require that the OSIG conduct a performance review of 32 agencies (eight agencies per quarter). If 10 auditors dedicated to performance reviews are hired at an average salary of \$75,000, the cost will be approximately \$877,000 (salary and benefits). Additional expenses for office space and other support costs would likely add \$30,000 to the annual cost bringing the total cost to \$907,000 per year.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	0	0	GF
2014	0	0	GF
2015	\$907,000	10	GF
2016	\$907,000	10	GF
2017	\$907,000	10	GF
2018	\$907,000	10	GF

8. Fiscal Implications: See above.

9. Specific Agency or Political Subdivisions Affected: OSIG and all executive branch agencies.

10. Technical Amendment Necessary:

11. Other Comments:

Date: 1/24/12

Document:

c: Secretaries of Administration and Finance