

March 19, 2013

The Honorable Pete DeGraaf, Chairperson
House Committee on General Government Budget
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

SUBJECT: Fiscal Note for HB 2287 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2287 is respectfully submitted to your committee.

HB 2287 would establish the Office of the Inspector General of Kansas. The Inspector General would foster and promote the efficient and effective use of public resources and the values of performance, compliance, public accountability, and integrity involving and relating to public agencies. The Inspector General would counsel or advise the Governor on the activities, duties, functions, management, and operation of the State of Kansas and state agencies. The Inspector General would be a statewide elected position with the citizens of Kansas voting for the position beginning with the general election in 2016 and every four years after that. In case of a vacancy, the Governor would appoint an individual to fill the unexpired term.

The Inspector General would receive a biweekly pay rate of \$3,803.89 and would receive travel and subsistence expenses while conducting business outside of the City of Topeka. The Inspector General would be authorized to conduct certain investigations of public agencies and would have other authorized duties as specified in the bill. HB 2287 would allow the Inspector General to appoint a Deputy Inspector General and other staff of the Office of the Inspector General that are specified in the bill. All employees would be in the unclassified service under the Kansas Civil Service Act.

The bill would grant the Inspector General unlimited and unrestricted access to all personnel of any public agency and all books, data, documents, electronically stored or transmitted information, facilities, installations, property, records, and other tangible items maintained or operated by, in the possession, custody or control of, or made available to any public agency. HB 2287 would also require that any contract a public agency enters into with another organization include a clause granting the Inspector General the same access detailed above. Further, the bill also states that the Inspector General would be considered to be an authorized representative and agent of each public agency for the purposes of auditing,

The Honorable Pete DeGraaf, Chairperson

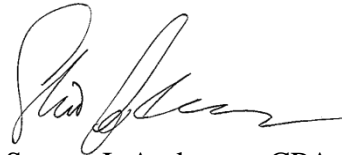
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evaluating, examining, inspecting, investigating, reviewing, and reporting on documents, performance, and records of all persons who are party to or otherwise obligated to perform any condition or obligation of any contract entered into by a public agency, when the documents or records are in the possession, custody, or control of a third party.

The Kansas Department of Health and Environment indicates enactment of HB 2287 would result in the agency eliminating its Office of the Inspector General. The agency estimates its expenditures would be reduced by \$200,665 from all funding sources, including \$86,386 from the State General Fund and 3.00 FTE positions would be eliminated, including an Inspector General position, a Program Specialist I position, and an Auditor position. The Department also estimates a reduction of \$114,279 in federal matching funds that are used to support its Office of Inspector General. The Kansas Department of Transportation (KDOT) states that passage of the bill could result in the need for additional FTE positions and expenditure authority depending on the amount of work created from responding to requests from the Office of Inspector General, updating existing contract forms to include required language, and meeting other provisions specified in the bill. Further, KDOT states the new language required in each contract could potentially result in higher pricing if bidders decide to factor the cost of compliance of this requirement into their bid. The Kansas Department for Aging and Disability Services, the Department for Children and Families, and the Department of Administration all indicate that there would be no fiscal effect to the operations of each agency if HB 2287 were enacted. Any fiscal effect associated with HB 2287 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Dave Halferty, KDADS
Aaron Dunkel, KDHE
Ben Cleeves, KDOT
Carol Williams, Governmental Ethics

Jackie Aubert, DCF
Pam Fink, DofA
Courtney Canfield, Secretary of State's Office