

January 30, 2017

REVISED

The Honorable Daniel Hawkins, Chairperson  
House Committee on Health and Human Services  
Statehouse, Room 521-E  
Topeka, Kansas 66612

Dear Representative Hawkins:

**SUBJECT:** Revised Fiscal Note for HB 2047 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2047 is respectfully submitted to your committee.

HB 2047 would transfer the Office of the Inspector General from the Kansas Department of Health and Environment to the Office of the Attorney General. The Office of the Inspector General is responsible for auditing, investigating and reviewing the performance of the state Medicaid program, the state mediKan program, and the state children's health insurance program. The bill would also set the salary of the Inspector General position equal to the annual salary of a district court judge.

The Kansas Department of Health and Environment indicates that HB 2047 would result in the reduction of 3.00 FTE positions in FY 2018 and FY 2019 but no dollars. Currently, the Office of Inspector General within the Kansas Department of Health and Environment has 3.00 FTE positions; however, they are unfilled. In previous budgets, expenditures for the Office of the Inspector General were paid from the Office of Inspector General State General Fund account (264-00-1000-0050). For FY 2017, \$69,689 is available in the account from a reappropriation of unexpended FY 2016 funds. No funds or expenditures were requested for this account in FY 2018 or FY 2019.

The Office of the Attorney General's revised estimate for carrying out the provisions of the bill is \$476,110 from the State General Fund and 4.00 FTE positions in FY 2018. This amount includes \$429,847 for the salaries and wages of 1.00 Inspector General FTE position (\$155,333), 2.00 Financial Analyst FTE positions (\$202,942), and 1.00 Legal Assistant FTE position (\$71,572). The total amount also includes \$46,263 for other operating expenses including one-time costs of \$11,830 for office furniture and IT purchases and ongoing costs of

\$34,433 for office rent, travel, training, professional licensing, office supplies and IT services. In the original fiscal note, the Office of the Attorney General had estimated total expenditures of \$318,490 from the State General Fund in FY 2018, which included \$279,341 for salaries and wages expenditures for 3.00 FTE positions. The Office increased the estimated number of FTE positions needed by 1.00 FTE and determined that it would need two Financial Analysts rather than a Fraud Analyst.

For FY 2019, total costs for the Office of the Attorney General would be \$464,280 which includes salary and wages expenses for 4.00 FTE positions and other ongoing operating expenses. In the original fiscal note, the agency estimated that total expenditures for FY 2019 would be \$308,210. The Office notes that annual expenditures could be offset as a result of savings that are realized from investigating and identifying fraud, waste and abuse.

If the intent of HB 2047 is that there would be no fiscal effect for the State General Fund, the Office of the Attorney General would have to finance the new office within existing resources, or the budget of the Kansas Department of Health and Environment would have to be reduced in an area other than the Office of the Inspector General. Any fiscal effect associated with HB 2047 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Willie Prescott, Attorney General's Office  
Dan Thimmesch, Health & Environment