



## Fiscal Estimate Narratives

ETH 1/22/2007

LRB Number 07-1450/1	Introduction Number AB-0001 (JR7)	Estimate Type Original
<b>Description</b> Creation of a Government Accountability Board, enforcement of elections, ethics, and lobbying regulation laws, venue for prosecution of certain offenses, granting rule-making authority, making appropriations, and providing penalties		

### Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation would combine the Ethics Board and Elections Board into a new single independent agency. The bill transfers existing positions to the new agency and, although it does not add any new staff positions, the bill appears to contemplate the creation of one Government Accountability Board legal counsel position assigned to executive salary group 6. The bill sets a per diem rate for the 6 members of the new Government Accountability Board at \$200. Ethics Board members currently are paid a \$25 per diem for approximately 10 meetings per year.

#### Assumptions

If the Legislature authorizes a new legal counsel position, we have assumed a salary of \$130,000 and fringe of \$50,000. This salary and fringe level are based on existing state pay schedules. In addition, a new position would have on-going support costs that we estimate to be \$12,000, accounting for rent, computer support, training, telephone, and other supplies and services. If the bill does not authorize this additional position, the additional cost assumption with that position of legal counsel will be much lower, perhaps in the order of \$20,000 to \$30,000.

We have assumed an annual per diem expense of \$31,200 based on an assumption of 26 meetings per year. The increased number of meetings is due to increased responsibilities.

We have assumed that the proposed legislation's added responsibilities to investigate potential campaign finance and elections law violations will increase investigation costs by \$30,000 annually. In addition, travel reimbursement costs for members will increase by \$10,000 annually.

We estimate one-time initial costs of \$127,800. These costs include:

> \$16,300 in moving expenses -- \$3,200 in moving expenses for Ethics Board personnel and \$13,100 for Elections Board personnel (\$525 per person).

> \$65,000 to convert the 25 employees of the Elections Board to the same computer system as the Ethics Board (\$2,000 per person for computer hardware and software and \$15,000 for consulting and connection). The Elections Board is currently on a Citrix system and employees do not have individual computers. The Citrix system is not compatible with the Ethics Board's system, specifically the databases that support the Board's web site, is not compatible with that system. Costs may be reduced if the 12 Elections Board employees working on HAVA and SVRA can continue on a separate computer system.

> \$4,500 in setup costs for a new employee, if authorized, calculated at \$2,000 for computer hardware and software and \$2,500 for office furniture, telephones, and other equipment and supplies.

> \$42,000 for space remodeling at a new location.

### Long-Range Fiscal Implications

If the Legislature creates a new legal counsel position in executive salary group 6, annual costs for operations will increase by up to \$192,000 in salary, fringe, and support costs. The annual increased costs of per diem expenses is estimated to be \$30,000. The annual increased costs of investigations is estimated to be \$30,000.



## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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**Description**  
 Creation of a Government Accountability Board, enforcement of elections, ethics, and lobbying regulation laws, venue for prosecution of certain offenses, granting rule-making authority, making appropriations, and providing penalties

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

We estimate one-time initial costs of \$127,800. These costs include: > \$16,300 in moving expenses -- \$3,200 in moving expenses for Ethics Board personnel and \$13,100 for Elections Board personnel (\$525 per person). > \$65,000 to convert the 25 employees of the Elections Board to the same computer system as the Ethics Board (\$2,000 per person for computer hardware and software and \$15,000 for consulting and connection). The Elections Board is currently on a Citrix system and employees do not have individual computers. The Ethics Board's system, specifically the databases that support the Board's web site, is not compatible with that system. Costs may be reduced if the 12 Elections Board employees working on HAVA and SVRA can be on a separate computer system. > \$4,500 in setup costs for a new employee, if authorized, calculated at \$2,000 for computer hardware and software and \$2,500 for office furniture, telephones, and other equipment and supplies. > \$42,000 for space remodeling at a new location.

<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs

<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$180,000	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	70,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$250,000</b>	<b>\$</b>

<b>B. State Costs by Source of Funds</b>		
GPR	250,000	
FED		
PRO/PRS		
SEG/SEG-S		

<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>

<b>NET ANNUALIZED FISCAL IMPACT</b>		

	State	Local
NET CHANGE IN COSTS	\$250,000	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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		1/19/2007