

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 16, 2005

TO: Honorable David Swinford, Chair, House Committee on State Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3329 by Martinez Fischer (Relating to renaming the State Auditor the Texas Government Accountability Office, and the expansion of the powers and duties of that office, including the creation of an office of inspector general.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3329, As Introduced: a negative impact of (\$975,000) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2006 | (\$500,000) |
| 2007 | (\$475,000) |
| 2008 | (\$475,000) |
| 2009 | (\$475,000) |
| 2010 | (\$475,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1 |
|-------------|--|
| 2006 | (\$500,000) |
| 2007 | (\$475,000) |
| 2008 | (\$475,000) |
| 2009 | (\$475,000) |
| 2010 | (\$475,000) |

Fiscal Analysis

This bill would rename the State Auditor's Office the Texas Government Accountability Office (TGAO) and to expand the powers and duties of the office, including the creation of an Office of Inspector General. The bill would allow TGAO to employ a general counsel, who would serve at the will of the Legislative Audit Committee (LAC).

The bill would create the Office of Inspector General within TGAO, and would provide for the employment of Assistant Inspectors General and other staff as necessary.

On the effective date of the bill, all functions, activities, employees, rules, forms, money, property, contracts, records, and obligations of the State Auditor's Office would be transferred to TGAO, without a change in status. The bill would take effect September 1, 2005.

Methodology

The majority of the costs provided in this estimate relates to the creation of the inspector general and associated staff. The salary for the inspector general is estimated to be \$125,000 each year, with two assistant inspectors general at \$75,000 each year. One administrative assistant is included at \$40,000 per year. Payroll matching costs for these positions would amount to approximately \$94,000 per year. In addition, travel costs would be approximately \$20,000 per year, and other operating expenses would amount to approximately \$46,000 per year. Total estimated cost of the inspector general office is \$475,000 per year.

Approximately \$25,000 is included the first year for costs associated with changing the name of the office and developing an intranet site for contract information.

Technology

Approximately \$15,000 would be necessary to develop an intranet site for contract information.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 551 Department of Agriculture, 601 Department of Transportation, 802 Parks and Wildlife Department

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