

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 25, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB2877 by Turner (Relating to the office of inspector general.), **As Introduced**

No significant fiscal implication to the State is anticipated.

House Bill 2877 would amend Chapter 531.102 of the Government Code to make the Office of Inspector General (OIG) an agency that would be administratively attached to the Health and Human Services Commission (HHSC). The bill would provide the OIG with authority to investigate fraud, waste, and abuse, among other duties, in the provision of health and human services in Texas. The inspector general would be appointed by the governor to serve two-year terms and he/she would have rulemaking and subpoena authority. The bill also authorizes the OIG to commission and employ peace officers.

The bill is not expected to have a significant fiscal impact. However, technical concerns have been raised by HHSC, including: 1) the agency assumes no change to the current level of administrative support provided to the OIG; 2) the agency assumes any administrative reductions would apply proportionately to all divisions, including administratively attached entities; 3) since the bill would prohibit HHSC from modifying the OIG's legislative appropriations request, the LBB ABEST system would be modified to accommodate this provision; 4) the requirement to transfer all supporting funds to the OIG would mean only those funds authorized by the appropriations act for transfer by the Executive Commissioner and would not require a separate accounting system or a separate cost allocation plan (some federal funds may not be available for transfer from the operating agency); 5) certain technology systems would require modifications, but those costs are not estimated at this time; and 6) no change to financial systems are anticipated and it is assumed the OIG would continue to operate under HHS enterprise policies to avoid new administrative costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 529 Health and Human Services Commission

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