

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 2484
Version:	INT
Request Number:	7687
Author:	Mr. Speaker
Date:	3/12/2019
Impact:	Preliminary Estimates:
	Operations Budget: Potential
	\$1.67 Million to \$1.92 Million
	Start-Up Costs Dependent on Needs

**Anticipated Improved Cost
Monitoring and Efficiencies**

Research Analysis

HB 2484 creates the Office of Government Accountability within the Legislative Service Bureau to assist the Legislature in ensuring that government funds are expended in a fiscally responsible manner. The Office will consist of 15 persons to be employed by mutual agreement of the Speaker and the President Pro Tempore. The measure also establishes a legislative oversight committee to oversee the operations of the Office and ensure that its duties do not duplicate the Agency Performance and Accountability Commission. Finally, the bill requires the Office to submit a report to the oversight committee on its findings for each performance evaluation conducted and to make the reports available to the public.

Prepared By: Marcia Johnson

Fiscal Analysis

The preliminary cost modeling utilizes data researched related to the performance evaluation and program audit functions of the New Mexico Legislative Finance Committee (LFC), an entity within the New Mexico Legislature whose mission includes agency and program review, performance evaluations and providing reporting to the Legislature. Other sources utilized in attempts to estimate costs were examinations of the basic cost elements of existing Oklahoma state agencies whose full-time-equivalent employment levels (FTE) were similar to the fifteen (15) person employment standard included in the bill.

From the New Mexico LFC available data 15 positions were extracted from the total employment structure in an attempt to synthesize the possible structure of the Office of Government Accountability (OGA). Positions include:

- Director
- Chief Economist
- Economist
- Audit Manager
- Project Coordinator
- Performance Auditor/Evaluator (8)
- Financial Assistant

- Administrative Assistant

Based on available LFC public salary data, salaries for a similar structure of the OGA might approach \$1,180,000, prior to applicable insurance, FICA and retirement costs.

Examination of Oklahoma state agencies whose size, as measured by FTE, were measured close to the 15 count as set forth in the bill, included the Oklahoma Center for the Advancement of Science and Technology (OCAST) (15.1 FTE in FY-18) and the State Fire Marshal (15.4 FTE in FY-18). While not perfect comparisons because of variations in mission, the general personal services (including insurance, FICA and retirement costs), general administration, equipment, furniture and general overhead costs may provide some equivalency for the cost of OGA operations.

The averages of the two agencies in FY-18 included:

• Salaries/Longevity/Terminal Leave, etc.	945,000
• Health/Life Insurance	197,000
• Employer Share FICA/Retirement	214,000
• Travel Expense	30,000
• General Administrative (Operations) *	260,000
• Furniture/Equipment and Related	25,000

* includes rent, telecommunications, equipment maintenance, office supplies and other general operating costs

Examining the New Mexico LFC and Oklahoma agency data, the preliminary estimate of operating costs for the OGA might range from \$1,670,000 to \$1,920,000. Many specific elements will need to be refined, including required specific required positions, salary structures, rent costs (if any) and other costs. Also, the potential for shared services and other cost efficiencies by utilizing existing House and Senate assets should be explored.

Start-Up Costs

Start-up costs may include acquisition of necessary equipment, furnishings and supplies, the amount of which is dependent on needs, however the estimate of a similar measure indicates initial costs in excess of \$800,000.

Prepared By: Mark Tygret

Other Considerations

With the purpose of the OGA being assisting the Legislature in performing its primary function of ensuring that government funds are expended in a fiscally responsible manner, the efforts of the OGA is expected to result in identified efficiencies and improved cost monitoring within Oklahoma state government.