The Honorable Molly Baumgardner, Chairperson  
Senate Committee on Education  
Statehouse, Room 224-E  
Topeka, Kansas  66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 424 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 424 is respectfully submitted to your committee.

SB 424 would establish the Office of Education Inspector General within the Office of the State Treasurer. The purpose of the Office of Education Inspector General would be for a full-time program of audit, investigation, and performance review to provide increased accountability, integrity and oversight of elementary and secondary education. In addition, the Office would assist the Department of Education in identifying and deterring waste, misuse of funds, and illegal acts. The specific duties of the Education Inspector General would be assigned by the State Treasurer and would be independent and free from political influence. Any person appointed as the Education Inspector General would be unable to exercise any powers, duties, or functions until confirmed by the Kansas Senate. The bill would outline additional responsibilities and requirements of the position.

The Office of the State Treasurer estimates the cost for the salary and benefits of the Education Inspector General at $118,000, all from the State General Fund. If audits were conducted with agency employees, rather than with contracted auditors, the agency estimates it would require 1.00 FTE Public Service Administrator II at a cost of $64,500 and 1.00 FTE Administrative Specialist at a cost of $45,800. Both of those position cost estimates include the base salary cost and fringe benefits. The total salaries and wages cost for these 3.00 FTE positions is $228,300, all from the State General Fund. The agency notes that the number of audits that would be required is not known; as a result, the agency does not know if its staffing estimate is at the appropriate level. The agency’s cost estimate assumes that existing office space and equipment in the Office of the State Treasurer would be utilized.
If the agency would use audit contractors instead of agency employees, an hourly rate of $63.49 would be used. Using contract auditors would allow the ability to quickly scale its audits when needed. Any fiscal effect associated with SB 424 is not reflected in The FY 2019 Governor's Budget Report.

Sincerely,

Larry L. Campbell
Chief Budget Officer

cc: Peter Northcott, Office of the Treasurer
    Dale Dennis, Education