BDR 18-930
AB 353

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2023

Agency Submitting: Office of the State Controller

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Salaries (Expense)				
Total	0	0	0	0

Explanation (Use Additional Sheets of Attachments, if required)

The costs to the Controller's Office would not be direct costs that will impact the FY24-FY25 budget for the office as already presented. As the Inspector General position is created within the office for budgeting purposes, it would be assumed that the IG and associated staff would be budgeted as a separate entity and budget category from the State Controller's general fund budget request under BC 1130. We would anticipate that IG reporting to the Controller would be a dotted-line reporting for budgeting purposes, and not be a direct report to anyone within the agency save for requirements by the IG in reporting to the Controller set out in the bill. The appointed Inspector General would be appointed by the decision of three Constitutional officers and not solely the decision of the State Controller. So, yes, there will be a fiscal impact to the Controller's Office but the exact amount is difficult to determine until this bill is passed and a budget is subsequently created to support this new IG office with general funds, as there are several separate positions allowed for in the legislation it would be difficult to quantify the total cost. An idea to self-fund the office would be to add a fee to all the contract requests to be payable by contractors of the state, a fee of 1 to 2 percent of the total contract amount similar to what the Feds do to fund their auditors and inspectors, although this would be sustaining funding and not the initial funding for the new office. Total amounts above are zero as costs are unclear at this point.

Name James Smack

Title Chief Deputy Controller

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, March 23, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director