

The Personal Services cost of these positions for 18-months of the 2007-09 biennium would be \$412,081 (3.00 FTE) and then \$548,098 (4.00 FTE) for 24-months of the 2009-11 biennium.

- Services and Supplies: Associated services and supplies costs for the aforementioned positions would be \$41,726 for the 2007-09 biennium and \$58,461 for the 2009-11 biennium. These costs include travel, training, and office related expenses. Some of these costs, such as computer purchase for the 2007-09 biennium, may be one-time expenses.
- Facilities Rental: A question remains, which affects the fiscal impact, as to where the positions would be located. The Governor's Office currently does not have office space available for the positions. The Department of Human Services (DHS) may have office space available in the current Governor's Advocacy Office for up to four positions. If the positions were located at DHS, the estimated cost to the Governor's Office would be approximately \$42,385 per biennium in facility rental charges. This fiscal impact assumes this rental arrangement. If, however, the positions were located elsewhere, then DHS has stated it may need to hire an additional staff position to facilitate supplying records to the ombudsman and his/her staff. DHS estimates a Program Analyst 1 position would be needed to coordinate collecting and transmitting the records, at an 18-month cost of \$107,110 for the 2007-09 biennium and \$129,380 for 24-months of the 2009-11 biennium, including associated service and supplies. The DHS position cost would be eligible for 50% matching Federal Funds. The Governor's Office has not provide a cost estimate for alternative office space.
- Systems Furniture: One-time systems furniture costs could be approximately \$18,696, unless furniture costs are included in whatever facility rental contract that would be negotiated.

The cumulative cost of this fiscal impact includes: the four positions, associated services and supplies, the one-time cost of systems furniture, and on-going rental expense. For 18-months of the 2007-09 biennium these costs total \$514,888 and \$648,944 for the 24-months of the 2009-11 biennium. The Governor's Office assumes these expenditures to be entirely General Fund. This cumulative fiscal impact does not include the cost associated with a DHS position.

The Legislative Fiscal Office (LFO) notes that matching Federal Funds may be available for these expenditures as pass-through funding to the Governor's Office from DHS. The availability of federal matching funds would reduce the measure's General Fund cost perhaps as much as 50%.

LFO believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's budgetary impact on the Governor's Office and possibly DHS.