

February 16, 2009

The Honorable Jim Morrison, Chairperson
House Committee on Government Efficiency and Fiscal Oversight
Statehouse, Room 242-W
Topeka, Kansas 66612

Dear Representative Morrison:

SUBJECT: Fiscal Note for HB 2265 by Legislative Post Audit Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2265 is respectfully submitted to your committee.

HB 2265 would specify a three-year cycle when written audit reports must be prepared on the financial management practices of the State Treasurer’s Office and the Pooled Money Investment Board. Current law does not provide a timeframe, but the practice has been to produce such reports every year.

Also, the bill would require a transition audit be conducted within two weeks of the date someone takes office as State Treasurer. The audit’s purpose would be to review the assets in the custody of the office for significant discrepancies at the time of transition. A separate written report must be prepared for each transition audit.

Estimated State Fiscal Effect				
	FY 2009 SGF	FY 2009 All Funds	FY 2010 SGF	FY 2010 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	(\$17,080)
FTE Pos.	--	--	--	--

The State Treasurer and the Pooled Money Investment Board would have savings in FY 2010, by not having to pay for the audit customarily done every year. The agencies report that the State Treasurer pays \$11,000 and PMIB pays \$6,080. These costs would presumably return

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in the third year after the bill is enacted, in FY 2012. It is assumed that any transition audits would be an infrequent occurrence, with any costs absorbed within the Treasurer's budget. Any fiscal effect resulting from enactment of HB 2265 is not accounted for in *The FY 2010 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "Duane A. Goossen". The signature is written in a cursive style with a large, looping initial "D".

Duane A. Goossen
Director of the Budget

cc: Jeff Wagaman, Treasurer's Office