



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE

Drafting request 18-0015 – draft 1.4

JFO analysis – Daniel Dickerson

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Summary

Sections 5-7 of the draft language would create and fund an open government ombudsman within the State Ethics Commission to assist the public with open meeting law and public records act compliance. The ombudsman would be a part-time exempt position. Funding for the position would come from a surcharge on the costs to State agencies, departments and similar units of consolidated human resource services. The amount of the surcharge is not defined in the language. The surcharge is a cost that would need to be absorbed by all executive branch agencies or would need to be added to agency budget requests.

Estimated Costs and Revenues for Ombudsman				
	FY 2019		FY2020	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
Salary/Benefits	(\$55,500)	(\$39,000)	(\$74,000)	(\$52,000)
Operating	(\$13,000)	(\$12,400)	(\$9,000)	(\$8,200)
Total Costs	(\$68,500)	(\$51,400)	(\$83,000)	(\$60,200)
Surcharge Rate	1.49%	1.12%	1.80%	1.31%
Surcharge Revenue	\$68,822	\$51,732	\$83,141	\$60,508
Net	\$322	\$332	\$141	\$308

Salary and Benefits Costs

The ombudsman would be a part-time, exempt State employee. For this fiscal note, the attorney pay plan schedule for FY2018 was used to derive the potential salary cost for a “General Counsel I” equivalent position. The hiring range salary for this position, at full-time, would be \$72,280 to \$80,704 annually. At half-time, the annual salary cost would be approximately \$36,000 to \$40,000. FICA would be 7.65% of salary costs, retirement would be 11-17%, and life/disability would be 0.65%. Health and Dental costs would be dependent on level of coverage but could be anywhere from \$9,000 to \$24,000 annually. The estimated annual salary and benefits costs are as follows:

Low: Salary \$36k + Med. Benefits \$9k + Other Benefits \$7k = **\$52,000 (\$39,000 FY19)**

High: Salary \$40k + Med. Benefits \$24k + Other Benefits \$10k = **\$74,000 (\$55,500 FY19)**

Because the position would likely not begin until several months into FY2019, the estimated cost for the first year could be approximately three-quarters of the full annualized cost.

Operating Costs

The individual would need approximately 200 sq. ft. of office space plus furniture and equipment. There would also be some travel required. The average cost of office space in Montpelier, per the Department of Buildings and General Services¹, is between \$16 and \$20 per square foot. The average annual cost of office space would be \$3,200 to \$4,000. For FY2019, the cost would be apportioned at three-quarters of the full annualized cost, for a figure of \$2,400 to \$3,000. The one-time cost for furniture and office equipment is estimated to be approximately \$5,000, and would be incurred in FY2019. An additional \$5,000 annual cost has been estimated for travel and other misc. expenses in FY19 and FY20.

Surcharge Revenue

The language would create a surcharge, modeled after language in Act 79 of 2017 sec. 13, which would be a percent of the per-head cost levied on all State agencies and departments for consolidated human resource services. The per-head cost in 2017 was \$525.42 and there were estimated to be 8,791 State employees. The draft language does not specify a surcharge rate. In order to cover the range of costs given above, the surcharge would need to be 1.1% to 1.4% in FY2019 and 1.2% to 1.7% in FY2020. These amounts would be enough to cover costs and leave a very small positive end-of-year balance. For the FY2019 “high” cost estimate, the calculation for these surcharges is below:

$$1) (\$68,500 \text{ high FY19 cost}) / (8,791 \text{ Executive Branch employees}) = (\$7.88/\text{person})$$

$$2) (\$7.88/\text{person}) / (\$525.42 \text{ per head}) = (1.483\% - \text{round up to } 1.49\%)$$

¹ http://www.leg.state.vt.us/jfo/fiscal_notes/2017_S_8_Ethics_Commission.pdf