

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Office of the Inspector General**

Maggie Wolniewicz, Budget Analyst  
Legislative Service Commission

July 2013

# TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
Agency Overview.....	1
Appropriation Overview .....	1
<b>ANALYSIS OF ENACTED BUDGET</b> .....	<b>2</b>
Operating Expenses (GRF line item 965321).....	2
Deputy Inspector General for ODOT (GSF line item 965603) .....	2
Deputy Inspector General for BWC/OIC (GSF line item 965604) .....	3
Deputy Inspector General for ARRA (GRF line item 965404, GSF line item 965605).....	3

**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Office of the Inspector General

- Budget split: 65% GRF/35% non-GRF
- Payroll-related expenses roughly 80% of total budget
- Staffing and service levels to be maintained

## OVERVIEW

### Agency Overview

The Office of Inspector General (IGO), created by executive order in 1988, investigates fraud, waste, abuse, corruption, and conflict of interest within the executive branch of state government and, as appropriate, issues a report with recommendations. The jurisdiction of the Inspector General includes the Governor (and staff), state agencies, departments, boards, commissions, and any other entities appointed, employed, controlled, directed, or subject to the authority of the Governor. Specifically excluded from the Inspector General's jurisdiction are the Ohio General Assembly; Ohio courts; the offices of Secretary of State, Auditor, Treasurer, Attorney General, their staff and employees; and state community colleges.

The Inspector General employs a full-time staff of 20. This staff is generally organized into four areas or divisions: (1) Bureau of Workers' Compensation, (2) Ohio Department of Transportation, (3) American Recovery and Reinvestment Act of 2009 (ARRA), and (4) General. The first three divisions include statutorily designated deputy inspectors general; the fourth investigates all other cases and handles daily operations.

### Appropriation Overview

Table 1 below summarizes the Inspector General's FY 2014-FY 2015 budget in comparison to FY 2013 actual expenditures. The budget shifts funding for the Inspector General's ARRA and casino investigative duties and responsibilities to the General Revenue Fund (GRF) and away from a mix of money appropriated from the General Services and State Special Revenue fund groups.

**Table 1. Agency Appropriations by Fund Group, FY 2014-FY 2015  
(Am. Sub. H.B. 59)**

Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Revenue	\$949,702	\$1,650,598	73.8%	\$1,525,598	-7.6%
General Services	\$1,241,878	\$850,000	-31.6%	\$825,000	-2.9%
State Special Revenue	\$24,160	\$0	-100.0%	\$0	0.0%
<b>TOTAL</b>	<b>\$2,215,740</b>	<b>\$2,500,598</b>	<b>12.9%</b>	<b>\$2,350,598</b>	<b>-6.0%</b>

\*FY 2013 figures represent actual expenditures.

## ANALYSIS OF ENACTED BUDGET

The FY 2014 and FY 2015 appropriations for the line items that will fund the Inspector General's duties and responsibilities are shown in Table 2 below. These appropriations should be sufficient for the Office of the Inspector General to maintain FY 2013 staffing and service levels, with roughly 80% allocated annually for personal services (salaries, wages, fringe benefits, and other payroll charges).

<b>Table 2. Inspector General Appropriations</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2014</b>	<b>FY 2015</b>
<b>General Revenue Fund (GRF)</b>				
GRF	965321	Operating Expenses	\$1,175,598	\$1,175,598
GRF	965404	Deputy Inspector General for ARRA	\$475,000	\$350,000
<b>General Revenue Fund Subtotal</b>			<b>\$1,650,598</b>	<b>\$1,525,598</b>
<b>General Services Fund (GSF) Group</b>				
5FA0	965603	Deputy Inspector General for ODOT	\$400,000	\$400,000
5FT0	965604	Deputy Inspector General for BWC/OIC	\$425,000	\$425,000
5GI0	965605	Deputy Inspector General for ARRA	\$25,000	\$0
<b>General Services Fund Group Subtotal</b>			<b>\$850,000</b>	<b>\$825,000</b>
<b>Total Funding: Inspector General</b>			<b>\$2,500,598</b>	<b>\$2,350,598</b>

### Operating Expenses (GRF line item 965321)

This GRF line item generally pays for operating costs of the Inspector General's General Division, including public records requests. Responding to such requests can be a time and labor intensive process, as the Inspector General has to ensure that certain (e.g., personal) information is redacted. As necessary, the line item may also be used to cover costs incurred by the deputy inspectors general for Workers' Compensation, Transportation, and the American Recovery and Reinvestment Act of 2009. The line item's appropriation of \$1,175,598 for each of FY 2014 and FY 2015 represents an increase of \$225,896, or 23.8%, from FY 2013 actual expenditures of \$949,702.

### Deputy Inspector General for ODOT (GSF line item 965603)

This GSF line item pays for all of the operating expenses associated with the statutorily designated Deputy Inspector General for Transportation. This deputy inspector general is responsible for: (1) investigating wrongful acts or omissions by Ohio Department of Transportation (ODOT) employees and (2) conducting a program of random review of the processing of contracts associated with building and maintaining the state's infrastructure.

The line item's appropriation of \$400,000 in each fiscal year is supported by transfers of cash from the Department of Transportation's budget to the Deputy Inspector for ODOT Fund (Fund 5FA0). The temporary law provision authorizing those cash transfers is part of Am. Sub. H.B. 51 of the 130th General Assembly. Section 512.30 of that bill requires the Director of Budget and Management (OBM) to make transfers of cash totaling \$400,000 in each year from the Highway Operating Fund (Fund 7002) to Fund 5FA0. The Inspector General is also permitted, with the consent of the Director of OBM, to seek Controlling Board approval for additional transfers of cash to Fund 5FA0 and to increase the amount appropriated to this line item in the amount of the additional transfers.

### **Deputy Inspector General for BWC/OIC (GSF line item 965604)**

This GSF line item pays for all of the operating expenses associated with the statutorily designated Deputy Inspector General for the Bureau of Workers' Compensation (BWC) and the Ohio Industrial Commission (OIC). This deputy inspector general is responsible for investigating wrongful acts or omissions that have been committed by, or are being committed by, officers or employees of BWC or OIC.

The line item's appropriation of \$425,000 in each fiscal year is supported by transfers of cash from the Workers' Compensation Fund (Fund 7023) to the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0). The temporary law provision authorizing those cash transfers is part of Sub. H.B. 34 of the 130th General Assembly. Section 2 of that bill requires the Director of OBM to make transfers of cash totaling \$425,000 in each year from Fund 7023 to Fund 5FT0. The Inspector General is also permitted to seek Controlling Board approval for additional transfers of cash to Fund 5FT0 and to increase the amount appropriated to this line item in the amount of the additional transfers.

### **Deputy Inspector General for ARRA (GRF line item 965404, GSF line item 965605)**

These two line items pay for all of the operating expenses associated with the statutorily designated Deputy Inspector for Funds Received through the American Recovery and Reinvestment Act of 2009 (ARRA). This deputy inspector general is responsible for: (1) monitoring state agency distribution of ARRA funds, (2) investigating all wrongful acts or omissions committed by state officers, employees, or contractors with respect to ARRA money, and (3) conducting a program of random review of the processing of contracts associated with ARRA projects. For GRF line item 965404, the budget appropriates \$475,000 in FY 2014 and \$350,000 in FY 2015. For GSF line item 965605, the budget appropriates \$25,000 in FY 2014 and \$0 in FY 2015. The budget shifts funding for the Deputy Inspector General for ARRA from the GSF to the GRF.

# FY 2014 - FY 2015 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>IGO Office of the Inspector General</b>								
GRF	965321	Operating Expenses	\$ 764,364	\$ 949,702	\$ 1,175,598	23.79%	\$ 1,175,598	0.00%
GRF	965404	Deputy Inspector General for ARRA	\$0	\$0	\$ 475,000	N/A	\$ 350,000	-26.32%
<b>General Revenue Fund Total</b>			<b>\$ 764,364</b>	<b>\$ 949,702</b>	<b>\$ 1,650,598</b>	<b>73.80%</b>	<b>\$ 1,525,598</b>	<b>-7.57%</b>
5FA0	965603	Deputy Inspector General for ODOT	\$ 389,749	\$ 401,058	\$ 400,000	-0.26%	\$ 400,000	0.00%
5FT0	965604	Deputy Inspector General for BWC/OIC	\$ 445,938	\$ 425,117	\$ 425,000	-0.03%	\$ 425,000	0.00%
5GI0	965605	Deputy Inspector General for ARRA	\$ 478,546	\$ 415,702	\$ 25,000	-93.99%	\$ 0	-100.00%
<b>General Services Fund Group Total</b>			<b>\$ 1,314,233</b>	<b>\$ 1,241,878</b>	<b>\$ 850,000</b>	<b>-31.56%</b>	<b>\$ 825,000</b>	<b>-2.94%</b>
5HS0	965609	Casino Investigation	\$ 23,868	\$ 24,160	\$ 0	-100.00%	\$ 0	N/A
<b>State Special Revenue Fund Group Total</b>			<b>\$ 23,868</b>	<b>\$ 24,160</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
<b>Office of the Inspector General Total</b>			<b>\$ 2,102,464</b>	<b>\$ 2,215,740</b>	<b>\$ 2,500,598</b>	<b>12.86%</b>	<b>\$ 2,350,598</b>	<b>-6.00%</b>