

Greenbook
LSC Analysis of Enacted Budget

**Office of the
Inspector General**

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ATTACHMENT:

Budget Spreadsheet By Line Item

Office of the Inspector General

- Staffing and service levels to be maintained
- Budget split: 63% GRF/37% non-GRF
- Payroll-related expenses roughly 80% of total budget

OVERVIEW

Duties and Responsibilities

The Office of the 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 17 generally organized into three areas or divisions: (1) Bureau of Workers' Compensation, (2) Ohio Department of Transportation, and (3) General. The first two include statutorily designated deputy inspectors general; the third investigates all other cases and handles daily operations.

Appropriations Overview

The table below shows the Inspector General's appropriations by fund group. Of the Commission's total biennial budget, the appropriations set the GRF/non-GRF split at 63%/37%, with the latter generated from non-GRF cash transfers. The appropriations should be sufficient for the Inspector General to maintain FY 2017 staffing and service levels. Around 80% of the funding is likely to be allocated for personal services (wages and salaries, fringe benefits, and payroll checkoff charges).

Inspector General Appropriations by Fund Group, FY 2018-FY 2019 (Am. Sub. H.B. 49)					
Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
General Revenue	\$1,245,925	\$1,401,581	12.5%	\$1,401,581	0.0%
Internal Service Activity	\$828,162	\$825,000	-0.4%	\$825,000	0.0%
TOTAL	\$2,074,088	\$2,226,581	7.4%	\$2,226,581	0.0%

*FY 2017 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

This section provides a more detailed discussion of the appropriations that finance the Inspector General's duties and responsibilities. The FY 2018 and FY 2019 appropriations for the line items that will fund those duties and responsibilities are shown in the table below.

Appropriations for the Inspector General				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund (GRF)				
GRF	965321	Operating Expenses	\$1,401,581	\$1,401,581
General Revenue Fund Subtotal			\$1,401,581	\$1,401,581
Internal Service Activity (ISA) Fund				
5FA0	965603	Deputy Inspector General for ODOT	\$400,000	\$400,000
5FT0	965604	Deputy Inspector General for BWC/OIC	\$425,000	\$425,000
Internal Service Activity Fund Group Subtotal			\$825,000	\$825,000
Total Funding: Inspector General			\$2,226,581	\$2,226,581

Operating Expenses (GRF line item 965321)

This GRF line item generally pays for operating costs of the Inspector General's General Division. This more or less means costs not directly attributable to the work of the statutorily designated deputy inspectors general for Workers' Compensation and Transportation.

The appropriation provides funding in the amount of \$1,401,581 for each of FYs 2018 and 2019. These annual amounts represent an increase of \$155,656, or 12.5%, from FY 2017 expenditures of \$1,245,925. Approximately 75% of the appropriated amount in each fiscal year will be allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), with the remainder allocated, in order of magnitude, for supplies and maintenance, and purchased personal services.

Deputy Inspector General for ODOT (ISA line item 965603)

This line item pays more or less for all of the operating expenses associated with the statutorily designated Deputy Inspector General for the Ohio Department of Transportation (ODOT). This Deputy Inspector General is responsible for: (1) investigating wrongful acts or omissions by 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 appropriations for this purpose fully funds the Inspector General's request of \$400,000 in each fiscal year, and will be supported by cash transfers totaling \$400,000 in each fiscal year from the Department of Transportation's budget to the Deputy Inspector for the ODOT Fund (Fund 5FA0). The appropriated amount in each year will be allocated largely for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), and secondarily for a mix of supplies and maintenance, and purchased personal services.

Note that the transfers, however, are authorized not in the main operating appropriations bill (Am. Sub. H.B. 49), but rather in Section 512.30 of Sub. H.B. 26, the transportation and public safety budget bill for the FY 2018-FY 2019 biennium. Section 512.30 requires the Director of Budget and Management to make cash transfers totaling \$400,000 in each of FYs 2018 and 2019 from the Highway Operating Fund (Fund 7002) to Fund 5FA0. The provision also permits, should additional amounts be necessary, the Inspector General, with the consent of the Director of Budget and Management, to seek Controlling Board approval for additional transfers of cash and to increase the appropriation in the amount of the additional transfers.

Deputy Inspector General for BWC/OIC (ISA line item 965604)

This line item pays more or less 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 appropriation for this purpose fully funds the Inspector General's request of \$425,000 in each fiscal year. Each year's appropriation will be used almost exclusively for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). This appropriation is supported by a temporary law provision contained in Section 201.20 of Sub. H.B. 27, the workers' compensation budget bill for the FY 2018-FY 2019 biennium. The provision requires the Director of Budget and Management to make cash transfers totaling \$425,000 in each of FYs 2018 and 2019 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 provision also permits, should additional amounts be needed, the Inspector General to seek Controlling Board approval for additional transfers of cash transfers and to increase the appropriation in the amount of the additional transfers.

FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
IGO Office of the Inspector General								
GRF	965321	Operating Expenses	\$ 1,328,623	\$ 1,245,925	\$ 1,401,581	12.49%	\$ 1,401,581	0.00%
General Revenue Fund Total			\$ 1,328,623	\$ 1,245,925	\$ 1,401,581	12.49%	\$ 1,401,581	0.00%
5FA0	965603	Deputy Inspector General for ODOT	\$ 379,681	\$ 406,661	\$ 400,000	-1.64%	\$ 400,000	0.00%
5FT0	965604	Deputy Inspector General for BWC/OIC	\$ 414,969	\$ 421,501	\$ 425,000	0.83%	\$ 425,000	0.00%
Internal Service Activity Fund Group Total			\$ 794,650	\$ 828,162	\$ 825,000	-0.38%	\$ 825,000	0.00%
Office of the Inspector General Total			\$ 2,123,273	\$ 2,074,088	\$ 2,226,581	7.35%	\$ 2,226,581	0.00%