

Redbook

LBO Analysis of Executive Budget Proposal

Office of Inspector General

Jessica Murphy, Budget Analyst
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LBO Redbook

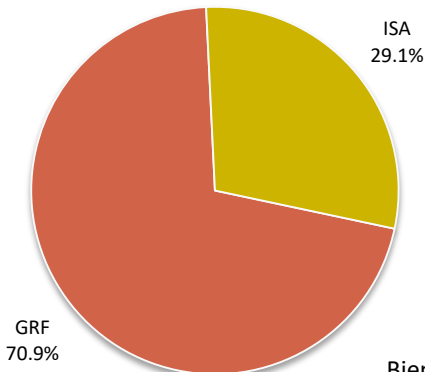
Office of Inspector General

Quick look...

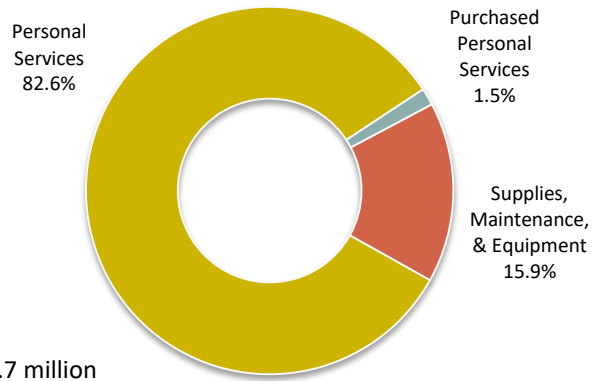
- The Inspector General’s Office (IGO) examines, investigates, and makes recommendations concerning alleged wrongful acts and omissions within the executive branch of state government.
- Biennial recommendation of \$5.7 million: \$2.8 million for FY 2024 and \$2.9 million for FY 2025.
- Revenue sources: GRF (71%) and state non-GRF (29%).
- GRF increase of 31.2% in FY 2024 will support the current staffing levels and permit IGO to fill one full-time permanent deputy inspector general vacancy.
- Largest expense categories: personal services/payroll (82.6%), followed by supplies and maintenance (14.9%).

Fund Group	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
General Revenue (GRF)	\$1,473,744	\$1,479,085	\$1,941,100	\$2,078,000
Internal Service Activity (ISA)	\$851,968	\$825,000	\$825,000	\$825,000
Total	\$2,325,711	\$2,304,085	\$2,766,100	\$2,903,000
% change	--	-0.9%	20.1%	4.9%
<i>GRF % change</i>	--	<i>0.4%</i>	<i>31.2%</i>	<i>7.1%</i>

**Chart 1: IGO Budget by Fund Group
FY 2024-FY 2025 Biennium**



**Chart 2: IGO Budget by Expense Category
FY 2024-FY 2025 Biennium**



Agency overview

The Office of the Inspector General, 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.

Staffing levels

From FY 2016 through FY 2021, the Inspector General's workforce averaged 16 and 17 full-time permanent staff; in FY 2022 and FY 2023, funding supports 12 full-time and three part-time staff. The staff is organized into three areas or divisions: (1) Bureau of Workers' Compensation, (2) Ohio Department of Transportation, and (3) General. The first two divisions include statutorily designated deputy inspectors general; the third investigates all other cases and handles daily operations.

Analysis of FY 2024-FY 2025 budget proposal

Overview

The executive budget appropriates \$2.8 million in FY 2024 and \$2.9 million in FY 2025 for a combined total of \$5.7 million for the biennium. The table and Chart 1 shown in the preceding "**Quick look**" section present the executive recommended appropriations by fund group. As shown in Chart 1, money appropriated from the GRF will provide 70.9%, or \$4.0 million, of the Inspector General's biennial funding. The remainder, 29.1%, or \$1.7 million, will come from cash transfers to funds within the Internal Service Activity Fund Group used to support two statutorily designated deputy inspector generals.

Under the executive budget proposal for the FY 2024-FY 2025 biennium, the amount of GRF appropriated for the operating costs of the General Division of the Inspector General is increased by 31.2% (\$462,015) in FY 2024 and then increases again in FY 2025 (7.1%, or \$136,900). These funding increases will support the current staff of 17 and allow the Inspector General's Office (IGO) to fill one full-time permanent deputy inspector general vacancy.

Chart 2 in the "**Quick look**" section displays the Inspector General's biennial executive budget recommendation in terms of the manner in which this funding is allocated for operating expenses. These allocations may change over the course of the biennium, but historically, these percentages have remained relatively consistent from year to year. The largest amount, 82.6%, or \$4.7 million, is allocated for personal services (payroll). The remainder is used for a wide variety of operational costs (supplies and maintenance, purchased personal services, and equipment) directly associated with investigations such as information technology (IT) hardware and software applications, office rent, fleet vehicles, telecommunications, staff trainings, professional certifications and required licenses, and miscellaneous supplies.

Summary of executive recommendations

This section provides a more detailed discussion of the appropriations that finance the Inspector General's duties and responsibilities.

Operating Expenses (ALI 965321)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 965321, Operating Expenses					
\$1,327,954	\$1,333,238	\$1,473,744	\$1,479,085	\$1,941,100	\$2,078,000
% change	0.4%	10.5%	0.4%	31.2%	7.1%

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

Typically, each fiscal year, around 75% of the line item's appropriation is allocated for personal services (payroll), and the remainder primarily for supplies and maintenance.

A summary of the General Division's complaint workload from CY 2015 through CY 2021 appears in Table 1 below.

Action	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Cases Opened	43	34	30	33	26	16	19
No Jurisdiction	81	98	124	70	72	59	61
Insufficient Cause	95	85	81	73	67	41	80
Referred	79	128	95	70	74	60	173
Pending	17	7	2	3	3	2	3
Complaint Total	315	352	332	249	242	178	336

Deputy Inspector General for ODOT (ALI 965603)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
ISA 5FA0 ALI 965603, Deputy Inspector General for ODOT					
\$388,926	\$375,553	\$412,519	\$400,000	\$400,000	\$400,000
% change	-3.4%	9.8%	-3.0%	0.0%	0.0%

This line item pays for 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 recommended appropriations for this purpose fully fund the Inspector General’s request and will be supported entirely by cash transfers authorized by H.B. 23, the transportation budget bill for the FY 2024-FY 2025 biennium. Section 203.60(H) of that bill requires the Director of the Office of Budget and Management (OBM) to transfer \$200,000, on January 1 and July 1 of each fiscal year, from the Highway Operating Fund (Fund 7002) to the Deputy Inspector General for the ODOT Fund (Fund 5FA0). If additional amounts are needed, the Inspector General is permitted, with the consent of the Director of OBM, to request Controlling Board approval for additional cash transfers and to increase the appropriation.

Funding has remained at \$400,000 annually since Fund 5FA0 was created in 2007. Typically, each fiscal year, over 95% of the line item’s appropriation is allocated for personal services (payroll), and the remainder primarily for supplies, maintenance, and equipment.

A summary of the Deputy Inspector General for ODOT’s complaint workload from CY 2015 through CY 2021 appears in Table 2 below.

Table 2. ODOT Complaint Statistics, CY 2015-CY 2021							
Action	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Cases Opened	9	10	7	7	4	6	1
No Jurisdiction	1	0	0	0	0	0	0
Insufficient Cause	2	3	3	1	4	3	0
Referred	1	3	3	1	3	2	1
Pending	0	1	0	0	0	0	0
Complaint Total	13	17	13	9	11	11	2

Deputy Inspector General for BWC/OIC (ALI 965604)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
ISA 5FT0 ALI 965604, Deputy Inspector General for BWC/OIC					
\$404,587	\$394,339	\$439,449	\$425,000	\$425,000	\$425,000
% change	-2.5%	11.4%	-3.3%	0.0%	0.0%

This line item pays for 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 recommended appropriations for this purpose fully fund the Inspector General's request and will be supported entirely by cash transfers authorized by H.B. 31, the BWC budget bill for the FY 2024-FY 2025 biennium. That bill requires the Director of OBM to transfer \$215,000, on July 1 and January 1 of each fiscal year, from the Workers' Compensation Fund (Fund 7023) to the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0). If additional amounts are needed, the Inspector General is permitted to request Controlling Board approval for additional cash transfers.

Funding has remained at \$425,000 annually since Fund 5FT0 was created in 2007. Typically, in each fiscal year, around 95% of the line item's appropriation is allocated for personal services, and the remainder primarily for supplies, maintenance, and equipment.

A summary of the Deputy Inspector General for BWC and OIC's complaint workload from CY 2015 through CY 2021 appears in Table 3 below.

Action	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Cases Opened	14	8	11	11	15	2	1
No Jurisdiction	0	1	0	0	0	0	0
Insufficient Cause	11	12	5	13	5	0	6
Referred	5	7	8	4	5	7	5
Pending	0	0	0	1	0	0	0
Complaint Total	30	28	24	29	25	9	12

Complaints and investigations

Anyone may file a complaint with the Inspector General's Office alleging wrongful acts or omissions on the part of a state officer, agency, employee, or contractor. Complaints are processed as follows:

- Reviewed by the intake committee (consisting of the Inspector General, chief legal counsel, and case manager) to determine whether the complaint falls within the jurisdiction of the Inspector General.
- Assigned to a Deputy Inspector General for investigation when the intake committee determines the complaint to be under jurisdiction and offering credible allegations of wrongful acts or omissions.
- In instances where a complaint is unsubstantiated, the Inspector General lacks jurisdiction, or another agency is better suited to address a complainant's issues, the Office will refer the complainant to a more appropriate agency, organization, or resource.
- At the conclusion of an investigation, the Inspector General issues a report of the investigation that may contain recommendations to prevent future wrongful acts and omissions and may include referrals to prosecuting authorities or licensing agencies. The report is submitted to the Governor and the agency subject to investigation.

- For each report where the Inspector General concludes that wrongful acts or omissions have occurred, the agency subject to the investigation is asked to respond within 60 days of the issuance of the report, detailing how the recommendations will be implemented.

Chart 3 below displays investigation statistics from CY 2015 through CY 2021. The total number of investigations is broken down into two categories: (1) the total number of complaints received and (2) the number of complaints in which an investigation was opened after the determination that the complaint offers credible allegations and falls within jurisdiction.

Chart 3: Investigation Activity, CY 2015-CY 2021

