

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Office of the Inspector General**

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**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Office of the Inspector General

- Budget split: 62% GRF/38% non-GRF
- Payroll-related expenses roughly 80% of total budget
- Staffing and service levels to be maintained

## 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 18. This staff is generally 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.

### Appropriation Overview

The Inspector General's FY 2015 expenditures are compared with the appropriations for FYs 2016 and 2017, by fund group, in the table 1 below. These appropriations should be sufficient to cover the annual costs of performing the Inspector General's investigative duties and responsibilities. Approximately 80% will be allocated for the payroll-related costs

Inspector General Appropriations by Fund Group, FY 2016-FY 2017 (Am. Sub. H.B. 64)					
Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$1,048,986	\$1,327,759	26.6%	\$1,327,759	0.0%
Internal Service Activity	\$804,910	\$825,000	2.5%	\$825,000	0.0%
<b>TOTAL</b>	<b>\$1,853,896</b>	<b>\$2,152,759</b>	<b>16.1%</b>	<b>\$2,152,759</b>	<b>0.0%</b>

\*FY 2015 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 2016 and FY 2017 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 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	965321	Operating Expenses	\$1,327,759	\$1,327,759
<b>General Revenue Fund Subtotal</b>			<b>\$1,327,759</b>	<b>\$1,327,759</b>
<b>Internal Service Activity (ISA) Fund 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
<b>Internal Service Activity Fund Group Subtotal</b>			<b>\$825,000</b>	<b>\$825,000</b>
<b>Total Funding: Inspector General</b>			<b>\$2,152,759</b>	<b>\$2,152,759</b>

### 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 \$1,327,759 for each of FYs 2016 and 2017. These annual amounts represent an increase of \$278,773, or 26.6%, from FY 2015 expenditures of \$1,048,986.

Built into the GRF appropriations for each fiscal year is around \$150,000 for the purpose of making rent payments beginning in FY 2016. Previously, rent payments were paid by GRF appropriations in the operating budget of the Department of Administrative 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 appropriation 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 ODOT Fund (Fund 5FA0). Note that the transfers, however, are authorized not in the main operating appropriations bill (Am. Sub. H.B. 64), but rather Section 512.30 of Sub. H.B. 53, the transportation and public safety budget bill for the FY 2016-FY 2017 biennium. Section 512.30 requires the Director of Budget and Management to make transfers, on January 1 and July 1 of each year, from the Highway Operating Fund (Fund 7002) to Fund 5FA0. The appropriation for this purpose has remained at \$400,000 annually since Fund 5FA0 was created in 2007. The provision authorizing these cash transfers also permits the Inspector General, with the consent of the Director of Budget and Management, to seek Controlling Board approval to make additional cash transfers as necessary.

#### **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. This appropriation is supported by a temporary law provision that requires the Director of Budget and Management to transfer \$425,000 from the Workers' Compensation Fund (Fund 7023) to the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0). That provision also permits the Inspector General to seek Controlling Board approval to make additional cash transfers as needed (Section 4 of Am. Sub. H.B. 52, the workers' compensation budget bill for the FY 2016-FY 2017 biennium).

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# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>IGO Office of the Inspector General</b>								
GRF	965321	Operating Expenses	\$ 909,962	\$ 1,048,169	\$ 1,327,759	26.67%	\$ 1,327,759	0.00%
GRF	965404	Deputy Inspector General for ARRA	\$ 314,819	\$ 817	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 1,224,781</b>	<b>\$ 1,048,986</b>	<b>\$ 1,327,759</b>	<b>26.58%</b>	<b>\$ 1,327,759</b>	<b>0.00%</b>
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5HS0	965609	Casino Investigation	\$ 747	\$ 0	\$ 0	N/A	\$ 0	N/A
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 747</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
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5FA0	965603	Deputy Inspector General for ODOT	\$ 352,971	\$ 390,214	\$ 400,000	2.51%	\$ 400,000	0.00%
5FT0	965604	Deputy Inspector General for BWC/OIC	\$ 409,727	\$ 414,695	\$ 425,000	2.48%	\$ 425,000	0.00%
5GI0	965605	Deputy Inspector General for ARRA	\$ 26,810	\$ 0	\$ 0	N/A	\$ 0	N/A
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 789,507</b>	<b>\$ 804,910</b>	<b>\$ 825,000</b>	<b>2.50%</b>	<b>\$ 825,000</b>	<b>0.00%</b>
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<b>Office of the Inspector General Total</b>			<b>\$ 2,015,035</b>	<b>\$ 1,853,896</b>	<b>\$ 2,152,759</b>	<b>16.12%</b>	<b>\$ 2,152,759</b>	<b>0.00%</b>