

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1618

PRINTER NO. 2569

AMOUNT

\$821,000

FUND

General Fund

DATE INTRODUCED

October 15, 2015

PRIME SPONSOR

Representative Fee

DESCRIPTION AND PURPOSE OF BILL

House Bill 1618 provides for a new Article V-A in the Administrative Code establishing the Office of Inspector General as an independent agency.

Provides for the Inspector General to be nominated by the Governor and approved by a two-thirds vote of the Senate. The Inspector General may serve no more the two, six-year terms. Prohibits the Inspector General from seeking election or accepting an appointment to a political office during his or her tenure and for one year thereafter. Provides that the Inspector General may be removed by the Governor only for cause.

Provides for the Inspector General to have the following powers: (1) Make an investigation and report relating to the administration of a program and operation of an executive agency. If the Inspector General determines that a report is necessary, they may consult with the Office of General Counsel or the Attorney General before issuing the report to insure against an adverse impact on a grand jury proceeding or prosecution being conducted by a law enforcement agency; (2) Request information or assistance necessary for carrying out the duties and responsibilities under this article from a Federal, State or local government agency; (3) Require and obtain, by written notice from an officer and employee of an executive agency and the Executive Department, information, documents, reports, answers, records, accounts, papers and other necessary data and documentary evidence; (4) Have direct and prompt access to executive agency heads for a purpose pertaining to the performance of functions and responsibilities under this article; (5) Select, appoint and employ officers and employees necessary for carrying out the functions, powers and duties of the office; (6) The officers and employees must be employed in accordance with current procedures of the Office of Administration and may be assigned by the Inspector General to a designated executive agency; and, (7) Issue subpoenas relating to matters pertinent to an investigation.

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Provides that the purpose of the Office of Inspector is to do the following: (1) deter, detect, prevent and eradicate fraud, waste, misconduct and abuse in a program, operation and contracting of an executive agency; (2) keep the head of an executive agency, the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives fully informed about a problem and deficiency relating to the administration of a program, operation and contracting in an executive agency; and, (3) provide leadership, coordination and control over satellite Inspector General Offices in a designated executive agency to insure a coordinated and efficient administration of duties and use of staff.

Specifies that the appropriation for the Office of Inspector General is to be a separate line item under the jurisdiction of the Inspector General.

The provisions in the legislation relating to the appointment of the Inspector General take effect January 16, 2019 and the remainder of the act takes effect in 60 days.

FISCAL IMPACT:

The 2016-2017 General Fund Budget included \$16,602,000 for the operations of the Office of Inspector General in two separate appropriations under the Executive Offices: an amount of \$4,334,000 in the line item entitled Office of Inspector General and \$12,268,000 in the line item entitled Inspector General – Welfare Fraud.

House Bill 1618 provides that the powers and duties and purpose of the new independent Office of Inspector General are markedly similar to present practice in the Office of Inspector General. However, as an independent agency there will be added costs for personnel and other expenses necessary to provide administrative support services currently provided through the Office of Administration and the Department of General Services related to budget administration, human resources, information technology, facilities and vehicles. Based on information provided by the Office of Inspector General, the new independent Office of Inspector General would need to hire 8 additional employees for which salary and operating costs related to the new positions will amount to \$821,000 annually. This new staffing would include: 3 network specialists to support information technology services; 2 human resource analysts and 1 administrative officer to support human resources; an administrative officer to support facilities, vehicles and procurement; and, an administrative officer to cover additional budget administration responsibilities.

It is possible that a newly appointed Independent Inspector General may seek to expand the scope and amount of investigative actions requiring additional investigative personal, auditors and legal staff. Funding to provide the independent Office Inspector General with additional resources to guard against malfeasance will be dependent upon appropriations made by the General Assembly through the annual appropriations process.