



## State Fiscal Note for Bill Number: 2013-H-5363

**Date of State Budget Office Approval:**

**Date Requested:** Wednesday, April 03, 2013

**Date Due:** Saturday, April 13, 2013

### *Impact on Expenditures*

FY 2013 Indeterminate  
FY 2014 Indeterminate  
FY 2015 Indeterminate

### *Impact on Revenues*

FY 2013 Indeterminate  
FY 2014 Indeterminate  
FY 2015 Indeterminate

*Explanation by State  
Budget Office:*

This bill would establish an Office of Inspector General as an independent administrative agency whose purpose would be to prevent and detect fraud, waste, abuse and mismanagement of the expenditure of public funds. The Office would have statutory authority to investigate expenditures of public funds, including federal, state, and local funds. Investigations may include the expenditures of public funds by non-governmental agencies. The Office's jurisdiction would not be limited to executive branch agencies only, but would include the General Assembly, the Governor's cabinet and non-cabinet agencies, the Courts, and any city and town within the State of Rhode Island.

*Comments on  
Sources of Funds:*

The legislation provides that the source of financing for the Office would be an annual appropriation by the legislature. No reference is made to sources of financing and, therefore, it is assumed that the Office would be financed solely with general revenues.

*Summary of Facts  
and Assumptions:*

The authority vested in the Office of the Inspector General includes: the power to request information, cooperation and assistance from any state, county or local governmental unit; initiation and conduction of investigations and audits; the power to subpoena records; the power to subpoena witness testimony; the power to accept and/or investigate complaints from any individual, including maintaining anonymity of employees who file such complaints; and the reporting of findings to the Attorney General, the United States Attorney, the Ethics Commission, or any other federal, state or local agency that would have an interest in any findings of the Office.

The legislation defines "public funds" as "state, federal and local funds, either appropriated, non-appropriated, or given under right of grant." Similar bills were simultaneously introduced during the 2011 legislative session (11-S-0616 and 11-S-0622). This bill includes minimal changes from the 2011 bills. Changes include the appointment process for the Inspector General, protocol for filling the position if it becomes vacant for more than one month, and guidelines for the Inspector General to coordinate with other state agencies. Also, the 2011 bills included a confidentiality of records policy which was removed in this version of the bill. Similar bills, 13-S-0689 and 13-S-0612, were recently introduced during this session.

The legislation provides that the Inspector General may appoint and remove employees as he/she deems necessary to perform the duties of the Office, including assistants, deputies, chiefs, clerks, paralegals, accountants, auditors, and investigators. The Office would be required to submit an annual personnel report, no

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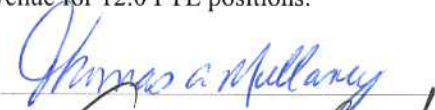
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later than the first Wednesday in February with the Senate and House Finance Committees detailing "the job classifications, duties and salaries of each officer and employee within the organization." It also provides that "the general assembly shall annually set the salary of the inspector general and shall appropriate sufficient funds for the total budget for the Office of the Inspector General". The legislation does not contemplate the size of the Office, if created, nor the number of full-time equivalent positions that may be required.

*Summary of Fiscal  
Impact:*

The fiscal impact of this legislation is indeterminate. The broad scope of authority provided to the Office of Inspector General, in addition to lack of reference as to size of the Office, makes it difficult to estimate the annual expenditures of the organization. As a point of reference, the FY 2013 enacted budget for the Office of the Auditor General is \$5.3 million of all funds for 45.4 FTE positions. The FY 2013 enacted budget for the Bureau of Audits within the Department of Administration is \$1.2 million of general revenue for 12.0 FTE positions.

*Budget Office Signature:*



*Fiscal Advisor Signature:*

