



STATE OF OHIO OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**2022-2023 Biennium Budget Testimony
Before the Ohio Senate
General Government Budget Committee
April 27, 2021
Presented by Randall J. Meyer, Inspector General**

Good morning Chairman Schaffer, Vice-chair Wilson, Ranking Minority Member Craig, and Distinguished Members of the Committee. I am Randall Meyer, Inspector General for the state of Ohio, and I am pleased to appear before the committee to discuss the Office of the Inspector General's budget for fiscal years 2022 and 2023.

Office Overview

First, I would like to recognize an important milestone in the history of the Ohio Inspector General's Office. Thirty years ago, the Ohio General Assembly approved, and the governor signed into law, legislation which permanently established the Inspector General's Office. The law was instituted because state operations had grown both in size and complexity with an annual budget involving billions of dollars. The office was tasked to provide objective, impartial oversight to promote integrity and accountability in state government. Specifically, the office serves as an independent watchdog, detecting and preventing fraud, waste, and abuse; identifying the mismanagement and misspending of public funds; and promoting effectiveness and efficiency in the state of Ohio. The jurisdiction of the office extends to the Governor and his staff; state agencies, departments, boards, and commissions; all state universities and medical colleges; and vendors and individuals who do business with the state. For three decades, the Inspector General's Office has played a vital role in government oversight, conducting over 1500 investigations; identifying weaknesses of state processes through monitoring and reporting; and developing and promoting improvements on the procedures used to conduct business with the state. Since my appointment in 2011, the office has released over 700 reports of investigation resulting in 96 criminal charges, issued 1,320 recommendations to agencies, and identified over \$1/4 billion dollars lost to the state of Ohio.

Budget Appropriation Request

For over a decade, our office has consistently and responsibly managed its fiscal year budget appropriations. I routinely evaluate caseloads and staff resources to meet ever-shifting operational needs with available funds. With a small staff subsidized by a nominal budget, our office has conducted notable investigations that have generated significant returns. For example, a series of investigations released by our office in 2018 and 2019 identified procurement issues involving millions of tax-payer dollars and exposed criminal acts impacting various state agencies. These reports contained recommendations to improve the state's purchasing practices and markedly reduce fraud and the amount of waste associated with state contracts. It is these types of investigations that increase accountability of taxpayer dollars and the public's trust.

The mission of the Inspector General's Office is accomplished by its staff. Qualified, experienced professionals are needed to conduct its various, wide-ranging investigations in an ever-changing landscape of state government. More than 75 percent of the office's program expenditures are related to payroll costs and employee benefits. The office's overall staffing level has remained flat for the last eight years ... varying between 16 and 17 permanent employees ... down from the office's historical staff-peak of 23 employees in 2011. For fiscal years 2020 and 2021, the office's approved appropriations funded 17 permanent full-time positions. However, prior to the COVID 19 pandemic, one investigator resigned, and one investigator passed-away. The office was unable to fill these two positions due to the state's hiring freeze necessitated by the financial ramifications of the pandemic. Consequently, this left the Inspector General's Office with two unfilled investigator positions and a significant amount of appropriation left *unspent* that had been projected to be expended during fiscal years 2020 and 2021. As a result, the office's current staffing level is only 14 full-time and one part-time permanent employees.

The Inspector General's Office receives funding from three different revenue sources: the General Revenue Fund (GRF) and two transfers; one from the Ohio Department of Transportation, and the other from the Ohio Bureau of Workers' Compensation and Industrial Commission. The GRF appropriation levels recommended for the 2022 and 2023 biennium budget is a reduction of appropriation levels approved for the current biennium budget. Specifically, when compared to the current fiscal year, the GRF appropriation level recommended for fiscal year 2022 is a decrease of \$105,671, and the recommended GRF appropriation level for fiscal year 2023 is a decrease of \$72,581. When accounting for the 2016 budget increase which was provided to negate the newly implemented cost of rent charged to agencies in state-owned buildings, the office's average GRF appropriation for the last 10 years has remained essentially flat when compared to fiscal year 2011. The funds transferred from the Ohio Department of Transportation and the Ohio Bureau of Workers' Compensation and Industrial Commission has remained the same since 2007 ... the year the two funds were first established.

If the GRF appropriation levels recommended for fiscal years 2022 and 2023 are approved, it will only support our office's current staffing level. While this decrease in GRF funding may not seem significant, it will negatively cut the investigative staffing level of this office by 25%. The impact of this reduction will adversely affect our investigative output and the timeliness of our investigations. I need at least 16 permanent

employees to provide a minimum level of oversight to meet its mission and statutorily required obligations. Because recurrent increases in personnel services costs negatively affect the budget each year, we estimated \$3.0 million in GRF funding would be required to support these 16 positions over the biennium.

I recognize that agencies must assist the state in its efforts to close the projected budgetary shortfall caused by the COVID-19 pandemic. However, I also recognize the pandemic has generated new opportunities for fraud, waste, and abuse. For these reasons, I believe a reduction in funding may jeopardize the level of oversight needed to meet our mission and statutory obligations.

Conclusion

For 30 years, the Ohio Inspector General's Office has been entrusted to investigate, without bias and outside influence, instances of fraud, waste, and abuse committed by public officials, private persons, and entities doing business with the state. Maintaining our budget for the next biennium at current appropriation levels allows the office to safeguard integrity in state government and continue to tackle the challenges inherent with its statutory obligations.

Respected members of the committee, I would like to thank you for the opportunity to testify today. I will be pleased to answer any questions you may have.