



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2497/2
RAC:kjf&ahe

2015 ASSEMBLY BILL 382

October 8, 2015 – Introduced by Representatives CRAIG, JARCHOW, HUTTON, KREMER, SANFELIPPO and SCHRAA, cosponsored by Senator NASS. Referred to Committee on State Affairs and Government Operations.

1 **AN ACT** *to repeal* 15.193, 15.204, 20.435 (8) (b), 20.435 (8) (c), 20.435 (8) (kw),
2 20.435 (8) (o) and 20.435 (8) (p); *to amend* 13.90 (1) (intro.), 13.90 (1m) (a),
3 13.90 (1m) (b), 15.01 (6) and 20.765 (3) (g); and *to create* 13.94 (1d), 13.97,
4 20.765 (3) (cm), 20.765 (3) (kr), 20.923 (6) (fm) and 230.08 (2) (fr) of the statutes;
5 **relating to:** creating a legislative office of inspector general and making
6 appropriations.

Analysis by the Legislative Reference Bureau

This bill creates a nonpartisan, legislative service agency known as the “Legislative Office of Inspector General,” consisting of 13 inspectors general and their staff who are assigned to and housed at the headquarters of certain state agencies. The state agencies are the departments of administration; agriculture, trade and consumer protection; children and families; corrections; financial institutions; health services; natural resources; public instruction; revenue; safety and professional services; transportation; and workforce development; the Government Accountability Board; and the Board of Regents of the University of Wisconsin System. The Wisconsin Economic Development Corporation and the Wisconsin Housing and Economic Development Authority are also subject to inspector general services under the bill. The Joint Committee on Legislative Organization appoints each inspector general for a six-year term expiring March 1 of the odd-numbered year.

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Under the bill, each state agency must provide office space for the inspector general assigned to the agency and must pay for services provided by the inspectors general. Inspectors general and their staffs serve in the unclassified service of the state civil service system. In addition, the Legislative Audit Bureau, upon request, must provide assistance to inspectors general in the Legislative Office of Inspector General.

Under the bill, the current offices of inspector general of the departments of children and families and health services are eliminated.

The bill provides that each inspector general may examine the accounts and other financial records of the agency to which he or she is assigned, and may review the performance and program accomplishments of the agency. The bill also provides that an inspector general must at all times with or without notice have access to any books, records, or other documents maintained by the agency relating to its expenditures, revenues, operations, and structure, including specifically any such books, records, or other documents that are confidential by law.

Under the bill, each inspector general must investigate fraud in state agency programs or activities and report any finding of fraud to the Department of Justice; investigate waste, abuse, or inefficiency in state agency programs or activities and report any finding of waste, abuse, or inefficiency to the appropriate standing committees in each house of the legislature; and submit an annual report of inspector general activities to the chief clerk of each house of the legislature. In addition, in investigating waste, abuse, or inefficiency in state agency programs, an inspector general must endeavor to identify savings for state agencies that would pay at least the costs incurred by the inspector general in carrying out the investigations.

Under the bill, the speaker of the assembly and the senate majority leader, jointly, may direct the inspector general assigned to any state agency to examine the records or programs of the state agency. The chairpersons of the appropriate standing committees in the assembly and senate, jointly, may also direct the inspector general assigned to any state agency to examine the records or programs of the state agency over which the committees have subject matter jurisdiction.

Finally, the bill provides that, at the discretion of the inspector general, an inspector may review claims by any person that an agency action or order has adversely affected a substantial interest of the person. A person requesting such a review must do so before the commencement of a contested case or other similar state agency review process. Under the bill, if an inspector general elects to review a claim, the inspector must determine whether the agency action or order was inconsistent with any law or administrative rule. An inspector must report all such determinations to the appropriate standing committees in each house, the Joint Legislative Audit Committee, and the Joint Committee for Review of Administrative Rules.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.90 (1) (intro.) of the statutes is amended to read:

2 13.90 (1) (intro.) The joint committee on legislative organization shall be the
3 policy-making board for the legislative reference bureau, the legislative fiscal
4 bureau, the legislative audit bureau, the legislative office of inspector general, and
5 the legislative technology services bureau. The committee shall:

6 **SECTION 2.** 13.90 (1m) (a) of the statutes is amended to read:

7 13.90 (1m) (a) In this subsection, “legislative service agency” means the
8 legislative council staff, the legislative audit bureau, the legislative office of
9 inspector general, the legislative fiscal bureau, the legislative reference bureau, and
10 the legislative technology services bureau.

11 **SECTION 3.** 13.90 (1m) (b) of the statutes is amended to read:

12 13.90 (1m) (b) The joint committee on legislative organization shall select the
13 head of each legislative service agency, except that the committee shall designate a
14 lead inspector general for the legislative office of inspector general. The appointment
15 of each legislative service agency head shall be made without regard to political
16 affiliation in order to safeguard the nonpartisan character of each legislative service
17 agency. In the case of the state auditor, the joint legislative audit committee shall
18 make recommendations for the approval of the joint committee on legislative
19 organization. The committee shall designate an employee of each legislative service
20 agency to exercise the powers and authority of each legislative service agency head
21 in case of absence or disability.

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1 **SECTION 4.** 13.94 (1d) of the statutes is created to read:

2 **13.94 (1d)** PROVIDE ASSISTANCE TO LEGISLATIVE OFFICE OF INSPECTOR GENERAL.

3 Upon request, the legislative audit bureau shall provide assistance to inspectors
4 general in the legislative office of inspector general.

5 **SECTION 5.** 13.97 of the statutes is created to read:

6 **13.97 Legislative office of inspector general. (1)** In this section, “state
7 agency” means the department of administration; agriculture, trade and consumer
8 protection; children and families; corrections; financial institutions; health services;
9 natural resources; public instruction; revenue; safety and professional services;
10 transportation; or workforce development; the government accountability board; the
11 Wisconsin Economic Development Corporation; the Wisconsin Housing and
12 Economic Development Authority; or the Board of Regents of the University of
13 Wisconsin System.

14 **(2)** (a) There is created a legislative service agency known as the “Legislative
15 Office of Inspector General,” consisting of 13 inspectors general and their staff who
16 are assigned to and housed at the headquarters of state agencies. The joint
17 committee on legislative organization shall appoint each inspector general for a
18 6-year term expiring March 1 of the odd-numbered year.

19 (b) The joint committee on legislative organization shall designate a lead
20 inspector general to serve as the chief administrative officer of the legislative office
21 of inspector general, who shall appoint all staff and oversee the operations and
22 expenditures of the legislative office of inspector general.

23 (c) Each state agency shall provide office space at the agency headquarters for
24 the inspector general assigned to the agency and for his or her staff. Each state

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1 agency shall pay for all services provided by the inspectors general and shall credit
2 the payments to the appropriation account under s. 20.765 (3) (kr).

3 (d) The legislative office of inspector general shall be strictly nonpartisan and
4 shall at all times observe the confidential nature of any investigation currently being
5 performed.

6 (e) The inspector general assigned to the department of financial institutions
7 shall also be assigned to the government accountability board.

8 (f) The inspector general assigned to the Wisconsin Economic Development
9 Corporation shall also be assigned to the Wisconsin Housing and Economic
10 Development Authority.

11 (g) The inspector general assigned to the department of safety and professional
12 services shall also be assigned to the department of agriculture, trade and consumer
13 protection.

14 **(3)** (a) The inspector general assigned to each state agency may examine the
15 accounts and other financial records of the agency to which he or she is assigned to
16 assure that all financial transactions have been made in a legal and proper manner.
17 The inspector general may review the performance and program accomplishments
18 of the agency during the fiscal period for which the examination is being conducted
19 to determine whether the agency carried out the policy of the legislature and the
20 governor during the period for which the appropriations were made. An inspector
21 general shall at all times with or without notice have access to any books, records,
22 or other documents maintained by the agency relating to its expenditures, revenues,
23 operations, and structure, including specifically any such books, records, or other
24 documents that are confidential by law.

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1 (b) The inspector general assigned to each state agency shall do all of the
2 following:

3 1. At the discretion of the inspector general, review claims by any person that
4 an agency action or order has adversely affected a substantial interest of the person.
5 A person requesting such a review must do so before the commencement of a
6 contested case under s. 227.44 or other similar state agency review process. If an
7 inspector general elects to review a claim, the inspector shall determine whether the
8 agency action or order was inconsistent with any law or administrative rule. An
9 inspector shall report all such determinations to the appropriate standing
10 committees under s. 13.172 (3), the joint legislative audit committee, and the joint
11 committee for review of administrative rules.

12 2. Investigate fraud in state agency programs or activities and report any
13 finding of fraud to the department of justice.

14 3. Investigate waste, abuse, or inefficiency in state agency programs or
15 activities and report any finding of waste, abuse, or inefficiency to the appropriate
16 standing committees under s. 13.172 (3). In investigating waste, abuse, or
17 inefficiency in state agency programs, an inspector general shall endeavor to identify
18 savings for state agencies that would pay at least the costs incurred by the inspector
19 general in carrying out the investigations.

20 4. Submit an annual report of inspector general activities to the chief clerk of
21 each house of the legislature, for distribution to the legislature under s. 13.172 (2).

22 (c) Before a state agency may expend on state agency programs and activities
23 any moneys saved as a result of inspector general investigations under par. (b) 2. and
24 3., the state agency must first use the moneys to pay all costs incurred by the
25 inspector general in carrying out the investigations.

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1 (d) The speaker of the assembly and the senate majority leader, jointly, may
2 direct the inspector general assigned to any state agency to examine the records or
3 programs of the state agency. An inspector general who conducts an investigation
4 under this paragraph shall submit the investigation report to the chief clerk of each
5 house of the legislature, for distribution to the legislature under s. 13.172 (2).

6 (e) The chairpersons of the appropriate standing committees in the assembly
7 and senate, jointly, may direct the inspector general assigned to any state agency to
8 examine the records or programs of the state agency over which the committees have
9 subject matter jurisdiction. An inspector general who conducts an investigation
10 under this paragraph shall submit the investigation report to the chief clerk of each
11 house of the legislature, for distribution to the legislature under s. 13.172 (2).

12 **SECTION 6.** 15.01 (6) of the statutes is amended to read:

13 15.01 (6) "Division," "bureau," "section," and "unit" means the subunits of a
14 department or an independent agency, whether specifically created by law or created
15 by the head of the department or the independent agency for the more economic and
16 efficient administration and operation of the programs assigned to the department
17 or independent agency. The office of credit unions in the department of financial
18 institutions, ~~the office of the inspector general in the department of children and~~
19 ~~families, the office of the inspector general in the department of health services, and~~
20 the office of children's mental health in the department of health services have the
21 meaning of "division" under this subsection. The office of the long-term care
22 ombudsman under the board on aging and long-term care and the office of
23 educational accountability in the department of public instruction have the meaning
24 of "bureau" under this subsection.

25 **SECTION 7.** 15.193 of the statutes is repealed.

