



2019 ASSEMBLY BILL 835

January 30, 2020 - Introduced by Representatives SANFELIPPO, BORN, FELZKOWSKI, HUTTON, KATSMA, KNODL, KUGLITSCH, KULP, MURPHY, NEYLON, QUINN, SKOWRONSKI, THIESFELDT, TUSLER and VANDERMEER, cosponsored by Senators CRAIG, KAPENGA, NASS, STROEBEL and TIFFANY. Referred to Committee on Government Accountability and Oversight.

AUTHORS SUBJECT TO CHANGE

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 an
6 appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a nonpartisan, legislative service agency known as the “Legislative Office of Inspector General,” consisting of 14 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; justice; natural resources; public instruction; revenue; safety and professional services; transportation; and workforce development; the elections commission; the ethics commission; the office of commissioner of insurance; 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 and to the appropriate standing committee in each house of the legislature; 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 justice; natural resources; public instruction; revenue; safety and professional
10 services; transportation; or workforce development; the elections commission; the
11 ethics commission; the office of commissioner of insurance; the Wisconsin Economic
12 Development Corporation; the Wisconsin Housing and Economic Development
13 Authority; or the Board of Regents of the University of Wisconsin System.

14 **(2)** (a) There is created a legislative service agency known as the “Legislative
15 Office of Inspector General,” consisting of 14 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 Wisconsin Economic Development
7 Corporation shall also be assigned to the Wisconsin Housing and Economic
8 Development Authority.

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

12 (g) The inspector general assigned to the elections commission shall also be
13 assigned to the ethics commission.

14 (h) The inspector general assigned to the department of workforce development
15 shall also be assigned to the department of children and families.

16 (i) The inspector general assigned to the department of financial institutions
17 shall also be assigned to the office of the commissioner of insurance.

18 **(3)** (a) The inspector general assigned to each state agency may examine the
19 accounts and other financial records of the agency to which he or she is assigned to
20 assure that all financial transactions have been made in a legal and proper manner.
21 The inspector general may review the performance and program accomplishments
22 of the agency during the fiscal period for which the examination is being conducted
23 to determine whether the agency carried out the policy of the legislature and the
24 governor during the period for which the appropriations were made. An inspector
25 general shall at all times with or without notice have access to any books, records,

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1 or other documents maintained by the agency relating to its expenditures, revenues,
2 operations, and structure, including specifically any such books, records, or other
3 documents that are confidential by law.

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

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

15 2. Investigate fraud in state agency programs or activities and report any
16 finding of fraud to the department of justice and to the appropriate standing
17 committees under s. 13.172 (3).

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

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

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

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

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

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

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

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1 ombudsman under the board on aging and long-term care and the office of
 2 educational accountability in the department of public instruction have the meaning
 3 of “bureau” under this subsection.

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

5 **SECTION 8.** 15.204 of the statutes is repealed.

6 **SECTION 9.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
 7 the following amounts for the purposes indicated:

2019-20 2020-21

8 **20.765 Legislature**

9 (3) SERVICE AGENCIES AND NATIONAL ASSOCIATIONS

10 (cm) Inspector general operations;

11 legislative services	GPR	A	-0-	-0-
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12 **SECTION 10.** 20.435 (8) (b) of the statutes is repealed.

13 **SECTION 11.** 20.435 (8) (c) of the statutes is repealed.

14 **SECTION 12.** 20.435 (8) (kw) of the statutes is repealed.

15 **SECTION 13.** 20.435 (8) (o) of the statutes is repealed.

16 **SECTION 14.** 20.435 (8) (p) of the statutes is repealed.

17 **SECTION 15.** 20.765 (3) (cm) of the statutes is created to read:

18 20.765 (3) (cm) *Inspector general operations; legislative services.* The amounts
 19 in the schedule for the operations of the legislative office of inspector general that are
 20 not paid from par. (kr).

21 **SECTION 16.** 20.765 (3) (g) of the statutes is amended to read:

22 20.765 (3) (g) *Gifts and grants to service agencies.* For the legislative service
 23 agency under s. 13.81, 13.82, 13.90, 13.91, 13.92, 13.94, 13.95 or, 13.96, or 13.97 to

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1 which directed, as a continuing appropriation, all gifts, grants, bequests and devises
2 for the purposes for which made not inconsistent with said sections.

3 **SECTION 17.** 20.765 (3) (kr) of the statutes is created to read:

4 20.765 (3) (kr) *Inspector general operations; state agency services.* All moneys
5 received from state agencies to pay the cost of providing services by the legislative
6 office of inspector general.

7 **SECTION 18.** 20.923 (6) (fm) of the statutes is created to read:

8 20.923 (6) (fm) Legislative office of inspector general: all positions.

9 **SECTION 19.** 230.08 (2) (fr) of the statutes is created to read:

10 230.08 (2) (fr) Inspectors general and staff of the legislative office of inspector
11 general.

12 **SECTION 20. Nonstatutory provisions.**

13 (1) POSITION AUTHORIZATIONS. There is authorized for the legislative office of
14 inspector general 14.0 FTE PR positions to be funded from the appropriation under
15 s. 20.765 (3) (cm).

16 (2) APPOINTMENT OF INSPECTORS GENERAL. As determined by the joint committee
17 on legislative organization, 4 of the initial inspectors general appointed under s.
18 13.97 (2) shall serve for a term expiring on March 1, 2022, 5 shall serve for a term
19 expiring on March 1, 2024, and 5 shall serve for a term expiring on March 1, 2026.

20 (END)