

Senate Bill 588

Sponsored by Senator KNOPP; Representative WHISNANT (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Secretary of State to appoint inspectors general to review spending of certain entities and identify inappropriate costs.

Requires entities to deposit 75 percent of amount of inappropriate costs in General Fund and 25 percent of amount of inappropriate costs in Inspector General Fund to be used in carrying out activities of inspectors general.

Establishes Inspector General Fund. Continuously appropriates moneys in fund to Secretary of State for purposes of carrying out activities of inspectors general.

A BILL FOR AN ACT

1
2 Relating to inspectors general.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Secretary of State shall appoint an inspector general for each of the**
5 **following groups:**

6 (a) **The Commission for the Blind, the Department of Human Services, the Long Term**
7 **Care Ombudsman and the Psychiatric Security Review Board.**

8 (b) **The Oregon Health Authority.**

9 (c) **The Higher Education Coordinating Commission, the Office of Community Colleges**
10 **and Workforce Development, the Oregon Health and Science University, the Oregon Oppor-**
11 **tunity Grant program, the Department of Education, the State Board of Education, the**
12 **Common School Fund and the Teacher Standards and Practices Commission.**

13 (d) **The Department of Corrections, the Oregon Criminal Justice Commission, the De-**
14 **partment of Justice, the Oregon Military Department, the Oregon Youth Authority, the**
15 **State Board of Parole and Post-Prison Supervision, the Department of State Police, the De-**
16 **partment of Public Safety Standards and Training, the Judicial Department, the Commission**
17 **on Judicial Fitness and Disability and the Public Defense Services Commission.**

18 (e) **The Oregon Department of Administrative Services, the State Fair Council, the**
19 **Oregon Historical Society, the Oregon Advocacy Commissions Office, the Employment Re-**
20 **lations Board, the Oregon Government Ethics Commission, the Office of the Governor, the**
21 **Oregon Liquor Control Commission, the Public Employees Retirement Board, the Oregon**
22 **Racing Commission, the Department of Revenue, the Secretary of State, the State Library**
23 **and the State Treasurer.**

24 (f) **The Oregon Business Development Department, the Employment Department, the**
25 **Housing and Community Services Department and the Department of Veterans' Affairs.**

26 (g) **The Oregon Department of Aviation and the Department of Transportation.**

27 (h) **The Oregon Board of Accountancy, the State Board of Chiropractic Examiners, the**
28 **State Board of Licensed Social Workers, the Construction Contractors Board, the Oregon**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Board of Dentistry, the Department of Consumer and Business Services, the Health Licens-
 2 ing Office, the State Mortuary and Cemetery Board, the Oregon Board of Naturopathic
 3 Medicine, the Board of Medical Imaging, the State Board of Examiners for Speech-Language
 4 Pathology and Audiology, the Oregon State Veterinary Medical Examining Board, the Bureau
 5 of Labor and Industries, the Oregon Board of Licensed Professional Counselors and Thera-
 6 pists, the Oregon Medical Board, the Oregon State Board of Nursing, the State Board of
 7 Pharmacy, the State Board of Psychologist Examiners, the Public Utility Commission, the
 8 Real Estate Agency, the State Board of Tax Practitioners and the Commission on Indian
 9 Services.

10 (i) The State Board of Agriculture, the Columbia River Gorge Commission, the State
 11 Department of Energy, the Department of Environmental Quality, the State Department of
 12 Fish and Wildlife, the State Forestry Department, the State Department of Geology and
 13 Mineral Industries, the Department of Land Conservation and Development, the Land Use
 14 Board of Appeals, the Department of State Lands, the State Marine Board, the State Parks
 15 and Recreation Department, the Water Resources Department and the Oregon Watershed
 16 Enhancement Board.

17 (2) The Secretary of State shall select each inspector general without regard to political
 18 affiliation and solely on the basis of integrity and demonstrated ability in accounting, audit-
 19 ing, financial analysis, law, management analysis, public administration or investigations.

20 (3) An inspector general serves at the pleasure of the Secretary of State. At least 30 days
 21 before an inspector general is removed from office, the Secretary of State shall communicate
 22 in writing the reasons for the removal to a committee or interim committee of the Legisla-
 23 tive Assembly related to general government.

24 **SECTION 2.** (1) At least once each year, each inspector general appointed under section
 25 1 of this 2017 Act shall review the spending of each entity in the group assigned to the in-
 26 spector general under section 1 of this 2017 Act and identify any costs that are inappropriate
 27 because of:

28 (a) An alleged violation of a provision of a law, regulation, contract or other agreement
 29 or document governing the expenditure of funds;

30 (b) A finding that, at the time of the review, the cost is not supported by adequate doc-
 31 umentation; or

32 (c) A finding that the expenditure of funds for the intended purpose is unnecessary or
 33 unreasonable.

34 (2) An inspector general may subpoena witnesses, require the production of books and
 35 papers and rendering of reports in such manner as the inspector general requires and do all
 36 things necessary to secure a full and thorough review under this section. An entity to which
 37 an inspector general is assigned under section 1 of this 2017 Act shall make all information
 38 and materials available to the entity available to the inspector general unless a statute spe-
 39 cifically provides that the inspector general is precluded from reviewing the information.

40 (3) The inspector general shall submit an accounting to the head of each entity and to
 41 the Secretary of State detailing each inappropriate cost identified under subsection (1) of this
 42 section.

43 (4) Within 30 days after receiving the accounting under subsection (3) of this section, an
 44 entity may challenge a finding of an inappropriate cost identified in the accounting. Within
 45 10 days after receiving the challenge, the Secretary of State shall determine whether the cost

1 was inappropriate and submit a final accounting of inappropriate costs to the entity.

2 (5) Within 60 days after receiving a report under subsection (3) of this section, an entity
3 shall deposit:

4 (a) 75 percent of the full amount of inappropriate costs identified in the accounting under
5 subsection (3) of this section or the final accounting under subsection (4) of this section, as
6 applicable, in the General Fund available for general governmental expenses; and

7 (b) 25 percent of the full amount of inappropriate costs identified in the accounting under
8 subsection (3) of this section or the final accounting under subsection (4) of this section, as
9 applicable, in the Inspector General Fund established in section 3 of this 2017 Act.

10 SECTION 3. (1) The Inspector General Fund is established in the State Treasury, sepa-
11 rate and distinct from the General Fund. Interest earned by the Inspector General Fund
12 shall be credited to the fund.

13 (2) The Inspector General Fund consists of moneys deposited in the fund under section
14 2 of this 2017 Act.

15 (3) Moneys deposited to the credit of the Inspector General Fund are continuously ap-
16 propriated to the Secretary of State for the purpose of carrying out the provisions of
17 sections 1 and 2 of this 2017 Act.

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