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# Legislative Oversight

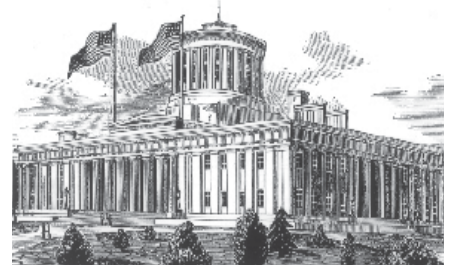
Views of  
Grand Stair Hall,  
Senate Building



*Photograph provided by CSRAB*



*Photographed by Robin Stein, LSC*



## Legislative Oversight

### What is Legislative Oversight?

“**L**egislative oversight” refers to the legislature’s review and evaluation of selected activities of the executive branch of government. The legislative branch conducts oversight activities because it not only enacts new programs for the state, but also has a duty to ensure that existing programs are implemented and administered efficiently, effectively, and in a manner consistent with legislative intent.

While oversight is the specific focus of some legislative activities, it is an integral part of the legislative process that is often difficult to separate from the lawmaking process. Oversight is the focus of select committees and special oversight committees and can also be part of the hearings and work of standing committees. Oversight takes place during the review of administrative rules and when the Senate advises and consents to gubernatorial appointments. The budget process includes many oversight activities, because during the biennial appropriation process, the General Assembly must relate the overall value of a program to other programs competing for funding from limited state resources. To some extent, legislators determine relative funding levels for programs on the basis of information they receive by questioning executive branch administrators during budget hearings.

In Ohio, legislative oversight probably has its origins in early statutory provisions that required

various state agencies to submit annual reports to the General Assembly. Some reports were required to document the agency’s expenditures, while others were intended to provide a more comprehensive description of the agency’s overall performance. This manner of legislative oversight continues today in a slightly modified form, as most state agencies are required to file some type of annual report with the Legislative Service Commission (LSC), which in turn provides a list of all reports to each member of the General Assembly. The LSC also serves as a legislative budget and program oversight commission. The LSC has its own staff but may delegate to any committee it creates the responsibility to review state agencies and programs, state local assistance programs, and state laws.

Over the years, the legislature has:

- Conducted several reviews of executive branch programs under LSC’s authority to serve as a legislative budget and program oversight commission;
- Created a fiscal staff within LSC to provide an independent source of fiscal information relating to state revenues and expenditures;
- Established a formal procedure for review of all administrative rules adopted by executive branch agencies;
- Established sunset laws and the Sunset Review Committee to formally evaluate state boards and agencies on a regular basis.

## *Special Oversight Committees*

Committees, some of which include non-legislators, have been established for the purpose of providing legislative oversight. Examples of special oversight committees are:

- Joint Legislative Committee on Health Care Oversight
- Joint Legislative Committee on Medicaid Technology and Reform
- Turnpike Legislative Review Committee

## Activities That Include Oversight

### ***Legislative Committees with Oversight Functions***

In the General Assembly, the work of standing committees, select committees, and task forces may include oversight activities. The most direct and formal oversight functions are carried out by special or select committees that the General Assembly has created to review very specific and narrowly defined issues. These committees may consist exclusively of legislators or they may include legislators as part of a broader committee membership. The work of these committees may be assisted by LSC staff, agency staff, or the committee's own staff.

An example of a permanent legislative oversight committee under the direction of the LSC is the Correctional Institution Inspection Committee (CIIC). This eight-member committee, established in 1977, is charged with the responsibility of inspecting private and state operated adult prisons, and evaluating operations, conditions, and grievance procedures. The committee may also inspect local jails and Department of Youth Services facilities. The committee is required to submit a report to the General Assembly of findings made in inspections and of any programs or proposals to assist in the development of improvements. The CIIC employs a staff director and inspectors to assist members with inspections, evaluations, and reports. Staff also make inquiries regarding institutional corrections issues and problems reported by various sources, including legislators, institution employees,

inmates, incarcerated youth, and family members of inmates and youth.

### ***Review of Administrative Rules***

The legislature's review of administrative rules is another way in which the General Assembly oversees the executive branch. A "rule" is a formal written statement of law that state agencies adopt to carry out statutory policies and administer programs. The General Assembly's role in the rule-making process is the review and possible invalidation of proposed and adopted rules.

The Joint Committee on Agency Rule Review (JCARR), created in 1978, is the vehicle through which the General Assembly exercises its rule-making oversight. JCARR consists of five members of the House of Representatives appointed by the Speaker of the House and five members of the Senate appointed by the President of the Senate, with no more than three members from each house being of the same political party. JCARR is primarily responsible for reviewing proposed and adopted rules. In addition, as part of a periodic review of agency rules, JCARR must determine whether an agency has complied with review criteria specified in the Revised Code.

JCARR does not have authority to invalidate rules. JCARR may recommend that the General Assembly invalidate a proposed or adopted rule, but the power to invalidate a rule is vested solely in the General Assembly. The General Assembly may invalidate a rule on the grounds that it exceeds the agency's rule-making authority, that it conflicts with legislative intent, that it conflicts with another rule, that it is not accompanied by a properly prepared rule

summary and fiscal analysis, or that it improperly incorporates matter by reference. Beginning on January 1, 2012, the General Assembly may invalidate a rule if the rule-making agency fails to demonstrate that the rule's regulatory intent justifies its adverse impact on businesses in the state.

Once the General Assembly invalidates a rule, for the duration of that General Assembly, the agency may not adopt that rule or propose or adopt a rule that is the same as the invalidated rule unless authorized to do so by that General Assembly. Additional information about rule-making procedures appears in Chapter 11.

### **Sunset Provisions**

A "sunset" provision is a provision enacted by the General Assembly that places an expiration date on an entire act or part of an act. The purpose of a sunset provision is to force a systematic evaluation of an agency or program by establishing a specific date for the termination of the law creating the agency or program. An agency or program cannot be continued beyond the sunset date unless the General Assembly reenacts the authorizing statute or repeals the automatic termination provision.

The Sunset Review Law automatically terminates most agencies (state boards, commissions, committees, and councils) four years after they are established unless they are continued by new legislation. The Sunset Review Committee, established by the law, reviews individual agencies according to a schedule set forth in the law except for agencies that are specifically exempt from the law. The Committee receives a report from all agencies subject to review, holds public hearings concerning those agencies, and recommends a bill to the General Assembly regarding the future of the agencies. For each agency being reviewed, the recommended bill may propose that the General Assembly renew or abolish the agency, transfer the agency's functions to another agency, or amend or repeal statutes in order to improve the agency's usefulness, performance, or effectiveness. The Sunset Review Committee is composed of three Senators, three Representatives, and three individuals appointed by the Governor with the advice and consent of the Senate. The current

Sunset Review Committee expects to complete its work in 2011.

### **Fiscal Oversight**

The General Assembly utilizes a number of oversight procedures during the appropriations process, including the enactment of statutory reporting requirements, which may be instituted to monitor an agency's expenditures of state and federal funds. A standard provision adopted in the creation of some boards and commissions is a requirement that the board or commission prepare and submit an annual spending report to the General Assembly.

The budget process provides for a retrospective view of past appropriations and a prospective examination of requested appropriations. The budget document prepared by the Governor and the Office of Budget and Management, often called "the blue book," includes this information. Legislative oversight is carried out throughout the hearings on the budget bill, which involve substantial interaction between legislators and agency representatives.

The Controlling Board offers yet another means through which legislators can provide oversight and control of agency appropriations and expenditures. The Controlling Board consists of six legislators and the Director of Budget and Management or the Director's designee, who serves as president. Legislative members include the chairperson of the House Finance and Appropriations Committee, the chairperson of the Senate Finance Committee, two members of the House of Representatives appointed by the Speaker of the House (one from the majority party and one from the minority party), and two members of the Senate appointed by the President of the Senate (one from the majority party and one from the minority party). The President of the Controlling Board is responsible for preparing the proposed agenda for each Board meeting at which state agencies submit specific requests to the Board. These requests may seek approval for the transfer of funds within a state agency or a transfer of appropriated funds from one fiscal year to the next. Additionally, agencies may ask the Controlling Board to waive competitive bidding requirements under specified conditions.

The Controlling Board has authority to do the following:

- Release appropriated funds that, by law, require Board approval before expenditure;
- Authorize certain purchases to be made by state agencies without competitive selection;
- Authorize expenditures from revenues not anticipated in the current appropriations act;
- Transfer funds and appropriations or parts of appropriations.

The following are examples of Controlling Board actions:

- Transfers of funds from one fiscal year to another;
- Transfers of all or part of an appropriation within a state agency's budget (but not between state agencies);
- Temporary transfers of appropriations included in the emergency purposes account of the Controlling Board.

The Controlling Board may not take any action that does not carry out legislative intent regarding program goals and levels of support expressed in prevailing appropriation acts.

### ***Advice and Consent to Gubernatorial Appointments***

As authorized by the Ohio Constitution, statutes often require members of state boards and commissions appointed by the Governor to be confirmed by the Senate. The Senate's advice and consent are also required for the Governor's appointments of agency heads. The Senate may use these advice and consent powers to exercise legislative oversight by reviewing the background and qualifications of individuals selected to assume policymaking positions in state government.