



2026 Governor's Proposal:
State Office of Inspector General

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- Bill recognizes significant work on this topic by legislature this session and last.
- The Governor recommends establishing the State Office of Inspector General to investigate and prevent fraud and misuse of public funds across state programs.
- Includes appropriations to set up and staff the office as well as associated costs at state agencies.

Effective Coordination Between State IG and Agencies

- Measures aiming to improve effective work between the new state IG and agency IGs. State IG:
 - Has full access to an agency IG's investigative file (Art. 1, sec. 7, subd. 2(a))
 - Has authority to direct and review an agency's investigation (Art. 1, sec. 7, subd. 2(a))
 - Sets policy and procedure that agency IGs must follow (Art. 1, sec. 7, subd. 2(b))
 - Agency IGs regularly consult with and report on activities to the state IG (Art. 1, sec. 7(l); Art. 2, secs. 7, 8, 10, 12)
 - Annual reporting to public and legislature on implementation status of state IG recommendations to agency heads (Art. 1, sec. 7, subd. 1(6))
- Keeps MDE OIG at the agency, along with those at DHS and DCYF
- Help to inform other agencies of cross-program provider involvement (Art. 1, sec. 7(8))

Improve Independence of Agency IGs

- Agency head must consult with state IG in their selection of agency IG (Art. 1, sec. 7(m))
- Agency head must consult with state IG on removal of an agency IG (Art. 1, sec. 7(m))
- Duty to report to central IG when they identify certain issues such as malfeasance in the administration of a public program (Art. 1, sec. 7(n))

Technology Investment

- Legislature recognized importance of sharing data in order to combat fraud with passage of updated language in 13.357.
- \$15 million one-time in FY 2027 to improve state agencies' capabilities to enhance data sharing capabilities and/or to enhance identity verification (Art. 3, sec. 2).
- Agency systems require additional investments to operationalize that authority.
- [LoginMN](#): Enhanced identity verification. Unified login experience.

Appropriations

\$ - thousands	FTEs	FY 2027	FY 2028-29
State Office of Inspector General	49	17,936	17,919
<i>Data Sharing IT Infrastructure</i>	-	15,000	-
<i>MNIT Technology Staff</i>	14	282	4,554
<i>Investigators and Auditors</i>	15	417	4,906
<i>Other State OIG Costs</i>	20	2,237	8,459
DHS Staff & IT	12.5	2,055	4,850
DCYF Staff	5	465	1,240
MDE Staff	4.5	589	1,570
The Legislature	-	21	14
Department of Administration	5	892	892
Total, Governor's Recommendation	76	21,958	26,485



Questions?