

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5523-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 19 – 2 – 1

House – Yeas: Buckley, D. Edwards, Galizio, Garrard, Jenson, Komp, Kotek, Nathanson, Richardson, Shields

– Nays: Gilman

– Exc: G. Smith

Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

– Nays: Girod

– Exc:

Prepared By: Satish Upadhyay, Department of Administrative Services

Reviewed By: Ken Rocco, Legislative Fiscal Office

Meeting Date: June 9, 2009

Agency

Oregon Government Ethics Commission

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 1,282,675	\$ 403,618	\$ 206,658	\$ -1,076,017	83.9%
Other Funds	\$ 3,379	\$ 864,101	\$ 1,446,618	\$ 1,443,239	42712.0%
Total	\$ 1,286,054	\$ 1,267,719	\$ 1,653,276	\$ 367,222	28.6%

Position Summary

Authorized Positions	7	6	8	1
Full-time Equivalent (FTE) positions	6.25	6.00	8.00	1.75

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

With the passage of Senate Bill 10 by the 2007 Legislature, a new funding mechanism has been established for the Oregon Government Ethics Commission beginning with the 2009-11 biennium. The agency's General Fund will be replaced with assessments charged to state agencies and local government entities. State agencies will be assessed based on FTE, while local entities will be assessed based on a formula connected to the Municipal Audit charge that is collected by the Secretary of State. The assessments will be collected for the Commission by the Department of Administrative Services. The remaining General Fund in the budget for 2009-11 is for cash flow purposes as the agency transitions to the new funding model. All General Fund will be eliminated in the 2011-13 biennium.

Summary of General Government Subcommittee Action

The mission of the Oregon Government Ethics Commission is to impartially administer the regulatory provisions of government standards and practices, lobby regulation, and executive session provisions of the public meetings law. These laws require financial disclosure filings for public officials, regulate lobbyist registration, and prescribe methods for handling conflict of interest situations. The Subcommittee approved a budget of \$206,658 General Fund, \$1,446,618 Other Funds, and eight positions (8.00 FTE). It is a 28.6 percent increase from the 2007-09 Legislatively Approved Budget and a 30.4 percent increase from the 2009-11 essential budget level.

The Subcommittee approved Package 081: June 2008 E-Board, with a modification. This package provides \$8,118 General Fund and \$56,826 Other Funds to continue the funding approved by the Emergency Board during the 2007-09 interim for higher than budgeted Attorney General costs. The package was adjusted to reflect a change in the transition funding model for the agency from the initial 25 percent General Fund/ 75 percent Other Funds to a revised 12.5 percent General Fund/ 87.5 percent Other Funds mix as a result of earlier than anticipated revenues from the assessments on state and local entities.

The Subcommittee directed that the agency review the costs and benefits of adding a staff attorney position in the future as a way to manage Attorney General costs which have increased significantly over the past several years. The agency should report on its findings to the Joint Committee on Ways and Means or the Emergency Board.

The Subcommittee approved Package 100: Trainer, with a modification. This package provides \$18,055 General Fund and \$126,395 Other Funds to add one limited-duration, full-time Program Analyst 1 position (1.00 FTE) to work as a trainer. The additional trainer position is expected to help the agency meet the increased demand for training from public officials. The position would also be used to assist in the development of a full web-based training program that will be accessible on the agency's webpage. The package was reduced from the original package which sought an increase of two trainer positions. The package was also adjusted to reflect a change in the transition funding model for the agency from the initial 25 percent General Fund/ 75 percent Other Funds to a revised 12.5 percent General Fund/ 87.5 percent Other Funds mix as a result of earlier than anticipated revenues from the assessments on state and local entities.

The Subcommittee directed that the agency continue efforts to improve the dissemination of information regarding advisory and staff opinions and other guidance in order to maximize the provision of timely and accurate information to the public. The Subcommittee discussed opportunities to accomplish this goal through an improved, searchable webpage and the inclusion of materials addressing frequently asked questions, or FAQs. In addition, the Subcommittee directed the Commission to work with state and local organizations to develop a training program designed to use the strategy of "train the trainers" with the goal of developing a more efficient and effective training program. The Subcommittee directed the agency to report on both of these efforts to the Joint Committee on Ways and Means or the Emergency Board during the 2009-11 interim.

The Subcommittee approved Package 101: Administrative Specialist, with a modification. This package provides \$13,347 General Fund and \$94,061 Other Funds to continue one limited-duration, full-time Administrative Specialist 1 position (1.00 FTE) approved by the Emergency Board during the 2007-09 interim. The position will assist with the increase in paperwork and filings required under legislation passed during the 2007 Session. Although the ethics reform legislation passed during the 2007 Session was modified in the 2009 Session by the passage of Senate Bill 30, additional paperwork and filings will continue to require agency processing. The package was adjusted to reflect a change in the transition funding model for the agency from the initial 25 percent General Fund/ 75 percent Other Funds to a revised 12.5 percent General Fund/ 87.5 percent Other Funds mix as a result of earlier than anticipated revenues from the assessments on state and local entities.

The Subcommittee approved Package 104: Assessment's Accounting Costs, with a modification. This package provides \$8,583 General Fund and \$60,082 Other Funds for the agency to pay for services provided by the Department of Administrative Services for a half-time accountant position that will be responsible for the billing and collection of receipts for the agency's new funding model. The package was adjusted to reflect a change in the transition funding model for the agency from the initial 25 percent General Fund/ 75 percent Other Funds to a revised 12.5 percent General Fund/ 87.5 percent Other Funds mix as a result of earlier than anticipated revenues from the assessments on state and local entities.

The Subcommittee approved Package 810: LFO Analyst Reduction/ Fund Shift. This package fund shifts \$245,153 from General Fund to Other Funds to reduce the amount of General Fund provided to the agency to serve as a beginning balance. It has been determined that the agency will

begin receiving the assessments from state agencies in September 2009, reducing the need for a General Fund beginning balance from six months to three months.

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.