

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5024-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Eyre Brewer
Carrier – Senate: Sen. Whitsett**

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

Vote: 24 – 1 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays: Girod
– Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: May 27, 2011

Agency
Oregon Government Ethics Commission

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Biennium
2011-13

Budget Summary*

	2009-11		2011-13		Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	2011-13 Committee Recommendation	\$ Change	% Change
General Fund	\$ 162,912	\$ 16,826	\$ 0	\$ 0	\$ -162,912	-100.0%
Other Funds	\$ 1,381,699	\$ 1,513,310	\$ 1,684,230	\$ 1,617,210	\$ 235,511	+17.0%
Total	\$ 1,544,611	\$ 1,530,136	\$ 1,684,230	\$ 1,617,210	\$ 72,599	+4.7%

Position Summary

Authorized Positions	8	6	8	8	0
Full-time Equivalent (FTE) Positions	8.00	6.00	8.00	8.00	0.00

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Prior to the 2009-11 biennium, the agency was funded almost entirely by General Fund. With the passage of Senate Bill 10 by the 2007 Legislature, the agency's funding changed to an assessment model, with full implementation in the 2011-13 biennium. The assessment is split equally between state agencies and local government entities. The assessment proportionately charges state agencies on the basis of full-time equivalent positions and local government entities on the basis of their payments of the Municipal Audit charge to the Secretary of State. The assessments are collected for the Commission by the Department of Administrative Services. The Subcommittee lowered the agency's assessment revenues from \$1.8 million in the 2009-11 biennium to \$1.6 million 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 \$1.6 million Other Funds and eight positions (8.00 FTE). The total funds budget is a 4.7 percent increase from the 2009-11 Legislatively Approved Budget.

The Subcommittee approved packages that eliminate standard inflation for Services and Supplies, reduce Personal Services by 5.5 percent, and phase-out expenditures associated with 2009-11 limited duration positions. The Subcommittee also approved the following:

- Package 101: Trainer. This package continues one limited duration, full-time trainer (Program Analyst 1) position (1.00 FTE), originally established in the 2009-11 biennium. This is one of two positions that train public officials in ethics laws and develop needed training programs, including web-based training. This package increases Other Funds expenditure limitation by \$151,223.
- Package 102: Filing and Reporting Specialist. This package authorizes a permanent, full-time Administrative Specialist 1 position (1.00 FTE), which was first approved as limited duration in 2008. This position processes forms and reports filed with the agency, maintains databases, and help conduct audits of those forms/reports. This package increases Other Funds expenditure limitation by \$126,848.
- Package 801: Targeted Statewide Adjustments. This package implements a statewide reduction action, which is a 6.5 percent reduction from total Other Funds Services and Supplies expenditures included in the Governor's Recommended Budget. This package reduces Other Funds expenditure limitation by \$27,923.
- Package 810: LFO Analyst Adjustments. In aggregate, this package reduces General Fund by \$16,826 and Other Funds expenditure limitation by \$39,097. Adjustments include completing the fund shift of the agency's budget from General Fund to Other Funds and reducing Personal Services by \$55,923 Other Funds, consistent with updated projections for this budget category.

Based on current revenue and expenditure projections, the package also reduces assessment revenue by \$200,000. If needed, the agency may request an adjustment to assessment revenues during the February 2012 session. The goal is to provide short-term stability in rates for assessed entities while maintaining adequate cash flow for the agency.

The Subcommittee directed the agency to seek ways to provide training more efficiently and cost-effectively. It also approved the following budget note:

Budget Note

The Oregon Government Ethics Commission shall report to the Joint Committee on Ways and Means during the February 2012 Legislative Session on progress being made in streamlining its training program utilizing the Internet, webinars, virtual learning, and other technology.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5024-A

**Oregon Government Ethics Commission
Art Ayre -- (503) 378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 162,912	\$ 0	\$ 1,381,699	\$ 0	\$ 0	\$ 0	\$ 1,544,611	8	8.00
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 16,826	\$ 0	\$ 1,513,310	\$ 0	\$ 0	\$ 0	\$ 1,530,136	6	6.00
2011-13 Governor's Recommended Budget*	\$ 0	\$ 0	\$ 1,684,230	\$ 0	\$ 0	\$ 0	\$ 1,684,230	8	8.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
Package 092: Fund Shifts/Sweeps (Package Denied) Services and Supplies	\$ 0	\$ 0	\$ 22,096	\$ 0	\$ 0	\$ 0	\$ 22,096	0	0.00
Package 103: Reclass Investigator (Package Denied) Personal Services	\$ 16,826	\$ 0	\$ (22,096)	\$ 0	\$ 0	\$ 0	\$ (5,270)	0	0.00
Package 801: Targeted Statewide Adjustments Services and Supplies	\$ 0	\$ 0	\$ (27,923)	\$ 0	\$ 0	\$ 0	\$ (27,923)	0	0.00
Package 810: LFO Analyst Adjustment Personal Services	\$ (16,826)	\$ 0	\$ (39,097)	\$ 0	\$ 0	\$ 0	\$ (55,923)	0	0.00
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ (67,020)	\$ 0	\$ 0	\$ 0	\$ (67,020)	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 1,617,210	\$ 0	\$ 0	\$ 0	\$ 1,617,210	8	8.00
% Change from 2009-11 Leg Approved Budget	-100.0%	0.0%	17.0%	0.0%	0.0%	0.0%	4.7%	0.0%	0.0%
% Change from 2011-13 Current Service Level	-100.0%	0.0%	6.9%	0.0%	0.0%	0.0%	5.7%	33.3%	33.3%
% Change from 2011-13 Gov's Recommended Budget	0.0%	0.0%	-4.0%	0.0%	0.0%	0.0%	-4.0%	0.0%	0.0%

*Excludes Capital Construction Expenditures

Legislatively Approved 2011-2013 Key Performance Measures

Agency: OREGON GOVERNMENT ETHICS COMMISSION

Mission: To enforce and prevent, with an emphasis on service, violations of Oregon State laws that prohibit public officials from using their position for financial gain, require persons who lobby the Legislature to register and report their lobbying expenditures, and specify limited purposes for which the governing bodies of public bodies may meet in non-public sessions.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - Percentage of statutory time limit used for preliminary reviews, investigations, staff opinions and Commission advisory opinions.		Approved KPM	74.50	82.00	80.00
2 - Quality of investigations completed		Approved KPM	4.18	4.00	4.20
3 - Training Program's Effectiveness		Approved KPM	90.00	80.00	90.00
4 - Minimize Case Disposition Costs - Percentage of contested cases settled before hearing.		Approved KPM	100.00	90.00	90.00
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	80.00	85.00	85.00
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	67.00	85.00	85.00
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	87.00	85.00	85.00
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	89.00	85.00	85.00
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	89.00	85.00	85.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
5 - Customer Service - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	85.00	85.00	85.00
6 - Governance Best Practices - Percent of total best practices met by the commission.		Approved KPM	88.00	91.00	92.00

LFO Recommendation:

Approve the Key Performance Measures as proposed by the Oregon Government Ethics Commission, with the following technical changes:

- 1) Renumber performance measures to reflect a total of 6 Key Performance Measures (numbering needs clean up after changes made in 2009-11)
- 2) Increase the targets for each component of the Customer Service measure to 85

Sub-Committee Action:

The Subcommittee approved the Legislative Fiscal Office recommendation.