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# MEMORANDUM

Legislative Fiscal Office  
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**To:** General Government Subcommittee

**From:** John Borden, Legislative Fiscal Office  
(503) 986-1842

**Date:** May 8th, 2013

**Subject:** Oregon Government Ethics Commission – SB 5522  
Work Session Recommendations

## **Government Ethics Commission – Agency Totals**

<b>Fund-type Positions/FTE</b>	<b>2009-11 Actuals</b>	<b>2011-13 Legislatively Approved</b>	<b>2013-15 Current Service Level</b>	<b>2013-15 LFO Recommended</b>
General Fund	162,912	--	--	--
Other Funds	1,244,405	1,615,856	1,606,484	1,948,766
<b>Total Funds</b>	<b>\$1,407,317</b>	<b>\$1,615,856</b>	<b>\$1,606,484</b>	<b>\$1,948,766</b>
Positions	8	8	7	8
FTE	8.00	8.00	7.00	7.88

Attached are the recommendations from the Legislative Fiscal Office for the *Government Ethics Commission*. It contains the following:

- Package 091 – Statewide Administrative Savings (\$9,363 OF)
- Package 092 – PERS Tax Policy (\$2,810 OF)
- Package 093 – Other PERS Adjustments (\$22,452 OF)
- Package 101 - Special Assessment IT Project (\$250,000 OF)
- Package 102 – Reclassification of Compliance Specialist (\$4,705 OF)
- Package 811 – Ethics Trainer Position (\$122,202 OF)(1 position/0.88 FTE)

### **Adjustments to Current Service Level:**

See attached "Work Session Presentation Report" dated 5/2/2013.

**Co-Chair: I move that the General Government Subcommittee approve the LFO recommendations to SB 5522.**

### **Performance Measures**

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

**Co-Chair: I move that the General Government Subcommittee approve the LFO Key Performance Measure recommendations.**

**Recommended Changes to Appropriation Bill:**

The Legislative Fiscal Office recommends a budget of \$1,948,766 *Other Funds and eight positions (7.88 FTE)* and that *Senate Bill 5522* be amended accordingly.

***Delete lines 5 through 9 and insert the following:***

SECTION 1. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2013, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Oregon Ethics Commission, for the following purposes:

- (1) Administration.....\$1,698,766
- (2) Electronic reporting system.....\$250,000

**SB 5522 Final Subcommittee Action:**

**Co-Chair: I move SB 5522 to the full committee with a “do pass” recommendation, as modified.**

**Chair to assign carriers:**

**Full:** \_\_\_\_\_  
**2<sup>nd</sup> Chamber:** \_\_\_\_\_

LFO102 - Work Session Presentation Report  
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 19900-000-00-00-00000  
Oregon Government Ethics Commission

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	1,615,856	-	-	-	1,615,856	8	8.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	1,615,856	-	-	-	1,615,856	8	8.00
2011-13 Leg Approved Budget (Base)	-	-	1,615,856	-	-	-	1,615,856	8	8.00
Summary of Base Adjustments	-	-	(45,592)	-	-	-	(45,592)	(1)	(1.00)
2013-15 Base Budget	-	-	1,570,264	-	-	-	1,570,264	7	7.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	4,471	-	-	-	4,471	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(14,104)	-	-	-	(14,104)	-	-
030: Inflation & Price List Adjustments	-	-	45,853	-	-	-	45,853	-	-
2013-15 Current Service Level	-	-	1,606,484	-	-	-	1,606,484	7	7.00
Adjusted 2013-15 Current Service Level	-	-	1,606,484	-	-	-	1,606,484	7	7.00
Total LFO Recommended Packages	-	-	342,282	-	-	-	342,282	1	0.88
2013-15 Legislative Actions	-	-	1,948,766	-	-	-	1,948,766	8	7.88
Net change from 2011-13 Leg Approved Budget	-	-	332,910	-	-	-	332,910	-	(0.12)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	20.6%	0.0%	0.0%	0.0%	20.6%	0.0%	(1.5%)
Net change from 2013-15 Current Service Level	-	-	342,282	-	-	-	342,282	1	0.88
Percent change from 2013-15 Current Service Level	0.0%	0.0%	21.3%	0.0%	0.0%	0.0%	21.3%	14.3%	12.6%

LFO102 - Work Session Presentation Report  
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 19900-010-00-00-00000  
General Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	-	-	1,615,856	-	-	-	1,615,856	8	8.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	-	-	1,615,856	-	-	-	1,615,856	8	8.00
<b>2011-13 Leg Approved Budget (Base)</b>	-	-	1,615,856	-	-	-	1,615,856	8	8.00
Summary of Base Adjustments	-	-	(45,592)	-	-	-	(45,592)	(1)	(1.00)
<b>2013-15 Base Budget</b>	-	-	1,570,264	-	-	-	1,570,264	7	7.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	4,471	-	-	-	4,471	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(14,104)	-	-	-	(14,104)	-	-
030: Inflation & Price List Adjustments	-	-	45,853	-	-	-	45,853	-	-
<b>2013-15 Current Service Level</b>	-	-	1,606,484	-	-	-	1,606,484	7	7.00
<b>Adjusted 2013-15 Current Service Level</b>	-	-	1,606,484	-	-	-	1,606,484	7	7.00
<b>Total LFO Recommended Packages</b>	-	-	342,282	-	-	-	342,282	1	0.88
<b>2013-15 Legislative Actions</b>	-	-	1,948,766	-	-	-	1,948,766	8	7.88
Net change from 2011-13 Leg Approved Budget	-	-	332,910	-	-	-	332,910	-	(0.12)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	20.6%	0.0%	0.0%	0.0%	20.6%	0.0%	(1.5%)
Net change from 2013-15 Current Service Level	-	-	342,282	-	-	-	342,282	1	0.88
Percent change from 2013-15 Current Service Level	0.0%	0.0%	21.3%	0.0%	0.0%	0.0%	21.3%	14.3%	12.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 091 Statewide Administrative Savings**

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve the policy package.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	(9,363)	-	-	-	(9,363)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the policy package.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	(2,810)	-	-	-	(2,810)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the policy package.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	(22,452)	-	-	-	(22,452)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 Special Assessment-IT Project**

Package Description This package provides for a one-time assessment that would fund a statutory requirement that the agency have an electronic reporting system for lobbyists and public officials who must file annual Statements of Economic Interest (SEI). Under current law, the development of an online reporting system must be completed by January 1, 2015.

This policy package provides approval for a one-time special assessment of \$800,000 for the electronic reporting system. The revenue source is from a state agency assessment and a local government assessment and is equally shared between the two assessments.

This policy package also provides for an initial \$250,000 of Other Funds expenditure limitation.

LFO Recommendation Approve the policy package, as modified.

Budget Instructions The Government Ethics Commission (GEC) is directed to work with the Department of Administrative Services (DAS) in the development and implementation of an electronic reporting system for lobbyists and public officials who must file annual Statements of Economic Interest. DAS is to provide the GEC with the oversight, project management, information technology systems development lifecycle, and procurement support needed to successfully complete this project.

DAS and GEC are to provide the Legislative Fiscal Office by December 1, 2013 final copies of the project business case, including final recommendation; vendor contracts; foundational project management documentation; a project work plan and budget.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	250,000	-	-	-	250,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 102 Reclass Compliance Specialist**

Package Description This package reclassifies the agency's Compliance Specialist 1 position to a Compliance Specialist 2. The position is one of two investigator positions whose duties are outside the scope of this classification, based on a Department of Administrative Services review.

LFO Recommendation Approve the policy package.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	4,705	-	-	-	4,705	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 811 Ethics Trainer Position**

Package Description This package restores a Program Analyst 1 as a permanent full-time position that will serve as the agency's ethics trainer for public officials. The position will continue to provide web-based training, including online interactive webinars trainings, and in-person training on ethics and executive session laws. The position was previously classified as Limited Duration for the last two biennia.

The package totals \$122,202 Other Funds (1 position/0.88 FTE), which includes \$13,235 of Services and Supplies. The revenue source is from a state agency assessment and a local government assessment, that is equally shared between the two assessments.

LFO Recommendation Approve the policy package.

LFO Analyst Notes SB 5522 (2013)

LFO Recommended	-	-	122,202	-	-	-	122,202	1	0.88
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## Legislatively Proposed 2013-2015 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 2014	Target 2015
1 - Percentage of statutory time limit used for preliminary reviews, investigations, staff opinions and Commission advisory opinions.		Approved KPM	79.00	85.00	85.00
2 - Quality of investigations completed		Approved KPM	4.80	5.00	5.00
3 - Training Program's Effectiveness		Approved KPM	53.00	60.00	60.00
4 - Minimize Case Disposition Costs - Percentage of contested cases settled before hearing.		Approved KPM	100.00	100.00	100.00
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	75.00	75.00
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	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.	Helpfulness	Approved KPM	89.00	95.00	95.00
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	95.00	95.00
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.	Timeliness	Approved KPM	85.00	90.00	90.00
6 - Governance Best Practices - Percent of total best practices met by the commission.		Approved KPM	100.00	100.00	100.00

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets with direction that the agency will work with the Department of Administrative Service and the Legislative Fiscal Office to conduct a review of existing KPMs and targets.

**Sub-Committee Action:**

## Senate Bill 5522

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

### 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.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Oregon Government Ethics Commission.

Declares emergency, effective July 1, 2013.

### A BILL FOR AN ACT

1  
2 Relating to the financial administration of the Oregon Government Ethics Commission; limiting  
3 expenditures; and declaring an emergency.

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

5 **SECTION 1. Notwithstanding any other law limiting expenditures, the amount of**  
6 **\$2,376,564 is established for the biennium beginning July 1, 2013, as the maximum limit for**  
7 **payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts,**  
8 **but excluding lottery funds and federal funds, collected or received by the Oregon Govern-**  
9 **ment Ethics Commission.**

10 **SECTION 2. This 2013 Act being necessary for the immediate preservation of the public**  
11 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
12 **July 1, 2013.**

13

**Note: For budget, see 2013-2015 Biennial Budget**

**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.