

GOVERNMENT ETHICS COMMISSION

The mission of the Government Ethics Commission is to impartially administer the regulatory provisions of government standards and practices, lobby regulation, and certain public meeting laws.

The Commission educates public officials and lobbyists on the provisions of the Government Ethics Law, the Public Meetings Law, and lobbying regulations, through either online or in-person training. It also provides general advice to public officials and lobbyists, more formal staff advice, staff advisory opinions, and then Commission advisory opinions. A formal complaint within the Commission’s jurisdiction undergoes a preliminary review and possibly an investigation. Upon a preliminary finding by the Commission, a respondent has the option of contesting the finding through the state’s administrative hearings process. A formal finding may include a letter of reprimand, a civil penalty, and/or a forfeiture. At any time during the process a complaint can be dismissed or a settlement negotiated through a stipulated final order by the Commission. The Commission is required by law to meet specific timelines for the conduct of investigations.

The Commission consists of seven volunteer members; four members are appointed by the Governor upon recommendation by legislative leaders and three directly by the Governor. All members are confirmed by the Senate. Unlike most other commissions, members are limited to one four year term and may not be reappointed.

GOVERNMENT ETHICS COMMISSION	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
General Fund	162,912					N/A
Other Funds	1,244,405	1,615,856	1,606,484	2,376,564	0	-0.6%
TOTAL FUNDS	\$1,407,317	\$1,615,856	\$1,606,484	\$2,376,564	\$0	-0.6%
Positions	8	8	7	7	0	-12.5%
FTE	8.00	8.00	7.00	7.00	0.00	-12.5%

Major Revenues	Budget Environment	Comparison by Fund Type																								
<ul style="list-style-type: none"> Supported with Other Funds equally apportioned between state and local government. The assessment for state agencies is based on each agency’s budgeted full-time equivalents (\$900,000). The assessment for local entities is based on a formula connected to the Municipal Audit charge that is collected by the Secretary of State and whose assessment varies by the size of the local entities expenditures (\$900,000). 	<ul style="list-style-type: none"> There are an estimated 200,000 public officials subject to agency jurisdiction, with the vast majority serving at the local government level. There are 2,000 lobbyist and employers of lobbyist who must file quarterly lobbying activity expense reports; 1,000 lobbyists must file or renew their lobbying registrations every two years; 5,500 public officials must file Annual Verified Statement of Economic Interest forms. 	<table border="1"> <caption>GOVERNMENT ETHICS COMMISSION Revenue (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$0.2</td> <td>\$1.2</td> <td>\$0.0</td> </tr> <tr> <td>2011-13</td> <td>\$0.0</td> <td>\$1.6</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$0.0</td> <td>\$1.6</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 GB</td> <td>\$0.0</td> <td>\$2.38</td> <td>\$0.0</td> </tr> <tr> <td>2013-15</td> <td>\$0.0</td> <td>\$0.0</td> <td>\$0.0</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$0.2	\$1.2	\$0.0	2011-13	\$0.0	\$1.6	\$0.0	2013-15 CSL	\$0.0	\$1.6	\$0.0	2013-15 GB	\$0.0	\$2.38	\$0.0	2013-15	\$0.0	\$0.0	\$0.0
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<ul style="list-style-type: none"> • Significant portion of assessment revenue originates as General, Lottery, Other Funds or Federal Funds. • Civil penalties, fines, and forfeitures imposed and collected by the agency are transferred to the General Fund (\$30,000). Actual revenue for the 2009-11 biennium totaled \$41,855. 	<ul style="list-style-type: none"> • Need for agency information technology investment. • The agency receives on average 113 complaints a year with 42 (37%) outside its jurisdiction. • Complaints are categorized and tracked on ethics (47%), executive session (33%), and lobby (20%) violations. • Complaints are also tracked by jurisdiction: state (11%); cities (28%); counties (11%); education (21%); special districts (19%) and Other (10%). • Focus on training/educational activities through web-based and in-person training. 	

MAJOR CHALLENGES AND DECISION POINTS

The 2013-15 current service level budget of \$1.6 million is \$9,372, or - 0.6%, less than the 2011-13 legislatively approved budget (LAB) of \$1.62 million. The number of positions (7) and FTE (7.00) is one less than the prior biennium’s budget (-1.00 FTE).

The current service level budget is comprised of \$1.6 million in personal services (72%) and \$454,151 in services and supplies (28%).

At this time, no material adjustments to the current service level have been identified. However, the elimination of a limited duration position is noted below as it results in a 12.5% staffing reduction for the agency.

The Governor’s budget includes reductions for PERS and statewide administrative savings.

The agency also requested several other policy package enhancements that would also result in an assessment increase for state and local governments.

The following is a list of currently identified challenges and decision points for this agency.

1. A Limited Duration trainer position that has been phased-out is being re-requested for the second biennia in a row. The position’s focus has been on providing web-based training, including online interactive webinars trainings. The CSL also phases out \$14,104 in services and supplies for this position (\$151,640; 1 position/1.00 FTE).

This policy package was not approved in the Governor’s budget. Additionally, the state and local assessments that includes the cost of this in their assessments was not reduced to reflect this decision.

2. A one-time assessment 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. Development and implementation of an online reporting system has been delayed until January 1, 2015 due to statewide General Fund reductions, which was how the project was to be funded prior to the agency moving to an assessment-based funding model. The agency’s budget does not include any ongoing operation and maintenance cost for the proposed system (\$800,000).

The Governor’s budget funds this policy package.

3. The agency’s Compliance 1 position is one of two investigator positions whose duties are outside the scope of this classification, based on a Department of Administrative Services review. The agency would like to reclassify the position to a Compliance 2 position (\$4,729)

The Governor’s budget funds this policy package.

4. Beginning with the 2011-13 biennium, the agency has been part of a pilot program initiated by the Attorney General’s office that changed its billings from a traditional variable to a flat (biennial) rate plan. In prior biennia, the Commission’s Attorney General charge varied greatly depending upon whether the Commission faced any contested cases. The continuation of the AG’s pilot program will need to be confirmed for the 2013-15 biennium.

5. The state and local assessment needs to be recalculated to take into account the agency beginning cash balance, a three-month cash reserve, and then any changes approved in the agency’s final budget.