

## **2013-15 Budget Presentation** **Oregon Government Ethics Commission**

### **Mission, Goals and Historical Perspective**

The mission of the Oregon Government Ethics Commission (OGEC) is to fairly and impartially administer the regulatory provisions of Oregon Government Ethics Commission law, Lobby Regulation law and Executive Session provisions of Oregon Public Meetings law efficiently, expeditiously and with the highest possible level of customer service.

Administration of the Ethics, Lobbying and Executive Session laws includes the training of public officials, lobbyists and the public on the essence of these laws.

The Oregon Government Ethics Commission operates pursuant to the following statutes:

- ORS Chapter 244, Oregon Government Ethics Commission Law
- ORS 171.725 to 171.785 and 171.992, Lobbying Regulation Law
- ORS 192.660, Executive Session provisions of Oregon Public Meetings Law
- OAR Chapter 199, Oregon Government Ethics Commission Administrative Rules

The agency has several goals, including training public officials throughout the state and in all levels of government to prevent violations of the ethics, lobby and executive session laws. The addition of two trainers in the prior biennia has assisted the agency in moving this goal forward. The agency is consistently challenged by the constant turnover of public officials throughout all levels of government. The development of on-line training programs is assisting the agency in keeping new public officials trained on the requirement outlined in the ethics laws.

In 1974, more than 70 percent of the voters approved a statewide ballot measure to create the Oregon Government Ethics Commission. The ballot measure also established a set of laws (ORS Chapter 244) requiring financial disclosure by certain officials and creating a process to deal with the inevitable question of conflict of interest. The drafters of the original laws recognized that "conflict of interest" is, indeed, inevitable in any government that relies on citizen lawmakers.

The Oregon Legislature changed the agency's name to Government Standards and Practices Commission in 1993. The name was changed back to Oregon Government Ethics Commission by the 2007 Legislature. The Government Ethics Commission has seven volunteer members. Four members are appointed by the Governor upon recommendation by the

Democratic and Republican leaders of the Oregon House and Senate. The Governor selects three members directly. All members must be confirmed by the Senate. No more than four of the members may be from the same political party. The law allows members to serve only one four-year term.

The Government Ethics Commission is administered by an executive director selected by the commissioners. The Commission also employs investigative, program, and support staff, who are appointed by the executive director.

## **Programs**

### **Education and Training**

Education and training is prioritized as the most important because of the agency's belief that it is its duty to educate public officials about what is expected of them. The ethics laws are complex and many public officials do not know their obligations. The laws will continue to change, requiring education to remain a priority for the agency. The OGE is making a focused effort to increase its educational presence. This effort includes two positions that are dedicated to the education program. These positions are designing an educational program to reach many more public officials than the agency has ever achieved in the past. The positions will also be available to provide staff advice to questions from public officials. The agency has designed a six-year work plan to train all public officials about the requirements of the ethics laws. The program will include web-based training made available to everyone throughout Oregon. The program will include several modules focusing on all areas of the OGE, including Statement of Economic Interest forms, ethics laws, lobbying laws, new employee orientations, executive session provisions, on-line reporting training, etc. The training work plan concentrates not only on programs of training, but training specific groups, such as city recorders, county clerks, state agency trainers, special districts and school districts. The trainers will also develop a training program addressing the executive session provisions of ORS Chapter 192.660. OGE has seen a constant rise in violations from government entities improperly meeting in executive session.

### **Administration**

The agency is committed to focusing its effort towards administration. The agency rewrote its performance measures to better measure what the agency is accomplishing, such as accounting for the increased funding and ensuring the funds are used to benefit Oregonians and the ethics programs they are requesting (on-line reporting, web-based searchable data, auditing records, educating public officials, etc), timeliness and fairness of enforcement actions, and creating transparency for the agency. Administration will also be responsible for continuing to work with a variety of public offices

in administering the funding model in the 2013-15 biennium. This model diversifies the agency's revenues and also increases the agency's obligation to become transparent to all public bodies and the public in general, since they all have a financial interest in the agency. Administration needs to be accountable to all who pay and inform the bodies of the work that is being completed and how this work benefits them.

### **Lobbying Registrations**

SB 10 made many changes to the OGEC lobbying program. These changes include increased reporting requirements, the elimination of the "revolving door", changes to the gift limitations and many others. The agency's lobby program includes an audit function granted during the 2007-09 biennium. This program was designed to ensure reports filed with the OGEC by lobbyists match reports filed by the entities that employ them, and with public officials reports. The audit program has ensured accuracy. With the lobbyists and entities both reporting at the same time on a quarterly basis, the agency has been able to identify many inconsistencies in the reports, which have led to reporting violation actions being taken by the agency. These violations, found through the audit process, have added to the work of the compliance program. This audit program will continue in the 2013-15 biennium. The agency will look to increase the number of audits performed.

### **Statements of Economic Interest**

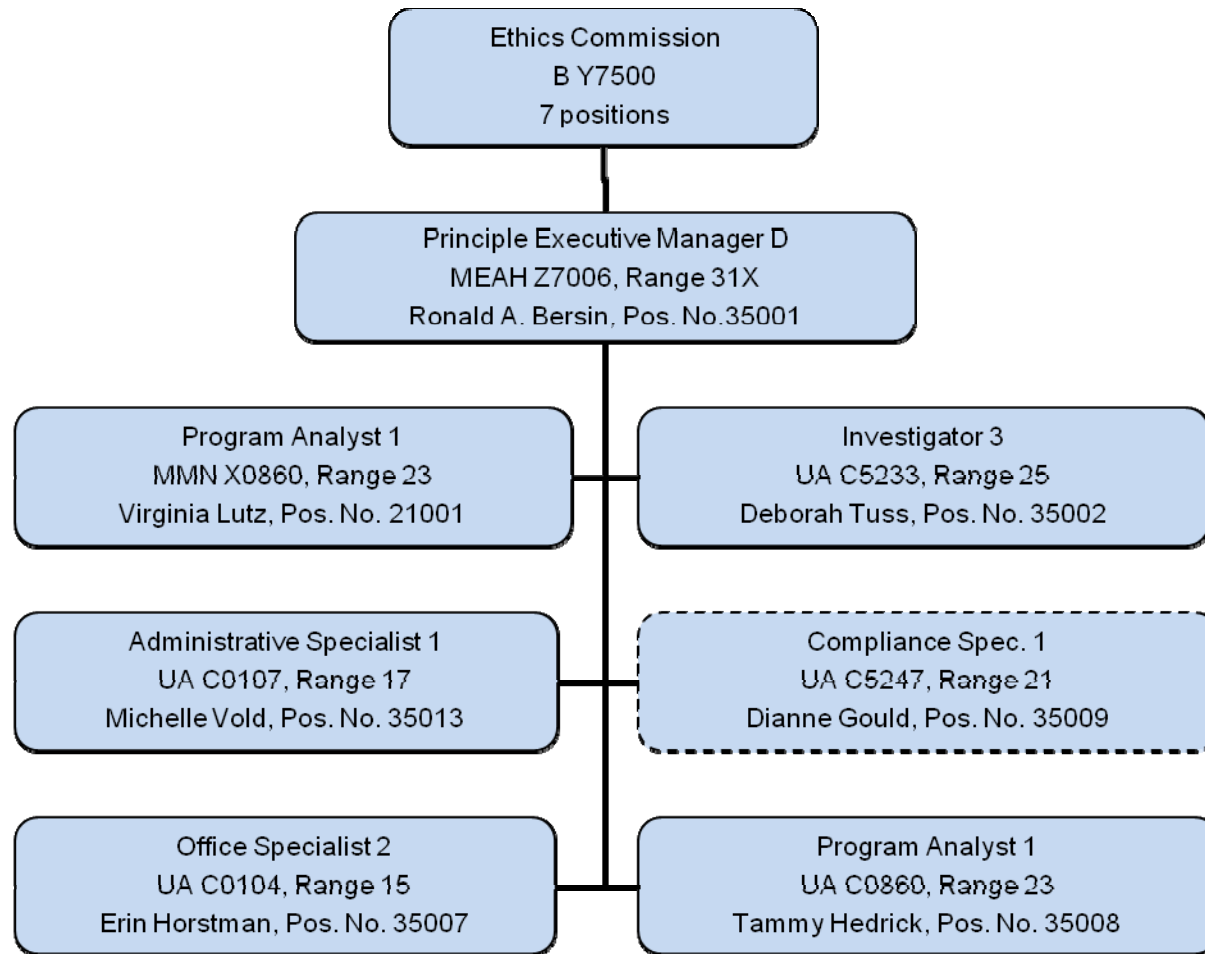
As with the lobbying program, SB 10 created several changes to the Statement of Economic Interest program. These include increased reporting periods, reporting more information, decrease in gift limitation, increased number of public officials required to file, and imposition of an audit program. SB 30 also made changes to the SEI program, eliminating the requirement to include relatives and members of household of the SEI. The audit program is designed to compare what lobbying entities reported they have spent on public officials with what public officials report on their SEIs. Again, this program has increased the compliance program's workload.

### **Target Groups**

The agency work targets many stakeholders throughout all levels of Government such as the League of Oregon Cities, Association of Oregon Counties, School Boards Association, Oregon Education Association, Special Districts Association, etc. The agency's assessment model includes all of the above stakeholders. Cities, counties and special districts that are subject to the Municipal Audit Law are assessed a fee to fund one-half of the agency's biennial budget. This is a cooperative effort between state and local governments to fund the programs of the Commission, including training. The

agency targets public officials in all of these jurisdictions for training on the ethics laws. The agency also targets lobbyists and the entities that hire lobbyists. The lobby laws contained in ORS chapter 171 require lobbyist and the entities they represent to file quarterly expenditure reports with the Commission. Each lobbyist and entity that meets the statutory requirements must register with the Commission. These registrations and expenditure reports become public records used by a wide variety of Oregonians.

**Organization Chart**



## Performance Measures

The agency currently has six performance measures. All six measures are making progress. During the past biennium, the agency implemented its new measures to better reflect the agency's performance. The agency reported this during the interim. The agency uses the performance measures to measure progress and prioritize its limited resources towards accomplishing the measures. This past biennium, the agency made progress on the percentage of statutorily allowed time on its formal advice given to public officials and governmental entities. This faster turnaround time benefited the requesting entity. This next biennium, the agency will continue to measure:

- **The percentage of time used to complete preliminary reviews, investigations, staff and commission advisory opinions.** HB 2595, passed in 2009, set new time limits on these agency functions. The measure will give the agency information about the percentage of time used to complete tasks within these statutory time limits.
- **The number of complaints received and own motions actions taken by the Commission.** This measure will help the agency manage its resources and predict changes to the numbers in the future.
- **The number of public officials, lobbyists and others trained.** This measure will inform the agency of the number trained in each year and give an indication on how the resource is being utilized.
- **Training Effectiveness.** This measure will provide data on the amount learned by the participant through the agency's training effort. The agency will test participants before and after the training and compare the numbers. This measure will help the agency develop effective training programs.
- **Quality of Investigations.** A set of criteria for investigations will be measured. An outside auditor will review the investigations for compliance with the criteria. This measure will help the agency to develop effective and efficient investigation methods.
- **Customer Service.** The agency polls its customers each year on the required material for customer service survey. Availability, Helpfulness, Expertise, Timeliness, Accuracy, and Overall Satisfaction. The agency surveys its stakeholders through its own distribution network.
- **Best Practices.** The agency completes the required Best Practices Survey each year. The annual review is used to plan administrative changes needed in the next review period.

## **Budget Drivers**

The Oregon Government Ethics Commission (OGE) budget is being driven by several bills passed during the 2009 legislative session. The main bill, Senate Bill 30 (SB30) and House Bill 2595 (HB2595), created many changes to the

revisions made to the ethics laws in 2007. The main amendment was a fundamental change to the definition of legislative or administrative interest, which the agency uses to determine if a public official may accept gifts. The bill included many other gift exceptions, which may allow public officials to accept gifts, travel, lodging, food, beverage and entertainment under certain circumstances. The passage of SB 30 and HB 2595 required the agency to rewrite its administrative rules, advisory opinions, public official guide and many other forms and publications. The Governor's Balanced Budget (GBB) predicted these changes and included the associated costs. Without the funding proposed in the GBB, the agency would not be able to perform its statutorily mandated functions. SB 30 and HB 2595 will continue to drive the 2013-15 biennial budget. On-line reporting and posting of the agency's information on the web will begin in 2015. The training efforts and other work completed by the agency in the 2011-13 biennium will continue in the 2013-15 biennium. SB 30 changed the foundation of the agency's interpretation of legislative or administrative interest, which requires the agency to continue to retrain public officials about these new provisions.

The agency's GBB includes several policy packages that address the increased work required by SB 10 passed in 2007 and SB 30 passed in the 2009 legislative session. The agency is attempting to focus its resource on training public officials about the requirements of the ethics laws. This focus includes training public officials from many jurisdictions, such as cities, counties, special districts, school districts, and state agencies. The agency will continue to move resources towards auditing reports filed with the agency. This includes lobbyist expenditure reports and Statement of Economic Interest reports. It is important that the agency audit these reports for accuracy and compare what lobbyists report spending on public officials and what the public officials report. The agency is also auditing lobbying reports by comparing lobbyist expenditures to those expenditures reported by the organizations that employ the lobbyists. The agency has seen many examples of entities reporting that they paid a lobbyist for their services without a corresponding registration or report from the lobbyist. These audits have resulted in many violations being brought before the Commission. The agency is continuing to train both lobbyists and entities about their reporting responsibilities.

SB 10 created a fundamental change in how the agency is funded. Starting in the 2009-11 biennium, the agency was funded through an assessment to both state agencies and local governments. The agency received half of their funding through state agency assessments. This assessment is based on full-time equivalent (FTE) positions and each agency is charged on a per FTE basis. The other half is funded by local governments based on their municipal audit fee. Each local government pays a percentage of their municipal audit fee each year of the biennium. In the 2011-13 biennium, the agency, for the first time, required no general funds. This funding model was designed to bring some stability to the agency's biennial budgets. The 2013-15 assessments will equal \$1,800,000, with \$900,000 from State agencies and \$900,000 from local governments. These assessment amounts are a reduction from the \$1,900,000 amount assessed in the 2009-11 biennium. The assessments to local governments will range from \$53.86 from the smallest local

governments, to \$1,077.08 for the largest local governments. This funding model spreads the operating costs of the agency throughout all government entities regulated by the agency. This creates an assessment model that is fair and equitable for all government entities, with no one entity responsible for a larger portion of the agency's funding. It is this model of dispersing the costs of the agency that gives the agency its stability.

### **Environmental Factors**

In 2005, the Oregon Law Commission was asked to review the ethics laws. With this review came many proposed changes to the laws in the 2007 legislative session. The two main changes to the laws came from Senate Bill 10, and House Bill 2595. Both bills contained portions of recommendations from the Oregon Law Commission, as well as changes proposed by other parties during the 2007 legislative session. Some of the major changes were assessing public bodies for the operating costs of the OGEC, restricting gifts to no more than \$50.00 per year from a source with a legislative or administrative interest, prohibiting the acceptance of entertainment by public officials, increasing the reporting frequency of lobbyists and entities that employ lobbyists, Statement of Economic Interest filers, expanding the agency's authority to promulgate administrative rules, and increasing the civil penalties for violations. The 2007 legislature also increased the agency's staffing to accommodate the increased workload created by the revisions of the laws. The environment required that some changes be made pursuant to the revisions made by the 2007 legislature. The agency had some difficulties in implementing some of these changes. Other changes were met with some resistance from public officials throughout the state. The agency has promulgated administrative rules to bring clarity to the changes to ORS Chapter 244. Both formal and informal written opinions were issued and training sessions were conducted bringing clarity to the new provisions of ORS Chapter 244 and OAR Chapter 199.

The 2009 legislature made additional changes to the ethics laws in both SB 30 and HB 2518. Many of the changes were designed to fix some of the problems experienced with the changes made previously by SB 10 and HB 2595. These changes included the removal of relatives and members of household from the Statement of Economic Interest Statements (SEI), a change to legislative and administrative interest, the elimination of the Quarterly Statements filed by SEI filers, and many others. This also has increased the agency's workload with additional trainings, informal staff advice, and both staff and formal Commission written opinions.

The changes made by SB 30 and HB 2518 have dramatically increased the agency's workload in providing advice to public officials and public bodies. The number of formal written opinions has decreased, with public officials choosing to use the less formal staff advice created by SB 10. SB30, passed in the 2009 legislative session, provided more protections for this informal advice. It is these protections that have encouraged public officials and public bodies to

request informal advice over the more formal staff opinions and advisory opinions. Staff advice is a less formal venue for a public body or public official to get advice from the agency. The agency conducts this advice through email. There were no records of staff advice prior to the 2007-09 biennium, but the number of times staff advice has been given during this period is in excess of 400. Currently, through the 2011-13 biennium, staff advice is on pace to reach over 700. This staff advice has been a major consumer of staff resources, to date, approximately 1.5 FTE, using the agency trainers and investigators as well as the executive director.

As stated above, with the addition of a training position, the number of trainings conducted by the agency has remained steady; however, the agency is transitioning training efforts from in-person to on-line, web-based trainings. These trainings will be the future of the agency, providing real-time training to public officials throughout the state. This, however, does not illustrate the real picture. Since bringing on the second trainer, 8 web-based modules have been published on the agency's website. In fact, the agency is moving towards having large bodies of public officials complete this on-line training at one time. The agency is currently conducting webinars, where the participants can view the trainer (via the agency's on-line camera). Participants listen to the trainings at their computers at their location. Participants are able to communicate with the agency's trainers, to ask questions or discuss topics brought up through the training. These webinars have become very popular with public bodies as a tool to train their public officials. Of course, these trainings save the agency travel funds since the trainers can conduct them from their desks. With this migration from in-person to web-based training, the agency is eliminating its limited-duration trainer position. The 2013-15 biennium will see the agency conduct its formal training programs with one trainer.

The agency has made a significant commitment to education. In-person training sessions have been conducted statewide, from LaGrande to Newport. An even more significant fact is that over 2,000 public officials have attended the in-person trainings. That is approximately 166 public officials statewide each month receiving ethics training in person. On-line webinars, in the first few months of their existence, trained over 200 public officials. The agency expects that number to significantly increase in the months to come and next biennium. The on-line training program will make a significant increase to the number of public officials trained by the agency. The number of visitors to the agency's training site continues to increase each month as word travels about its value. The agency has received many positive reviews from the on-line training modules and webinars. The agency will continue to add to the library of training modules available to all internet users and offer on-line webinars.

The number of complaints filed with the Commission decreased slightly in 2011; however, 2012 saw an uptick in the number of complaints. The increase can be found in the complaints received on issues the Commission does not have jurisdiction over. This increase in non-jurisdictional complaints shows the need for the agency to train Oregonians on the



ethics laws and the issues the Commission is authorized by statute to oversee. Violations, however, took a slight decrease from 2011 to 2012, going from 16 violations in 2011, to 14 violations in 2012. It is too early to tell, but the agency suspects the training efforts throughout the state and on-line is starting to help reduce the number of violations committed by public officials. The agency will continue to look at these numbers to determine if these training programs are having the desired effect. The numbers below show the progression of complaints and violations for 2012, 2011 and 2010 over 2009 numbers.

|                     | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---------------------|-------------|-------------|-------------|-------------|
| Complaints received | 108         | 111         | 98          | 113         |
| Violations          | 24          | 20          | 16          | 14          |

The agency continues to see an increased awareness of the ethics laws by both public officials and the general public. The training programs conducted by the agency increases this awareness. Both the public and public officials are becoming more aware of the ethics laws. In prior years this has led to an increase in the number of complaints received by the OGEC. In 2009 and 2010 the number of complaints decreased in comparison with prior years. As the OGEC continues to increase its training hours, the agency will look for the number of complaints to decrease. At some point, the training programs may see a continued decrease in the number of violations committed by public officials

Another factor for the prior increases in complaints may be due to media coverage during the 2009 session that informed the public of the new ethics laws. The media continues to cover the agency's progress with the new ethics laws from the 2009 legislative session. OGEC staff also continues to receive an increased number of inquiries from the public on the new ethics laws.

### **Major Changes**

The changes to the ethics laws as described earlier in budget drivers and environmental factors have a profound impact on the agency's budget as described in those sections. One area not discussed was the elimination of the funding set aside to build the electronic reporting system in 2007-09 biennium. During the 2007-09 biennium, the agency was appropriated \$700,000 of general fund money to build an electronic reporting system. The agency hired an IT consultant to review the current procedures of the agency, and how those procedures and reports could be produced and received electronically. The consultant finished the work in late 2008, creating a Request for Proposal (RFP) document. Unfortunately, just prior to the agency releasing the RFP, a major reduction plan was implemented, which unscheduled the remaining \$635,000 budgeted for the project. The agency was unable to release the RFP. Since that date, the statutory requirement for an electronic reporting system has been moved forward to its current date of January 1, 2015. In the

agency's current budget, a policy package is in place for \$800,000 other funds. This would be a one-time assessment to both State and local governments required to pay the agency's assessment to fund completion of the electronic reporting system project. The lack of an electronic reporting system has required the agency to continue to send out, receive and post statutorily required reports in paper form. This continuation of printing, mailing and receiving paper reports has severely hampered the agency's ability to audit reports filed. The resources of the agency are used to send, receive and organize these paper reports. With an electronic system, the system will send, receive and post the information from the reports. The system will alert the agency to any abnormalities that require auditing by its staff.

### **Cost Containments**

The agency has utilized the limited technology available to it to reduce costs. This includes scanning information into PDF files and sending those files electronically, digital recordings of Commission meetings so the agency can post the recording on its website for all interested parties, and the creation of training webinars conducted in-office eliminating travel to each site.

The agency has made a real effort to electronically scan paper documents into PDF files. These files then can be sent electronically to interested parties, eliminating the need to copy the documents and mail those copies to the interested parties. This action has reduced the agency's costs in responding to public record requests. By eliminating postage, printing and copying costs, the requestor has also saved money, since most public record requests can be completed at no cost to the requestor. On frequently requested records, such as legislator's SEIs, creating a single PDF file that can be used for the numerous requests, saves the agency money by not repeating the effort.

The agency purchased a portable digital recording device for \$356.00 to record its public meetings. This device eliminated the need for cassette tapes (\$10.00 per case) required by the old analog recording device; and it allows the agency to post its recording on the website for the public to either listen to or download. This will reduce the public record requests for recording of the Commission meetings, and the costs associated with duplicating cassette tapes (\$5.00 per tape).

The agency purchased a web cam and software to produce on-line, real-time webinars that public officials can attend from the comfort of their own workstations. These webinars allow the agency trainers to conduct trainings throughout the state, from the agency office, requiring no travel expenses. The training is also cost effective with the ability to train several public officials from multiple locations. The agency will continue to look for ways to utilize technology to deliver its training products.

The agency continues to look for opportunities to consolidate its expenses with other agencies. This includes sharing of office space, office equipment, meeting rooms, telephone and data lines, etc. Recently, the agency partnered with the other agencies inside the building to re-negotiate our lease agreement for a favorable rate, and upgrades to our office space.

### **Major Budgetary Issues**

The major budgetary issue for the agency in the 2013-15 biennium is the completion of the electronic reporting system. The project began in the 2007-09 biennium, but due to budgeted general funds being revoked during a budget rebalance, the project was never completed. The 2013-15 biennial budget includes a one-time special assessment to the governmental bodies required to pay the agency's assessment. This special assessment will produce \$800,000 to complete the electronic reporting system. The completion of the project will allow the agency to meet its statutory requirement for an electronic reporting system that is viewable by the public. The completion of this project will also be a major budget driver in future biennia. Current resource used to print, mail, receive and file statutorily required reports in the office, will be used to ensure the accuracy of those reports.

### **Audits**

No audits were conducted by the Secretary of State's Audit Division during the 2011-13 biennium.

### **Legislation**

House bills 2078, 2079 and 2080 concern changes to the laws administered by the agency. House Bill 2078 makes changes to the Lobby laws, extending the time a lobbyist has to register a client with the agency from three business days to 10, eliminates the grace period of March 31<sup>st</sup> on even numbers years to register a client, and eliminates a separate expenditure report that allows several lobbyist to report all on the same form. These changes were needed to meet the current demands of lobbyists, and the needs of the agency to create consistency in reporting requirements and reporting forms

House Bill 2079 attempts to standardize the definition of relative in the ethics statutes. Currently there are two different definitions of relatives, one in the ethics statutes, and one specifically for nepotism. These different definitions are confusing to public officials, and the public, making it difficult to train both. The bill also attempts to add clarity to the relative statute.

House Bill 2080 eliminates language that allows the Commission to hold its own administrative hearings. Current statute requires the Commission to use the services of the Office of Administrative Hearings for its contested case hearings. The change will accomplish this housekeeping purpose.

### **Information Technology**

As mentioned earlier, the 2013-15 biennial budget includes a one-time assessment to fund the completion of the agency's electronic reporting system. The information technology (IT) project will allow the agency to send, receive and process reports on-line eliminating the need for printing, postage, processing, and filing the statutorily required reports in the office. The electronic system will also allow the public to view these reports, eliminating the need to contact the office with a public records request. This will create transparency of the reports to the public, accomplishing their intended purpose.

## **APPENDIX**

1. Agency New Hires
2. Annual Performance Progress Report

**AGENCY NEW HIRES**

**2011-13 Biennium**

- |          |                             |           |
|----------|-----------------------------|-----------|
| 1. C5233 | Compliance Specialist 1     | Step 4 ** |
| 2. C0107 | Administrative Specialist 1 | Step 2    |

\*\* The most recent hire, the Compliance Specialist 1 (CS1) was brought in at step 4. The justification for this was the qualifications of the candidate (the successful candidate holds a Juris Doctorate) and the proposed reclassification of the position to a Compliance Specialist 2 (CS2). The fourth step of CS1 is one step below the first step of the proposed reclassified position to CS2.

# **OREGON GOVERNMENT ETHICS COMMISSION**

## **Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)**

Original Submission Date: 2012

Finalize Date: 2/14/2013

| 2011-2012<br>KPM # | 2011-2012 Approved Key Performance Measures (KPMs)  |
|--------------------|---|
| 1                  | Percentage of statutory time limit used for preliminary reviews, investigations, staff opinions and Commission advisory opinions.   |
| 2                  | Quality of investigations completed   |
| 3                  | Training Program's Effectiveness  |
| 4                  | Minimize Case Disposition Costs - Percentage of contested cases settled before hearing.   |
| 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. |
| 6                  | Governance Best Practices - Percent of total best practices met by the commission.  |



| <b>New<br/>Delete</b> | <b>Proposed Key Performance Measures (KPM's) for Biennium 2013-2015</b> |
|-----------------------|---|
|                       | <b>Title:</b><br><br><b>Rationale:</b>                                  |

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/14/2013

**Agency: OREGON GOVERNMENT ETHICS COMMISSION**

|                       | <b>Green</b><br>= Target to -5% | <b>Yellow</b><br>= Target -6% to -15% | <b>Red</b><br>= Target > -15% | <b>Pending</b> | <b>Exception</b><br>Can not calculate status (zero entered for either Actual or Target) |
|-----------------------|---------------------------------|---------------------------------------|-------------------------------|----------------|---|
| <b>Summary Stats:</b> | 83.33%                          | 0.00%                                 | 16.67%                        | 0.00%          | 0.00%   |

**Detailed Report:**

| KPMs  | Actual | Target | Status | Most Recent Year | Management Comments   |
|---|--------|--------|--------|------------------|---|
| 1 - Percentage of statutory time limit used for preliminary reviews, investigations, staff opinions and Commission advisory opinions. | 79     | 82     | Green  | 2012             | <p>This is a new measure for the agency. In the past, all four of these statutory deadlines were measured individually. This measure allows us to measure the agency's performance in all four areas with one measure. Below is a breakdown of the four percentages for informational purposes and pursuant to the request of the 2009 legislature. Preliminary Reviews: 93% (average 126 days of the 135 days statutorily allowed) Investigations: 51% (average 92 days of the 180 days statutorily allowed) Staff Opinions: 73% (average 22 days of the 30 days statutorily allowed) Advisory Opinions: 100% (average 60 days of the 60 days statutorily allowed) In the case of both Staff and Advisory Opinions, statute allows for 30 days (staff) and 60 days (advisory). Statute also allows one 30-day extension for staff opinions, and one 60-day extension for advisory opinions. Measure is based on 30 and 60 without the extension.</p> |

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/14/2013

| KPMs  | Actual | Target | Status | Most Recent Year | Management Comments  |
|---|--------|--------|--------|------------------|--|
| 2 - Quality of investigations completed   | 4.80   | 4.00   | Green  | 2012             | This is a new measure for the agency and has been a challenge. The data has needed to be collected in-house. In the future, management would like to use an outside third party. Ratings in each of the four areas are as follows: Timeliness 4.90 Accessibility 4.70 Objectivity 4.60 Organization 5.00 The measure increased in most categories, with an increase overall. The quality of investigations seems to be on track with its targets.  |
| 3 - Training Program's Effectiveness  | 53     | 80     | Red    | 2012             | The agency is looking to automate the before testing as to not take additional time during the training session. This will help to create more data for the agency to analyze. This is a new measure. The agency continues to develop this testing program to meet the needs of its customers, while at the same time produce data that is useful in developing the training programs, both in-person and web-based. The targets seem to be mis-aligned at this point. The agency would prefer to not change the targets until more data is received in the next performance year. |
| 4 - Minimize Case Disposition Costs - Percentage of contested cases settled before hearing.   | 100    | 90     | Green  | 2012             |  |
| 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. | 86     | 85     | Green  | 80               | The agency continues to increase its customer service numbers in each category. The agency's attention to customer service is shown in this measure.   |

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/14/2013

| KPMs   | Actual | Target | Status | Most Recent Year | Management Comments  |
|--|--------|--------|--------|------------------|--|
| 6 - Governance Best Practices - Percent of total best practices met by the commission. | 100    | 91     | Green  | 2012             | The Commission continues to see turnover in Commission members. The agency struggled with the measure to identify and attend training sessions. With the reduced state resources used to train new Commission members, this duty will fall to the agency. The agency will concentrate on training its Commission members in the next performance period. The Commissioners over the last review period agreed the agency was accomplishing 100% of the best practices. This last review period had very little turnover on the Commission. |

This report provides high-level performance information which may not be sufficient to fully explain the complexities associated with some of the reported measurement results. Please reference the agency's most recent Annual Performance Progress Report to better understand a measure's intent, performance history, factors impacting performance and data gather and calculation methodology.

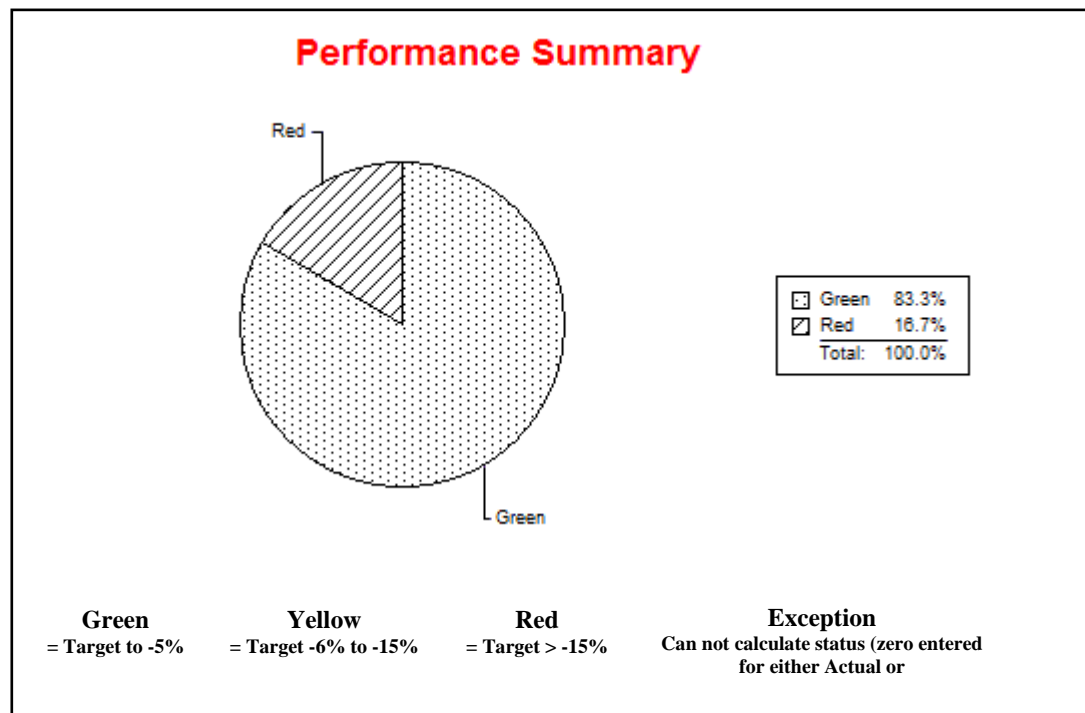
**Agency Mission:** To enforce and prevent, with an emphasis on service, violations of Oregon State laws that prohibit public officials from using their position for financial gain, require persons who lobby the Legislature to register and report their lobbying expenditures, and specify limited purposes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

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**Alternate:** Virginia Lutz, Program Analyst

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**1. SCOPE OF REPORT**

The scope of this report includes all of the program and service areas administered by the Government Ethics Commission. The information regarding the key performance measures relates to training and education, compliance, administration, lobbying registration and reporting and the filing of annual statements of economic interest.

## **2. THE OREGON CONTEXT**

The mission of the Government Ethics Commission is to fairly and impartially administer the regulatory provisions of Government Ethics law, Lobby Regulation law and the Executive Session provisions of the Oregon Public Meetings law. This mission is to be accomplished with efficient, expedient customer service of the highest quality. This is a foundation for the commission's high-level outcomes and linked to Oregon Benchmark No. 35, *Public Management Quality*

## **3. PERFORMANCE SUMMARY**

In 2012, the agency is exceeding its targets in five of six measures. The agency has three newer measures and will continue to look at the data and its targets. The measure not met in this past year was partly due to a changing of the testing metric for public officials trained. The agency will monitor this measure's progress in the next reporting period.

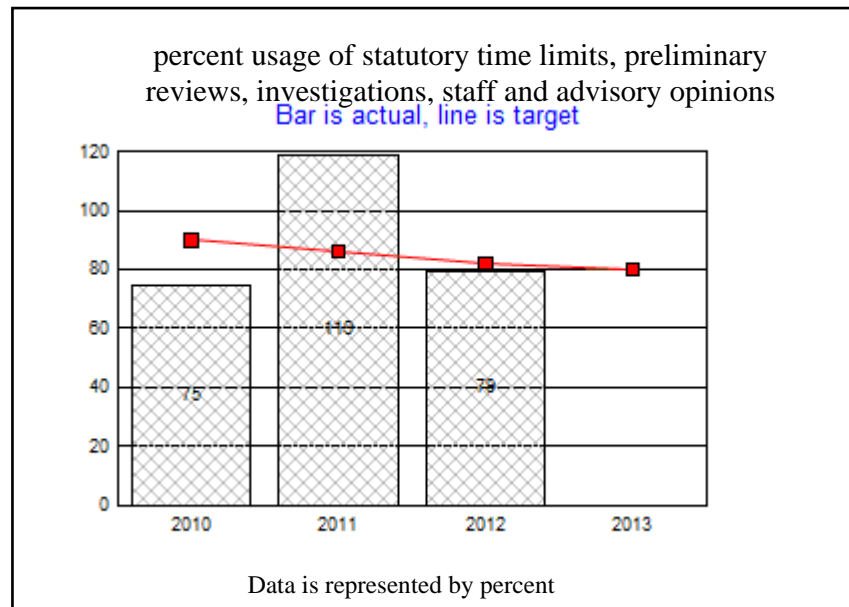
## **4. CHALLENGES**

The OGEC continues to be challenged by limited staff. The lack of resources has hindered the agency in accomplishing one of its performance measure goals. This was due to a retirement and a promotion of experienced staff. The report shows progress on its six measures, exceeding targets on five of the six measures. This is a result of focusing the agency's resources towards these measures. The agency continues to be challenged by another major review of its statutes and operating procedures by the 2009 Legislature. The changes made during this session have altered the agency's performance measures, requiring the deletion of seven measures and replacing them with five new measures.

## **5. RESOURCES AND EFFICIENCY**

Performance Measure number 1 is an efficiency measure. The agency continues to use its resources in an efficient and effective manner. The new measures developed in 2008 will illustrate this performance much better than the prior measures. Current measures illustrate the agency's ability to meet its statutorily mandated time limits in performing its duties; however, this measure has been challenged this past year. The replacement of experienced staff with new staff has increased our percentage of time used to complete the agency's statutory time limited duties.. The new measure better measures the agency's efficiency and effectiveness in meeting these time limits. The agency was forced to re-evaluate its resources in early 2009 due to budgetary restraints.

|                       |   |      |
|-----------------------|---|------|
| <b>KPM #1</b>         | Percentage of statutory time limit used for preliminary reviews, investigations, staff opinions and Commission advisory opinions. | 2008 |
| <b>Goal</b>           | More timely completion of statutorily required duties of agency-agency mission  |      |
| <b>Oregon Context</b> | To provide excellent customer service   |      |
| <b>Data Source</b>    | Agency case log database, opinion database and individual case files  |      |
| <b>Owner</b>          | Ronald A. Bersin 503-378-5105   |      |



**1. OUR STRATEGY**

The agency's strategy is to continue to lower the percentage of statutory time limits needed to complete its work. The agency consistently looks for ways to streamline the process to obtain efficiencies. The agency added additional staff to help with meeting the demands of these four areas; however, turnover this

past year of vertern employees has set this measure back. With training of current staff, the agency predicts the measure will be on target in the next reporting period.

## **2. ABOUT THE TARGETS**

The targets were set previously when staff was down, and new staff was being trained. The agency has brought its new staff up-to-speed and numbers for the current reporting period are better.

## **3. HOW WE ARE DOING**

The agency is not meeting its targets currently. The percentage of statutory time limited used has increased dramatically over the past year as reflected in the measure. One reason for this is the number of veteren employees that took promotions and retired this past year. This required the agency to hire new staff. Training is completed, but the changing of experienced employees for new employees has made a dramatic increase in the percentage of statutory time limits used. The agency will continue to train the current employees to remedy this measure.

## **4. HOW WE COMPARE**

The agency is participating in a look at Ethics Commissions throughout the country. The agency will be looking for the results of this work to compare itself with other Commissions nationwide.

## **5. FACTORS AFFECTING RESULTS**

The agency has increased its staff allowing the agency to better respond to especially on requested advice. For investigations, the percentages have stayed consistant due to the requirements set forth in Chapter 244 on the investigative process; however, investigative times have increased a small percentage. The percentage of time used on investigations was skewed by the fact that the majority of cases settled with the Commission before the statutory deadline ended. This was an anomaly for the agency

## **6. WHAT NEEDS TO BE DONE**

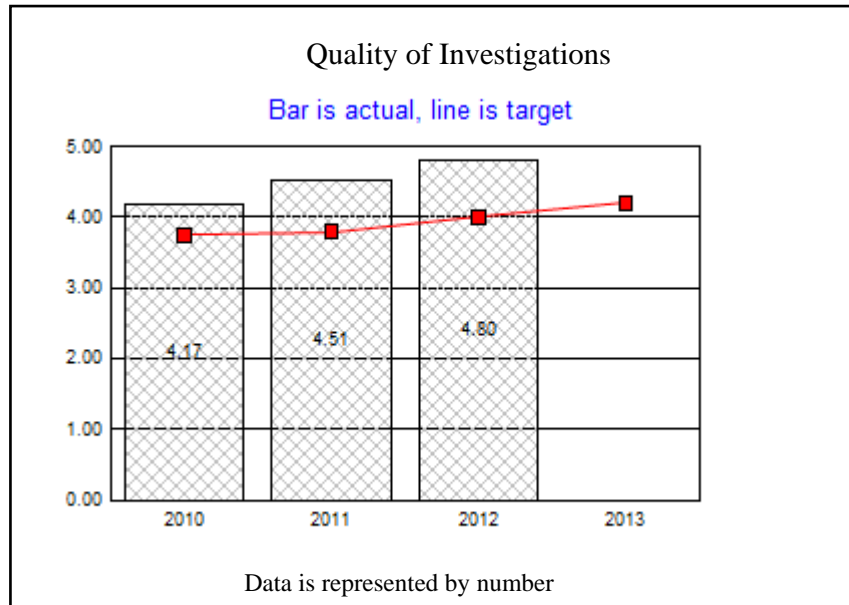
The agency needs to continue to monitor this data. This is a new measure and changes to the targets or measure itself should not be looked at until more data is received and reported on.



**7. ABOUT THE DATA**

The data is gathered manually from the investigative files, and advisory opinions issued by the agency. The agency is looking at an electronic reporting system. Once in place, the agency hopes to add to the system to capture the data used in this measure. By moving towards electronic formats, the data could be collected in real-time.

|                       |   |      |
|-----------------------|---|------|
| <b>KPM #2</b>         | Quality of investigations completed                                   | 2008 |
| <b>Goal</b>           | To measure the quality of the investigations performed by the agency. |      |
| <b>Oregon Context</b> | Provide excellent customer service                                    |      |
| <b>Data Source</b>    | The findings of the third party's evaluations                         |      |
| <b>Owner</b>          | Ronald A. Bersin 503-378-5105   |      |



**1. OUR STRATEGY**

To determine the effectiveness of the agency's investigations. This will be done by comparing the investigations to a set of criteria determined by the agency. The agency is looking for a third party to compare the investigations against this criteria. The agency will then use this data to streamline its investigations and at

the same time make them more effective.

## 2. ABOUT THE TARGETS

The agency is using a 1-5 scale to rate its effectiveness. The targets reflect the agency's goals in its effectiveness. The targets will continue to increase as the agency learns more about its investigations and creates ways to improve them.

## 3. HOW WE ARE DOING

The agency continues to move forward in this area. This is the second year for this measure and the data is new to the agency. The agency will look at this year's data and make changes appropriately.

## 4. HOW WE COMPARE

The agency continues to participate in a nationwide review of Ethics Commissions. The agency hopes to obtain data to make comparisons.

## 5. FACTORS AFFECTING RESULTS

Finding a third party to review the investigations has been a challenge. With the budget constraints of the past year, the agency cannot afford to pay a third party to review the data; therefore, the agency has had to use in-house staff (outside of investigations) to review the files and collect the data.

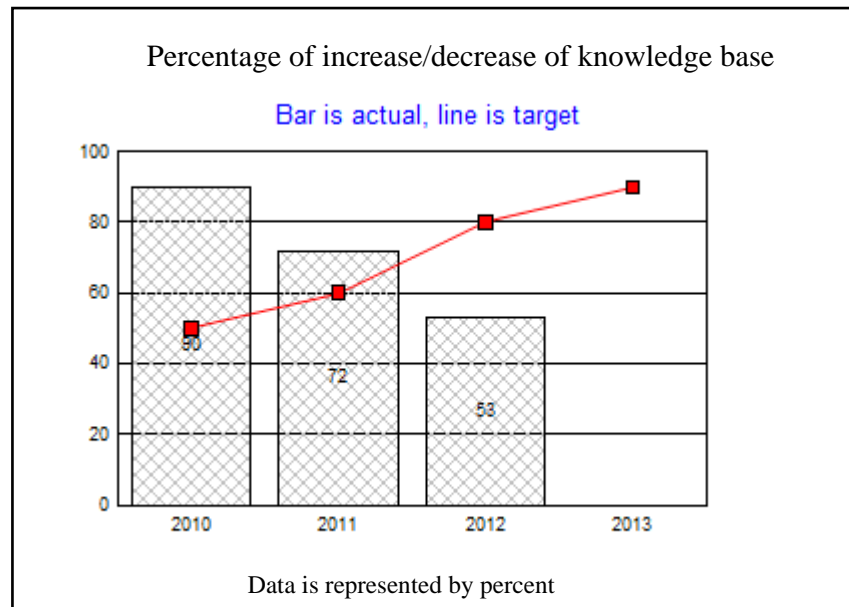
## 6. WHAT NEEDS TO BE DONE

Find better ways to collect the data from the files. The agency is reviewing the idea of having investigators from other small agencies review the cases for criteria.

## 7. ABOUT THE DATA

The data is collected in-house and with budget constraints the data cannot be collected from an outside party. The data will be collected throughout the fiscal year. The investigations are rated in four areas: Timeliness, Accessiblilty, Objectivity, and Organization.

|                       |   |      |
|-----------------------|---|------|
| <b>KPM #3</b>         | Training Program's Effectiveness  | 2008 |
| <b>Goal</b>           | To increase the agency's training programs effectiveness.                       |      |
| <b>Oregon Context</b> | To provide excellent customer service   |      |
| <b>Data Source</b>    | Scores from before and after exams taken by attendees of the agency's trainings |      |
| <b>Owner</b>          | Ronald A. Bersin 503-378-5105   |      |



**1. OUR STRATEGY**

Our strategy is create training that meets the needs of public officials and their organizations throughout the State. This effectiveness will include delievery of the training, and the knowledge held by the participants. The agency is moving toward web-based training to help accomplish this measure.

## 2. ABOUT THE TARGETS

The targets represent an increase in knowledge between going into a training, both in-person and on the web, and coming out of the training. It is important for the agency to know whether its training is increasing the public officials knowledge of the ethics laws.

## 3. HOW WE ARE DOING

The agency finds it a challenge to test participants both at the beginning of a training session and at the end. The limited time we are given to train public officials is not always sufficient to include this testing. The agency also has been met with resistance from participants in completing the exams. Many public agencies do not want the Commission testing its staff. The agency has incorporated web-based training into this measure. The web-based training currently does not have as dramatic an effect on learning as in-person training. The agency will evaluate the training modules for effectiveness. The past year, training has become more targeted concentrating on each public bodies specific needs. This has also affected the testing. The trainers are testing on a more specific area of law as opposed to years past when the tests were on the entire ethics laws. The percentage of change has lowered due to the new testing metric.

## 4. HOW WE COMPARE

The agency is participating in a nationwide survey. The agency anticipates data to be used for a comparison with other Ethics Commissions.

## 5. FACTORS AFFECTING RESULTS

The reluctance of the participating public agencies to participate in the testing program. The training time is limited, and participants do not want to take tests both coming into the sessions and at the end. The agency has been forced to rely mainly on its web-based program for this data. Training has been limited especially with state agencies due to budget constraints. The agency has found most training requested to be from cities, counties and special districts. Web-based training is reaching more public officials, but the retention of the materials seems to be less than in-person training. The agency will need to re-evaluate its web based training modules. Tests have become more focused on a specific area of ethics laws. The trainers, responding to the need for less time spent testing, have developed true/false tests. This has resulted in a decrease of percentage change.

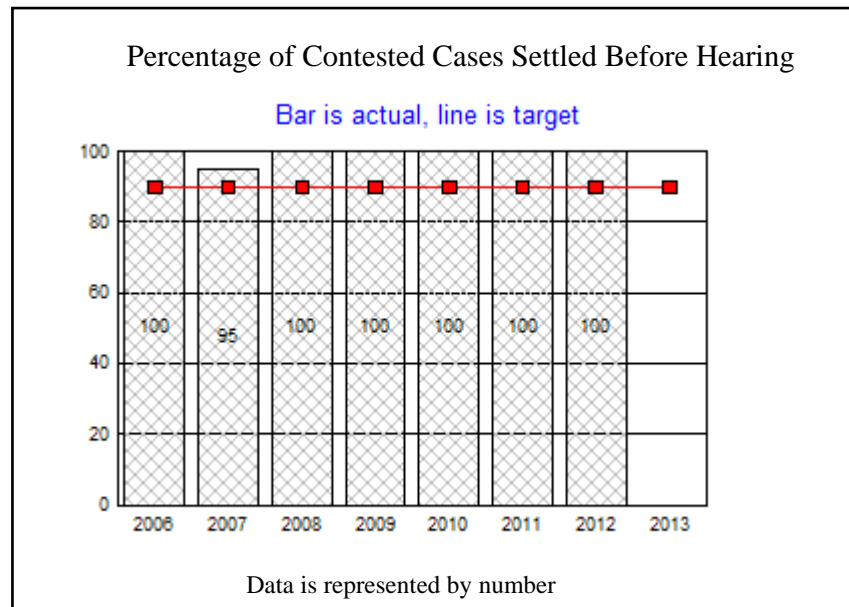
## 6. WHAT NEEDS TO BE DONE

Develop a less intrusive testing method to obtain this data during in-person training sessions. This will give a more true picture of the effectiveness of all the agency's training. Re-evaluate web based training modules.

**7. ABOUT THE DATA**

The data is accumulated in-house from the training session. The trainers keep a manual file on the data.

|                       |   |      |
|-----------------------|---|------|
| <b>KPM #4</b>         | Minimize Case Disposition Costs - Percentage of contested cases settled before hearing. | 2006 |
| <b>Goal</b>           | Settlement of Contested Cases- #35 - Public Management Quality                          |      |
| <b>Oregon Context</b> | Minimize case disposition costs   |      |
| <b>Data Source</b>    | Agency case log database and individual case files                                      |      |
| <b>Owner</b>          | Ronald A. Bersin, 503-378-5105  |      |



**1. OUR STRATEGY**

The commission can dispose of all matters by negotiating settlements for any case in preliminary review or investigation. The executive director has been delegated the authority to negotiate settlements at the most appropriate and earliest opportunity.

## 2. ABOUT THE TARGETS

The current target is to settle 90 percent of the cases through a negotiated settlement. The desirable outcome would be to reach or exceed the target in 100 % of the cases.

## 3. HOW WE ARE DOING

This measure was new in 2006 and the commission exceeded the target of 90 percent. The agency is exceeding this measure. The agency encourages respondents to settle their cases before the Commission at the lowest level possible.

## 4. HOW WE COMPARE

Comparable agencies or standards are not known at this time. However the agency is participating in a nationwide survey with other Ethics Commissions. The agency hopes to learn how cases are disposed of by other State Ethics Commissions.

## 5. FACTORS AFFECTING RESULTS

The agency encourages settlements with respondents. The agency continues to work with interest groups to encourage settling cases instead of moving to a contested case hearing. The increase in civil penalties has encouraged some respondents to challenge the Commission's findings at a contested case hearing. The agency has developed a penalty matrix by Administrative Rule. The use of the matrix has allowed the Commission to be consistent in its assessment of civil penalty.

## 6. WHAT NEEDS TO BE DONE

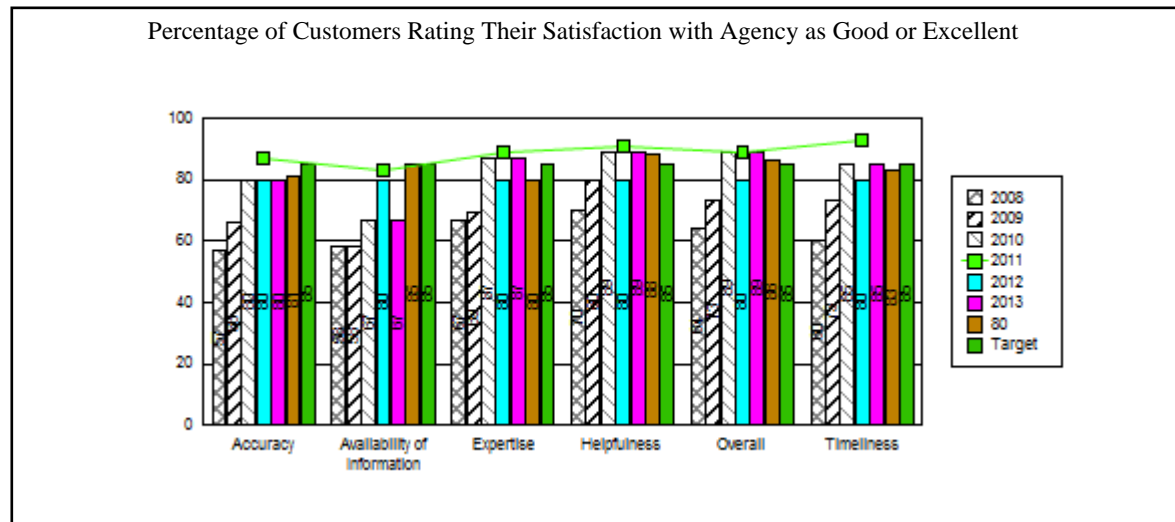
The agency needs to continue to use its penalty matrix to obtain consistency between respondents. The matrix will also give public officials knowledge of what penalties will be assessed if they are found in violation of the Ethics laws. Training of public officials will help to increase this measure, making it possible for more respondents to settle their cases.

## 7. ABOUT THE DATA

Data comes from the case information database and would be empirical in nature.



|                       |   |      |
|-----------------------|---|------|
| <b>KPM #5</b>         | 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. | 2006 |
| <b>Goal</b>           | Customer Service  |      |
| <b>Oregon Context</b> | #35 - Public Management Quality   |      |
| <b>Data Source</b>    | Survey Summaries  |      |
| <b>Owner</b>          | Ronald A. Bersin, 503-378-5105  |      |



**1. OUR STRATEGY**

This is a new measure and the agency is collecting this data from its various customers, complainants, respondents, training attendees, stakeholders and others. The agency's strategy is to encourage all of its stakeholder groups to participate in the annual customer service survey.

**2. ABOUT THE TARGETS**

The agency strives for continual improvement in its targets. The agency believes customer service affects all other areas of the agency. The agency will continue to look for ways to improve its service to its customers, and the targets reflect this goal.

### **3. HOW WE ARE DOING**

The agency showed a significant improvement in all areas of the survey this past year. The efforts into customer service by the agency including the adding of additional staff to process reports filed timely has contributed to these increases. The agency continues to focus on customer service and the benefits of this focus are showing in the survey. The current measuring time period showed a slight decrease overall. The agency is looking at its customer service delivery to look for improvements, however, the decrease could simply be an anomaly. The overall performance is above targets in all areas.

### **4. HOW WE COMPARE**

The agency is currently participating in nationwide survey of other Ethics Commissions. The agency hopes to learn from this survey and compare itself with other Ethics Commissions.

### **5. FACTORS AFFECTING RESULTS**

The agency continually looks for ways to get more participants in the annual survey. This is a difficult task encouraging people to take their time and complete a survey. The agency continues to look for ways to improve on the number. Next year, the Commission plans to announce the release date of the survey giving people advance notice. The agency has been working with the stakeholder groups asking for their participation. Articles have been published in their newsletters asking the stakeholders to participate in the customer service survey. The efforts have produced a 33% increase in participants. The agency will continue to look for innovative ways to increase the number of participants.

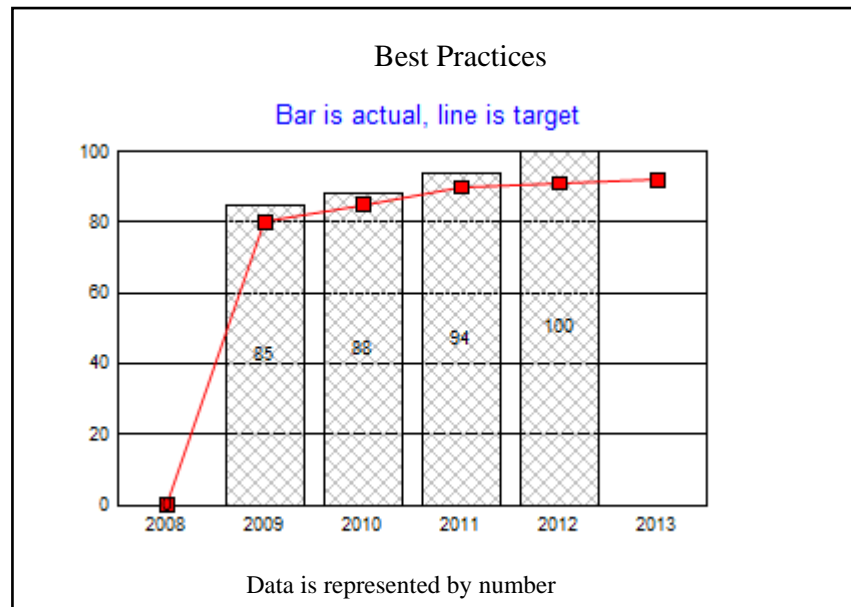
### **6. WHAT NEEDS TO BE DONE**

The agency needs to continue to focus on customer service. This means continuing to look for innovative ways to improve the agency's service and opening up lines of communication with the agency's stakeholders. Next year, the agency will look for ways to inform the public of the survey and encourage their participation.

### **7. ABOUT THE DATA**

The survey followed the agency's new assessment to local governments. This may have had some effect on the results of the survey. The timing of the survey will always have some effect on the data. Both the survey and the assessments are sent within a close timeframe.

|                       |  |      |
|-----------------------|--|------|
| <b>KPM #6</b>         | Governance Best Practices - Percent of total best practices met by the commission. | 2007 |
| <b>Goal</b>           | Public Management Quality  |      |
| <b>Oregon Context</b> | To enhance public management quality   |      |
| <b>Data Source</b>    | Agency actions   |      |
| <b>Owner</b>          | Ronald A. Bersin (503) 378-5105  |      |



**1. OUR STRATEGY**

This measure is to ensure the agency is using its appropriated resources effectively and efficiently. This measure requires the agency to check its progress in several areas annually.

**2. ABOUT THE TARGETS**

The agency is working to complete this measure. The agency strives for a high output/result in this measure. In previous years, the agency was not able to complete this measure. 2008 is the first year for completion.

**3. HOW WE ARE DOING**

The agency is meeting targets for this measure.

**4. HOW WE COMPARE**

The agency will look to compare itself with other small boards and commissions.

**5. FACTORS AFFECTING RESULTS**

The agency has seen a large turnover in Commission members. This turnover has created difficulties in obtaining the information. New Commissioners have a more difficult time answering the best practices questions. When they gain more experience on the Commission, the agency expects to receive more useful information from the Commissioners. Currently, the senior members of the Commission are the main sources of the information.

**6. WHAT NEEDS TO BE DONE**

Develop and collect the data for the measure.

**7. ABOUT THE DATA**

Data is compiled from agency actions for best practices.

|  |                                    |
|--|------------------------------------|
| <b>OREGON GOVERNMENT ETHICS COMMISSION</b> | <b>III. USING PERFORMANCE DATA</b> |
|--|------------------------------------|

**Agency 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.

|  |                                    |
|--|------------------------------------|
| <b>Contact:</b> Ronald A. Bersin, Executive Director | <b>Contact Phone:</b> 503-378-5105 |
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| <b>Alternate:</b> Virginia Lutz, Program Analyst | <b>Alternate Phone:</b> 503-378-5105 |
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**The following questions indicate how performance measures and data are used for management and accountability purposes.**

|                                |  |
|--------------------------------|--|
| <b>1. INCLUSIVITY</b>          | <p>* <b>Staff :</b> The staff developed the commission's performance measures with the concurrence of commission members at the time (1998-99). Suggestions made to the agency during the 2003 Performance Measure Review were adopted and two additional performance measures were added for the 2005-07 biennium. Several measures have been deleted and new performance measures have been added for the 2007-09 biennium.</p> <p>* <b>Elected Officials:</b> Elected officials have been included in the development of the new measures for 2008.</p> <p>* <b>Stakeholders:</b> The agency continues to encourage and receive feedback from its stakeholder groups when developing its performance measures. The agency takes an active role in encouraging the stakeholders to participate in its annual customer service survey.</p> <p>* <b>Citizens:</b> Citizens are invited through the agency's website to participate in its annual customer service survey. The agency takes an active role in encouraging customers to participate in its annual customer service survey.</p> |
| <b>2 MANAGING FOR RESULTS</b>  | <p>Performance measure targets are reviewed and compared to actual data on an annual basis. That analysis is used to determine if performance measures need to be modified and/or targets need to be adjusted. The targets have been adjusted and additional measures have been created. All performance measures were modified to increase or decrease targets during the budgets developed in the last two biennia to address the reductions in funding. Target data for this report shows that the agency's performance ability is been diminished significantly by the reductions.</p>   |
| <b>3 STAFF TRAINING</b>        | <p>The executive director and program analyst attended training presentations by the staff of the Progress Board. Additional members of the commission staff will be sent to future training opportunities when feasible.</p>  |
| <b>4 COMMUNICATING RESULTS</b> | <p>* <b>Staff :</b> The agency has communicated performance results biennially in budget requests to DAS, the Governor, and the Legislative Assembly. Performance Reports are available on the agency website at<br/>Oregon Government Ethics Commission 2013 – 15 Budget Presentation</p>   |

The agency annually reports the performance measures to the Commission and public during its regularly schedule public meetings.

\* **Elected Officials:** The agency has communicated performance results biennially in budget requests to DAS, the Governor, and the Legislative Assembly. Performance Reports are available on the agency website at <http://www.oregon.gov/ogec>.

\* **Stakeholders:** The agency continually reports the results of its performance measures to its stakeholder groups. Many of the groups request the information from the agency. The agency uses the stakeholders regularly scheduled newsletters to communicate its measures.

\* **Citizens:** The agency has communicated performance results biennially in budget requests to DAS, the Governor, and the Legislative Assembly. Performance Reports are available on the agency website at <http://www.oregon.gov/ogec>. The agency uses its public meetings to reports its annual performance measures results.

