

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 5522-A

**Carrier – House: Rep. Gomberg
Carrier – Senate: Sen. Steiner Hayward**

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

Vote: 24 – 1 – 1

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Burdick, Devlin, Edwards, Hansell, Rosenbaum, Steiner Hayward, Thomsen, Whitsett, Winters

Nays: Girod

Exc: Johnson

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: May 17, 2013

Agency

Oregon Government Ethics Commission

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 1,615,856	\$ 1,606,484	\$ 1,948,766	\$ 332,910	20.6%
Total	\$ 1,615,856	\$ 1,606,484	\$ 1,948,766	\$ 332,910	20.6%

Position Summary

Authorized Positions	8	7	8	0
Full-time Equivalent (FTE) positions	8.00	7.00	7.88	-0.12

(1) Includes adjustments through December 2012.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Government Ethics Commission is funded by assessments charged to state agencies and local governmental entities. Assessments are split equally between state agencies and local government entities. Charges to state agencies are based proportionately based on full-time equivalent positions and charges to local governmental entities are based on their Municipal Audit Fee.

Summary of General Government Subcommittee Action

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. The Commission is required by law to meet specific timelines for the conduct of investigations.

The General Government Subcommittee approved a \$1,948,766 Other Funds budget for the 2013-15 biennium, which is 20.6 percent higher than the legislatively approved budget for the 2011-13 biennium. The number of positions (eight) remains unchanged from the prior biennium and FTE (7.88) is decreased by 1.5 percent. The approved budget includes statewide adjustments for administrative savings and Public Employees Retirement System Savings as well as approving an initial investment in an electronic reporting system, reclassifying a compliance specialist position, and restoring a full time training position.

The Subcommittee approved the following statewide actions:

- Package 091, Statewide Administrative Savings, eliminates \$9,363 Other Funds expenditure limitation. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- Package 092, PERS Tax Policy, eliminates \$2,810 Other Funds expenditure limitation. 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 percent.
- Package 093, Other PERS Adjustments, eliminates \$22,452 Other Funds expenditure limitation. 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 percent.

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 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

The Subcommittee also approved the following actions:

- Package 100, Special Assessment-IT Project, adds \$250,000 Other Funds expenditure limitation. This package provides approval for a one-time assessment of \$800,000, which is shared equally between state agencies and local governments and funds the statutory requirement that the Commission have an electronic reporting system by January 1, 2015.

The Commission is directed to work with the Department of Administrative Services in the development and implementation of an electronic reporting system for lobbyists and public officials who must file annual statements of economic interest. The Department of Administrative Services is to provide the Commission with the oversight, project management, information technology systems development lifecycle, and procurement support needed to successfully complete the project.

The package provides an initial \$250,000 Other Funds expenditure limitation, and directs the Commission and Department of Administrative Services to provide a progress report to the Joint Committee on Ways and Means during the September 2013 legislative days and to provide the Legislative Fiscal Office final copies of the project business case, including final recommendation, vendor contracts, foundational project management documentation, a project plan, and budget by December 1, 2013.

- Package 102, Reclass Compliance Specialist, adds \$4,705 Other Funds expenditure limitation. This package reclassifies the agency's Compliance Specialist 1 position to a Compliance Specialist 2. The position is one of two investigator positions and the duties of the position are outside the scope of this classification, based on a Department of Administrative Services review.

- Package 811, Ethics Trainer Position, adds \$122,202 Other Funds expenditure limitation. This package restores a Program Analyst 1 as a permanent full-time position that will serve as an ethics trainer for public officials. The position was previously classified as Limited Duration for the last two biennia. Restoring the position will provide resources to continue web-based training, including online interactive webinar trainings, and in-person training on ethics and executive session laws. The position is budgeted for 21 months to allow for a three month hiring process.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5522-A

**Oregon Government Ethics Commission
Dustin Ball -- 503-378-3119**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 0	\$ 1,615,856	\$ 0	\$ 0	\$ 0	\$ 1,615,856	8	8.00
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 1,606,484	\$ 0	\$ 0	\$ 0	\$ 1,606,484	7	7.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 010 - General Program									
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (4,693)	\$ 0	\$ 0	\$ 0	\$ (4,693)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (4,670)	\$ 0	\$ 0	\$ 0	\$ (4,670)		
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (2,810)	\$ 0	\$ 0	\$ 0	\$ (2,810)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (22,452)	\$ 0	\$ 0	\$ 0	\$ (22,452)	0	0.00
Package 100: Special Assessment - IT Project									
Services and Supplies	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 250,000	0	0.00
Package 102: Reclass Compliance Specialist									
Personal Services	\$ 0	\$ 0	\$ 4,705	\$ 0	\$ 0	\$ 0	\$ 4,705	0	0.00
Package 811: Ethics Trainer Position									
Personal Services	\$ 0	\$ 0	\$ 108,966	\$ 0	\$ 0	\$ 0	\$ 108,966	1	0.88
Services and Supplies	\$ 0	\$ 0	\$ 13,236	\$ 0	\$ 0	\$ 0	\$ 13,236		
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ 342,282	\$ 0	\$ 0	\$ 0	\$ 342,282	1	0.88
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 1,948,766	\$ 0	\$ 0	\$ 0	\$ 1,948,766	8	7.88
% 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%
% 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%

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	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.	Availability of Information	Approved KPM	67.00	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.	Expertise	Approved KPM	87.00	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.	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	95.00	95.00
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:

The Subcommittee adopted the Legislative Fiscal Office recommendation.