

Government Ethics Commission				
	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Governor's Recommended
Other Funds	1,518,135	2,110,362	1,956,828	2,277,208
Total Funds	1,518,135	2,110,362	1,956,828	2,277,208
Positions	8	8	8	8
FTE	8.00	7.88	8.00	8.00

*includes Emergency Board and administrative actions through December 2014.

Program Description

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

Over the last seven years, the Commission has averaged 115 complaints per calendar year, with 48 (41%) outside its jurisdiction and 18 (15%) requiring additional information. For this same period, the Commission received 23 ethics (20%); 20 executive session (18%); 7 lobby (6%) complaints and had only one contested case hearing or appeal, and that was in 2008. These complaints were tracked by jurisdiction: state 15 (13%); cities 35 (32%); counties 15 (13%); education 19 (18%); special districts 16 (14%) and Other 11 (10%).

CSL Summary and Issues

The 2015-17 current service level budget for the agency totals \$2 million total funds (8.00 FTE). The CSL is \$153,534, or 7.3%, less than the 2013-15 legislatively approved budget of \$2.1 million. The change is primarily due to the elimination of \$250,000 in one-time costs for the electronic filing system project. The budget is 69% personal services and 31% services and supplies.

The Commission’s 2013-15 legislatively adopted budget includes \$1.6 million in assessment revenue. The agency’s funding is equally shared between state agencies and local government entities. State agencies are assessed based upon their number of full-time equivalent positions. Local entities are assessed based upon a formula connected to the Municipal Audit charge collected by the Secretary of State. A portion of these assessment revenues, both at the state and local levels, originates as General Fund.

At the CSL, the Commission expects to have \$2.7 million in available revenue to support its \$2 million budget. This includes a beginning balance of \$1.1 million and an ending balance totals \$695,054, which represents 8.53 months of reserve. The agency will drawdown \$391,828 of its \$1.1 million beginning balance to support normal operating expenditures. A portion of the remaining balance will be needed to fund the completion of the electronic filing system project and the associated subscription fee. This will leave the agency with an estimated ending balance of \$535,054, which is 4.3 months of operating reserve (available for compensation changes and potential legal expenses).

GEC, at the request of the Legislative Fiscal Office, is in the process of reviewing and updating its assessment calculation.

Oregon public universities continue to pay the agency's assessment based on each institution's number of full-time equivalent positions.

From imposing civil penalties, the Commission is expected to collect \$30,000 in fines and forfeitures. These revenues are transferred to the General Fund and are not used to support agency operations. Actual receipts for the 2011-13 biennium totaled \$25,988.

Policy Issues

The agency request budget includes the following policy option packages totaling \$367,000 Other Funds:

1. Package 101 – Electronic Filing System for project management (\$80,000), change management (\$80,000), and training of filers (\$40,000)(combined total is \$200,000 Other Funds).
2. Package 102 – Electronic Filing System Subscription Fees (\$127,000 Other Funds).
3. Package 103 – Attorney General Opinion for ethics, lobby and public meetings laws (\$40,000 Other Funds). ***NOTE:*** *The agency requests that this package be withdraw as it was able to fund this expense during the 2013-15 biennium.*

Other Significant Issues and Background

The agency is in the second and final biennium development of an electronic reporting system. There is a statutory deadline that the electronic reporting system be operative by January 1, 2016. The Legislature in 2013 approved up to an \$800,000 special assessment to fund the project, which the agency fully assessed; however, the project costs are now estimated to total only \$583,560.

The project is under budget, remains within scope, and is on schedule for completion, according to all reports.

The selected solution is a subscription service offered by the state's e-government vendor (NIC USA). The vendor will fund all the upfront application development costs and charge only an annual licensing and hosting fee beginning in January of 2016.

The Office of the State Chief Information Office (CIO) and the Department of Administrative Services are providing project oversight, procurement support, and quality assurance for the project.

Co-Chairs' Budget Framework Discussion

No specific budget details or issues were identified in the Co-Chairs' budget framework for this agency.