

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2019 - 3**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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Date: April 13, 2015

**Measure Description:**

Expands membership of Oregon Government Ethics Commission from seven members to nine members on July 1, 2016.

**Government Unit(s) Affected:**

Government Ethics Commission

**Summary of Expenditure Impact:**

	<b>2015-17 Biennium</b>	<b>2017-19 Biennium</b>
Other Funds	\$547,362	\$412,004
<b>Total Funds</b>	<b>\$547,362</b>	<b>\$412,004</b>
Positions	1	1
FTE	0.88	1.00

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

HB 2019-3 makes a number of changes to laws affecting the Oregon Government Ethics Commission (OGEC), including the expansion of the commission from seven to nine members. The bill also specifies who shall make membership recommendations and establishes other criteria regarding the composition of the commission. In addition, the bill changes the investigation process by reducing the number of days allowed for the preliminary review phase from 135 to 30 and further specifying responsibilities of the executive director and the commission. The measure requires that commission advisory opinions and specified statements must be available online by January 1, 2017.

To fulfill the requirements of the measure, OGEC anticipates a cost of \$547,362 Other Funds in 2015-17 and \$412,004 Other Funds in 2017-19. In 2015-17, just under \$180,000 will be needed to fund the addition of one position (Compliance Specialist 3) for 21 months to be able to meet the new timelines required by the bill. The agency also anticipates \$10,000 in one-time costs to remodel space within their office for the new position. Costs related to the position are anticipated to grow to \$217,604 for the full 2017-19 biennium. OGEC is also anticipating additional costs of \$18,000 per biennium for commissioner travel and stipend costs due to the increased number of board members and an expected increase in the number of board meetings to be able to comply with the reduced timeframes.

OGEC also anticipates costs in 2015-17 of just over \$340,000 for systems development work and one year of subscription costs needed to comply with the requirements for posting additional information online. The vendor will fund all the upfront application development costs and charge only an annual licensing and hosting fee. The agency is already working with NIC USA on an electronic reporting system for statements of economic interest and would likely expand this work to include the additional

requirements. The cost for the system would be reduced to \$176,400 in 2017-19 and would be for two years of subscription costs.

It should be noted that the Other Funds revenue to cover the expenses of OGEC comes from an assessment model with operating costs 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.