

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Travis Miller, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Agency: Oregon Government Ethics Commission

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 455,076	\$ 455,076	0.0%
Total	\$ -	\$ -	\$ 455,076	\$ 455,076	0.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.88	0.88

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Oregon Government Ethics Commission’s funding comes from an assessment 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. This measure increases the current 2015-17 assessment of \$1.6 million by \$455,076 to \$2,057,174. An assessment adjustment will be made in the end-of-session omnibus budget measure to provide revenue for the provisions of this bill.

Summary of General Government Subcommittee Action

The Subcommittee approved a \$455,076 Other Funds expenditure limitation for the Government Ethics Commission and the establishment of one permanent, full-time position (0.88 FTE).

House Bill 2019 expands the membership of the Commission from seven members to nine members, modifies the appointment process for Commissioners, establishes new criteria for the composition of the Commission, reduces the number of days allowed for the preliminary review phase of an ethics investigation from 135 to 30 days and requires advisory opinions and specified statements to be made available online by January 1, 2017. This applies to cases filed on or after the effective date of the measure.

Historically, the seven-member Commission had three of its members directly appointed by the Governor. With this measure, the Commission is expanded to nine members and the number of members who are directly appointed by the Governor is reduced to one. While still appointed by the

Governor, the other eight members must first receive two recommendations from the leadership of the Democratic and Republican parties within the two chambers of the Legislative Assembly. All appointees to the Commission remain subject to Senate confirmation.

The Commission will hire one permanent full-time Compliance Specialist 3 (0.88 FTE) at a cost of \$152,309 with associated Services and Supplies of \$27,317 beginning September of 2015. There is a one-time expense of \$10,000 for the construction of an office space for the position.

For the online posting of agency findings in a searchable format, the agency will contract with a private vendor to develop a case management system. The measure requires online posting to operative by January 1, 2017. Currently, the agency processes cases manually. The vendor will fund all upfront application and development costs as well as ongoing maintenance costs. The agency will hire a project management firm to work with the agency, the vendor, and the Department of Administrative Services to implement the project and provide oversight at a one-time cost of \$200,000. Upon completion, the agency will be charged a subscription fee by the vendor of \$47,450 for the final six months of the 2015-17 biennium. The annual subscription fee will be \$88,200 beginning in the 2017-19 biennium.

In 2013, the Legislature approved an electronic reporting system for statements of economic interest with a statutory implementation date of January 1, 2016. There is no overlap between the electronic reporting system and the proposed case management system, according to the agency.

Commissioner per diem costs, due to the increase in the number of Commission members and an expected increase in the number of Commission meetings in order to comply with the reduction in statutory timelines, are estimated to be \$18,000 per biennium.

The 2017-19 cost of the measure is estimated to be \$311,487 (1.00 FTE) after the elimination of one-time expenditures and the incorporation of annual subscription fees.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2019-B

Oregon Government Ethics Commission
 Travis Miller -- (503) 373-1109

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	LIMITED	NONLIMITED	LIMITED	NONLIMITED	ALL FUNDS	POS	FTE
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0 0.00
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0 0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR010-01 - General Program									
Personal Services	\$ -	\$ -	\$ 170,309	\$ -	\$ -	\$ -	\$ -	-	1 0.88
Services and Supplies	\$ -	\$ -	\$ 284,767	\$ -	\$ -	\$ -	\$ -	-	
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 455,076	\$ -	\$ -	\$ -	\$ -	-	1 0.88
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 455,076	\$ -	\$ -	\$ -	\$ -	-	1 0.88
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% Change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

*Excludes Capital Construction Expenditures