

Government Ethics Commission

	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Governor's Budget
Other Funds	1,989,415	2,791,303	2,704,274	2,715,584
Total Funds	1,989,415	2,791,303	2,704,274	2,715,584
Positions	8	9	9	9
FTE	7.88	8.88	9.00	9.00

* Includes Emergency Board and administrative actions through December 2016.

Program Description

The mission of the Government Ethics Commission is to impartially administer and enforce Oregon's government ethics laws. Oregon Government Ethics law, Lobbying Regulation law, and the executive session provisions of Oregon Public Meetings law are within the regulatory jurisdiction of the Commission. The Commission and its staff educate public officials and lobbyists on government ethics, lobby regulation, and executive session provisions of public meeting laws through online and in-person training.

The agency's funding 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 a Municipal Audit charge collected by the Secretary of State. A portion of these assessment revenues originates as General Fund.

CSL Summary and Issues

The 2017-19 current service level (CSL) budget of \$2.7 million is \$87,029 (or 3.1%) less than the 2015-17 legislatively approved budget (LAB) of \$2.79 million. The decrease is primarily due the removal of one-time costs associated with the development and implementation of the electronic filing and case management systems. An increase of \$134,237 was included to cover ongoing subscription fees for the electronic case management system. Upon completion of the final phase of the system, anticipated in October 2017, the agency will incur an annual subscription fee of \$88,200, for a total biennial cost of \$176,400. The 2015-17 LAB included \$47,450 for subscription fees estimated to be incurred in the final six months of the biennium, which combined with the increase included in the 2017-19 CSL, totals \$181,687. As the amount included in CSL is \$5,287 more than the maximum amount of fees that can be incurred per the vendor contract, the budget should be reduced accordingly.

The number of positions (9) is unchanged and total FTE (9.00) has increased by 0.12 to phase-in the full 24-month cost of a permanent full-time Compliance Specialist 3 added in the 2015-17 biennium.

The Commission's 2017-19 CSL budget includes assessment revenue of \$2.7 million and an estimated ending balance of \$746,680, which provides a six month operating reserve and is available for compensation plan changes during the biennium. Imposition of civil penalties is expected to generate an estimated \$30,000 in fines and forfeitures during the 2017-19 biennium. These revenues are transferred to the General Fund and are not used to support agency operations. Actual fines and forfeiture receipts in 2013-15 totaled \$31,377.

Policy Issues

In 2015, the Legislature passed HB 2019, which expanded the membership of the Ethics Commission from seven to nine members, modified the appointment process for commissioners, reduced the number of days allowed for the preliminary review of an ethics investigation from 135 to 30 days, and directed that all advisory opinions and other statements be made available online by January 1, 2017. Funding for an electronic case management system was approved to implement the online posting of agency findings in a searchable format. The Commission has contracted through DAS with NIC USA, Inc. for development and implementation of the electronic case management system and has met the January 1, 2017 statutory deadline for online posting. The shortening of the timeline for preliminary review had the most significant impact on the agency. The Commission revised administrative rules to reflect the changes to ethics statutes and written rules on executive session of public meetings effective June 1, 2016.

Other Significant Issues and Current Discussions

In 2013, the Legislature approved a special assessment of \$800,000 for an electronic reporting system for lobbyists and public officials who must file Statements of Economic Interest. In addition to the statutory implementation date of January 1, 2016, HB 5020 (2015) included a budget note that the Commission was to report to the Interim Joint Committee on Ways and means in the Fall of 2015 on the readiness to proceed with the implementation of the system by the statutory deadline. The Commission reported on the status of the system at the November 2015 meeting of the Interim Joint Committee on Ways and Means. The electronic filing system was launched on December 15, 2015.

The Governor's Budget included policy packages to reclassify two positions to meet the growing needs of the agency. Reclassification of the positions address the expanded duties of a Program Analyst 1 position resulting, in part, from implementation of the electronic reporting system; and increased responsibilities and visibility of the agency's Executive Director position.

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