

Oregon Government Ethics Commission
2019-2021 Budget Presentation

Executive Director
Ronald A. Bersin

2019-21 Budget Presentation

Oregon Government Ethics Commission

Mission, Goals and Historical Perspective

The mission of the Oregon Government Ethics Commission (OGEC) is to impartially and effectively administer and enforce Oregon's government ethics laws for the benefit of Oregon's citizens. The Commission emphasizes education in achieving its mission.

The regulatory jurisdiction of the Oregon Government Ethics Commission covers provisions of ORS Chapter 244, Oregon Government Ethics law; ORS 171.725 to 171.785 and 171.992, Lobby Regulation law; and ORS 192.660, executive session provisions of Oregon Public Meetings law.

Additional information regarding those statutes is referenced in OAR Chapter 199, Oregon Government Ethics Commission Administrative Rules. Administration of the Ethics, Lobbying, and Executive Session laws includes the training of public officials, lobbyists, and the public on the essence of these laws.

The agency focuses on training public officials throughout the state and in all levels of government to prevent violations of the ethics, lobby and executive session laws. To achieve this goal, the agency has two full-time trainers, joined by another staff person with approximately 0.4 FTE devoted to training and education. One challenge to meeting this goal is the constant turnover of public officials throughout all levels of government. To address that issue, the agency continues to develop a variety of on-line and in-person programs to train new public officials on the requirements outlined in the ethics, lobby, and executive session laws.

In 1974, more than 70 percent of Oregon voters approved a statewide ballot measure to create the Oregon Government Ethics Commission. The ballot measure also established a set of laws (ORS Chapter 244) requiring financial disclosure by certain officials and creating a process to deal with the inevitable question of conflict of interest. The drafters of the original laws recognized that "conflict of interest" is, indeed, inevitable in any government that relies on citizen lawmakers.

The Oregon Legislature changed the agency's name to Government Standards and Practices Commission in 1993. The name was changed back to Oregon Government Ethics Commission by the 2007 Legislature. The Government Ethics Commission has nine volunteer members. Eight members are appointed by the Governor upon recommendation by the Democratic and Republican leaders of the Oregon House and Senate. The Governor selects one member directly. All members must be confirmed by the Senate. No more than three of the members may be from the same political party. The law allows members to serve only one four-year term.

The Government Ethics Commission is administered by an executive director selected by the commissioners. The Commission also employs investigative, program, and support staff, who are appointed by the executive director.

Performance Measures

The agency currently has six performance measures. The agency uses the performance measures to measure progress and prioritize its limited resources towards accomplishing the measures. In this past biennium, the agency made progress on the percentage of statutorily-allowed time used on formal advice given to public officials and governmental entities. This faster turnaround time benefits the requesting entity.

During the next biennium, the agency will continue to measure:

- **The percentage of time used to complete preliminary reviews, investigations, staff and commission advisory opinions.** HB 2019 (2015) changed the statutory time limits on preliminary reviews from 135 days to 30 days. The other timelines remain unchanged since 2009. The measure gives the agency information about the percentage of time used to complete tasks within these statutory time limits.
- **The number of complaints received and own-motion actions taken by the Commission.** This measure helps the agency manage its resources and predict changes to the numbers in the future.
- **Training Effectiveness.** This measure provides data on the information learned by participants through the agency's training efforts. The agency uses interactive methods to test participants before and after trainings and compares the responses. This measure helps the agency develop and refine effective training programs.
- **Quality of Investigations.** A set of criteria for investigations are measured. The agency will seek outside assistance with the review of investigations for compliance with the criteria. This measure helps the agency to develop effective and efficient investigation methods.
- **Customer Service.** The agency polls its customers each year on customer satisfaction. The survey includes categories of Availability, Helpfulness, Expertise, Timeliness, Accuracy, and Overall Satisfaction. The agency surveys its stakeholders through its own distribution network.
- **Best Practices.** The agency completes the required Best Practices Survey each year. The annual review is used to plan any need for administrative changes during the next review period.

Programs

Education and Training

The agency prioritizes education and training because the ethics laws are complex and many public officials do not know what is expected of them. The demand for education and training remains high as ethics laws change and new public officials take office. The OGEAC continues to make a focused effort to increase its educational presence. This effort includes 2.4 FTE that are dedicated to education and training. These positions continue to design an educational program to reach many more public officials than the agency has ever achieved in the past. The positions are also available to provide staff advice in response to questions from public officials.

The agency has designed a six-year work plan focusing on the training of all public officials about the requirements of the ethics laws. The program will include web-based training made available to everyone throughout Oregon. The program will include several modules focusing on all areas of the OGEC, including Statement of Economic Interest forms, ethics laws, lobbying laws, new employee orientations, executive session provisions, and on-line reporting training, etc. The training work plan concentrates not only on programs of training, but on training specific groups, such as city recorders, county clerks, state agency trainers, special districts and school districts. The trainers will also develop a training program addressing the executive session provisions of ORS Chapter 192.660. OGEC has seen a fairly consistent increase in violations from government entities improperly meeting in executive session.

Investigations

The investigative program relies on two FTE, an Investigator 3 and a Compliance Specialist 2, with additional assistance from the Compliance Specialist 3 position. These positions respond to complaints filed with the agency. The investigative process is two-fold, starting with a preliminary review of the information provided to the agency with the complaint. As of July 1, 2015, the preliminary review period has a statutory time limit of 30 days for nearly all cases. At the end of preliminary review, the Commission votes to either move the complaint into investigation or to dismiss the complaint. If the complaint is moved into investigation, the staff conducts a complete investigation of the complaint within the statutory deadline of 180 days. The investigation can include interviews with all parties involved, review of documents, including financial documents, subpoena of records, etc. At the end of the investigation, staff write an investigative report, including a recommendation to either find a violation or to dismiss. The Commissioners review the report and vote on its recommendation. The agency investigates complaints on ethics laws (ORS chapter 244), lobby laws (ORS chapter 171.725-171.992) and the executive session provisions of the public meeting laws (ORS 192.660).

Administration

In 2009, the agency rewrote its performance measures to better measure what the agency is accomplishing. They include accounting for increased funding as the agency has grown, and ensuring the funds are used to benefit Oregonians and the ethics programs they are requesting (on-line reporting, web-based searchable data, auditing records, educating public officials, etc.). The performance measures also include timeliness and fairness of enforcement actions, and creating transparency for the agency.

Administration will also be responsible for continuing to work with a variety of public offices in administering the agency's funding model in the 2019-21 biennium. The funding model was a collaborative effort among all local governments and is an assessment-based funding source for the agency's biennial budget. The funding model assesses all state agencies based on FTE for 50% of the agency's operating budget. The remaining 50% is assessed on local governments based on a percentage of their municipal audit fee. The Department of Administrative Services accounts for the collection of the assessments and transfers the moneys to the agency. Compliance with the assessment remains well over 99% for the 2017-19 biennium. The funding model diversifies the agency's revenues and also increases the agency's obligation to become transparent to all public bodies and the public in general, since they all

have a financial interest in the agency. Administration strives to be accountable to all who pay, and informs the bodies of the work that is being completed and how this work benefits them.

The Governor's budget funds the agency at its current level with no policy packages. The budget includes an ending balance that supports the agency through the assessment collection process. The agency proposes to use any remaining excess balance to reduce the amount of the next biennial assessment to public bodies and local governments, whose payments fund the activities of the agency.

Lobbying Registrations

The biggest change to lobbying registration and reporting has been the introduction of the agency's Electronic Filing System, which debuted in January 2016. The time period in which a lobbyist has to register after agreeing to lobby for a client was reduced to 3 days in 2016, a change that was made possible by the Electronic Filing System. Lobbyists and their clients now receive emails reminding them to file their quarterly expenditure reports, and the public can view the completed forms online as soon as they are submitted. The Electronic Filing System also greatly increases the tracking of filings, allowing the agency to pinpoint missing filings much more quickly.

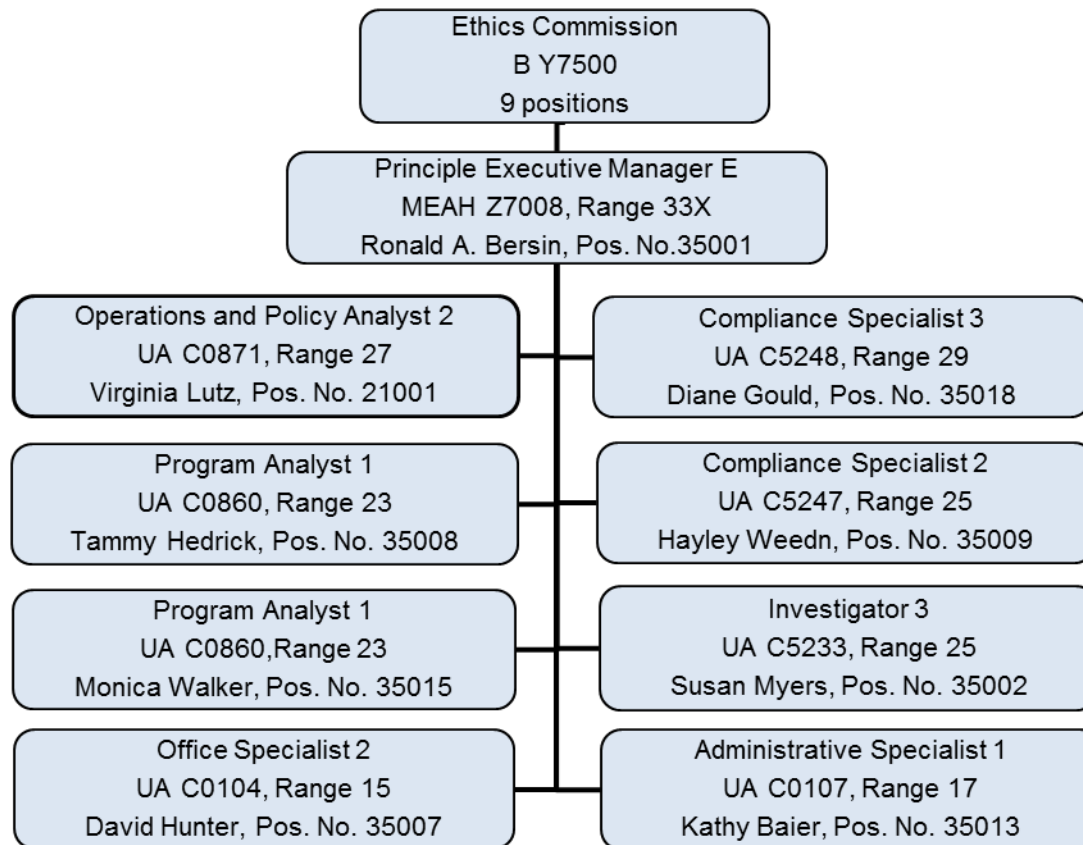
Statements of Economic Interest

Statements of Economic Interest (SEIs), which are filed by approximately 6000 elected and appointed officials throughout the state, are now filed online through the Electronic Filing System. Because the electronic system can repopulate the fields based on the previous year's information, the agency believes that the system has greatly reduced the burden on public officials who file repeat SEIs. The information in the SEIs is immediately available online to the public. The agency has seen a decrease in public records requests for SEIs and an increase in follow-up inquiries about SEIs from the public and the media, suggesting that the public access is increasing transparency.

Target Groups

The agency's work targets many stakeholders throughout all levels of government, such as the League of Oregon Cities, Association of Oregon Counties, School Boards Association, Oregon Education Association, Special Districts Association, etc. The agency's assessment model includes all of the above stakeholders. Cities, counties and special districts that are subject to the Municipal Audit Law are assessed a fee to fund one-half of the agency's biennial budget. This is a cooperative effort between state and local governments to fund the programs of the Commission, including training. The agency targets public officials in all of these jurisdictions for training on the ethics laws. The agency also targets lobbyists and the entities that hire lobbyists. The lobby laws contained in ORS Chapter 171 require lobbyists and the entities they represent to register and file quarterly expenditure reports with the Commission. These registrations and expenditure reports become public records used by a wide variety of Oregonians.

Organization Chart



Budget Drivers

The Oregon Government Ethics Commission's (OGEC) budget has been driven by several Information Technology (IT) projects during the last two biennia. In an effort to increase transparency, the OGEC has moved away from "paper" filings to electronic, on-line filing of Lobby/Client registrations and quarterly reports, annual Statement of Economic Interest (SEI) reports, ethics complaints, final dispositions of investigations, and the listings of both informal and formal advice issued by the Commission.

The agency engaged in two IT projects to accomplish the goal. The Electronic Filing System (EFS) began in the 2013-15 biennium. This system allows lobbyists, their clients, and SEI filers to submit their statutorily-required reports to the Commission on-line. In addition, once filed, the documents are immediately available for viewing by the public, thereby eliminating the need for public records requests.

In the 2015-17 biennium, funding was made available for the development of the Commission's Case Management System (CMS). The CMS allows the agency to post final dispositions of investigations on-line for public view, again eliminating the need for a public records request.

The agency also posts its informal and formal written advice through the CMS. Easy access to on-line advice by the agency's staff will ensure consistency when issuing advice about similar matters. The availability of on-line advice will also benefit the agency's education program. The advice is organized in an easily searchable format, and all public officials, as well as the public, will have easy access to it through the agency's website.

Lastly, the CMS allows complaints to be filed with the agency through an on-line submission process. The Complainant simply fills out the electronic complaint form, and may upload any evidence they wish to include with it. The system automatically acknowledges the submission and assigns the complaint to one of the agency's investigators. The CMS allows both the Respondent and the Complainant to submit additional information and to communicate directly with the assigned investigator. The system allows the agency to more effectively meet the reduced timelines for investigations brought by the statutory changes made in Governor Brown's ethics reforms during the 2015 legislative session.

The agency's budget includes subscription fees to pay for the applications. The agency paid no development costs for either project, instead paying an annual subscription fee to NIC USA for the use of the application. The subscription fee includes all maintenance of the application.

The agency's Governor's Budget (GB) includes no policy packages. The GB funds the agency at its current level. The budget will allow the agency to concentrate on its work through the 2019-21 biennium without the distraction of developing systems. The GB will allow the agency to refocus its effort towards the performance measures, using its new technology to train and inform the public of its work.

Environmental Factors

In 2005, the Oregon Law Commission was asked to review the ethics laws. With that review came many proposed changes to the laws in the 2007 legislative session. The two main changes to the laws came from Senate Bill 10 and House Bill 2595. Both bills contained portions of recommendations from the Oregon Law Commission, as well as changes proposed by other parties during the 2007 legislative session. Some of the major changes included assessing public bodies for the operating costs of the OGEC, restricting gifts to no more than \$50 per year from a source with a legislative or administrative interest, prohibiting the acceptance of entertainment by public officials, increasing the reporting frequency of lobbyists and entities that employ lobbyists, increasing the number of Statement of Economic Interest filers, expanding the agency's authority to promulgate administrative rules, and increasing the civil penalties for violations. The 2007 legislature also increased the agency's staffing to accommodate the increased workload created by the revisions to the laws. The environment required that some changes were needed to address the revisions made by the 2007 legislature. The agency had difficulties in implementing some of the changes and other changes were met with some resistance from public officials throughout the state. The agency has promulgated administrative rules to bring clarity to the changes to ORS Chapter 244. Both formal and informal written opinions were issued and training sessions were conducted, bringing clarity to the new provisions of ORS Chapter 244 and OAR Chapter 199.

The 2009 legislature made additional changes to the ethics laws in both SB 30 and HB 2518. Many of the changes were designed to fix some of the problems experienced with the changes made previously by SB 10 and HB 2595. Those changes included the removal of relatives and members of household from the Statement of Economic Interest Statements (SEI), a change to legislative and administrative interest, the elimination of the Quarterly Statements filed by SEI filers, and many others. That also increased the agency's workload with additional trainings, issuance of informal staff advice, and both staff and formal Commission written opinions.

After Governor Brown took office in 2015, she introduced several bills that have affected the agency's work. HB 2019 (2015) changed the number of commissioners from seven to nine. It shortened the initial stage of a case, the Preliminary Review, from 135 days to 30 days. It also required the agency to make advisory opinions and findings of violation of ORS Chapter 244 available to the public online in a searchable format. As part of this bill, the agency received funding for a Compliance Specialist 3 position to manage the development of the new electronic case management system, ease the burden of the shortened Preliminary Review period on the two investigators, develop administrative rules and add to the depth and breadth of the training and education program. In the 2015 session, the agency was also given the authority to adopt administrative rules under the executive session provisions of ORS 192.660, which is a frequent topic of questions and complaints received by the agency.

The agency has made a significant commitment to education. In-person training sessions have been conducted statewide. An even more significant fact is that over 2,400 public officials have attended the in-person trainings. That is approximately 200 public officials statewide each month receiving ethics training in person. Over the past biennium the agency has also focused on on-line webinars. The agency conducts these on-line webinars on an average of 6-8 times monthly. During SEI filing season (March through April), the agency

adds several on-line webinars to train new filers. The agency expects to continue to transition its focus towards on-line trainings. The on-line training program will realize a significant increase in the number of public officials trained by the agency. The number of visitors to the agency’s training site continues to increase each month as word travels about its value. The agency is currently working with the State’s vendor to update its website to the new model. This process has required the agency to assess the current website and all of its pages for their usefulness and popularity. The new site will incorporate all that we have learned through the assessment process, resulting in a more user friendly website, and will include information most used by our customers. The agency has received many positive reviews from the on-line training modules and webinars. The agency has installed a monitor in its conference room, adding increased convenience for the on-line trainings. This monitor has allowed both Commissioners and the public to participate in Commission meetings.

The number of complaints filed with the Commission held fairly steady for several years, through 2014. When the Preliminary Review period was changed to 30 days in 2015, the tracking of complaints changed, because the agency could no longer request additional information prior to making a determination of whether a complaint was within the agency’s jurisdiction. Prior to 2015, complaints that were filed with the Commission that were outside of its jurisdiction, were included in the tally of complaints. The numbers from the second half of 2015 and from 2016 include only complaints that were opened as a Preliminary Review, not from information received in a letter or on a complaint form that failed to allege violations within the jurisdiction of the Commission. Despite the change in tracking, the number of complaints remained high in 2015, likely because of increased awareness of the Commission due to press coverage. This also increased the correspondence received by the agency that did not fall within its jurisdiction.

The numbers below reflect the progression of complaints and violations for the past five calendar years (*violation numbers do not reflect complaints that are still pending resolution*).

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Complaints received	112	109	52	93	113
Violations	21	24	15	47	21

The agency continues to see an increased awareness of the ethics laws and of the agency by both public officials and the general public. The training programs conducted by the agency have increased this awareness. This may decrease or increase complaints, since public officials who receive training are less likely to violate ethics laws, but the training programs also raise awareness of what current violations may be occurring.

Another factor driving the increase in complaints (based on the new system of counting only opened complaints) in 2015 may be the media coverage during the 2015 session that informed the public of the increased push for transparency under the new governor. The media continues to cover the agency and its actions quite frequently. That coverage has led to an increase in the number of inquiries

received from the public on the ethics laws, which has provided additional opportunities for the agency to educate and advise public officials so they can preemptively avoid any problems.

Major Changes

Changes to the ethics laws and statutory deadlines, as described earlier in budget drivers and environmental factors sections, as well as the ongoing turnover in public officials in the state, are some of the biggest influences on the agency's budget. In the 2013-15 biennium, the agency developed the Electronic Filing System (EFS), which deployed on January 1, 2016. The deployment eliminated the paper system that required hard copy mailing and receipt of SEIs, lobbyist registrations and lobbyist and client expenditure reports. The electronic system sends notices, and receives and posts registrations and the information from the reports. Electronic filing provides the public with immediate access to the reports. Rather than spending resources on mailing and processing incoming paperwork, the agency staff are able to focus on answering questions and educating users of the system, managing and improving the electronic system, and ensuring that all reports are properly filed and are complete.

Another recent major change was the implementation of the Case Management System in the 2015-2017 biennium. The system allows the agency to upload final case dispositions and written advice issued by the Commission or Commission staff for the public to view and search. The reduced timeframes for the completion of preliminary reviews implemented in 2015 also affected the agency's caseload. Because the agency has no control over when complaints are filed, there are times when all efforts of all the investigators must be focused on new cases. This can make scheduling resources and responding to requests for advice difficult. In addition to some changes in staff processing procedures, this will also require the agency to provide training and assistance to public officials and members of the public as they learn to work with the system to find the information they need. The Case Management System contains tools used by the agency's investigators to more efficiently conduct their investigation. The system assists the investigators in meeting their statutory deadlines. The budget includes a subscription fee and ongoing management of the system.

The agency's increasing push toward online training in the form of webinars is also reflected in the budget. Technology allows the agency to reach more public officials through webinars, but also improves the interactivity of training, both online and in person, resulting in better learning. The agency purchased a screen for the conference room that will allow for better interactivity for trainings and allow Commissioners or other parties to attend Commission meetings virtually, reducing costs for the Commission and the involved individuals, particularly in cases of inclement weather or distance.

Cost Containments

The agency has utilized the technology available to it to reduce costs. This includes scanning information into PDF files and sending those files electronically, digital recordings of Commission meetings so the agency can post the recordings on its website for all interested parties, and the creation of training webinars conducted in-office.

The increased effort to electronically scan paper documents has reduced the agency's costs in responding to public record requests. The agency passes these cost savings on to the requesting party, since postage, printing and copying costs are eliminated. Most public record requests can be completed at no cost to the requestor. With the new Electronic Filing and Case Management systems, more cost-free information is immediately available to members of the public and other public officials.

The agency purchased a web cam and software to assist in the production of real-time webinars. These webinars allow the agency trainers to conduct trainings throughout the state, from the agency office, which reduces travel expenses. The webinar training is also cost effective to public officials from multiple locations in that they can attend from the comfort of their own workstations. The agency will continue to look for ways to utilize technology to deliver its training products.

The agency purchased a monitor and computer for its conference room. This allows the public and Commissioners to attend the meetings remotely. This has assisted in allowing Commissioners to attend meeting even in inclement weather or when they are out of state on other business. People appearing before the Commission can now attend via the monitor, increasing their interaction with the Commissioners. It also saves them the cost of traveling to the Commission offices for the meeting.

The agency continues to look for opportunities to consolidate its expenses with other agencies. This includes sharing of office space, office equipment, meeting rooms, telephone and data lines, etc.

Major Budgetary Issues

The major budgetary issue for the agency in the 2019-21 biennium is the subscription fees for the Electronic Filing and Case Management Systems. The 2013-15 biennial budget included a one-time \$800,000 special assessment, to the governmental bodies required to pay the agency's assessment, for the electronic filing system. In the 2015-17 biennium, the agency expended the remaining funds from that one-time special assessment to complete the Electronic Filing System. The remaining costs include project and change management, and training. Upon completion of the project, the agency met its statutory requirement for an electronic reporting system and case management system that is viewable to the public. The completion of this project will also be a major budget driver in future biennia. Resources that were once used to print, mail, receive and file statutorily required reports in the office will be used to ensure the accuracy of those reports.

Audits

No audits were conducted by the Secretary of State's Audit Division during the 2017-19 biennium.

Legislation

House Bill 2277 requires that persons with work responsibilities that include lobbying must register as lobbyists even if they do not reach the 24-hour threshold of lobbying in a calendar quarter. Many of those employees of public or private entities are already registered as lobbyists, but this bill clarifies the requirement. House Bill 2079 is a housekeeping bill that gives the same statutory protections for advice from the agency on lobby laws (ORS Chapter 171) as they receive for advice on ethics laws. House Bill 2097 changes the language of ORS 244.400 to mirror the requirement defined in the Administrative Procedures Act (APA) regarding the award of attorney fees.

Information Technology

As mentioned earlier, the 2019-21 biennial budget includes funding for subscription fees for the electronic filing and case management systems. These information technology (IT) projects allow the agency to send notices, and receive and process reports on-line, thereby eliminating the need for printing, postage, processing, and filing the statutorily required reports in hardcopy. The electronic system also provides immediate public viewing of the reports online, eliminating the need for a public records request. This will increase transparency of the reports to the public, thus accomplishing their intended purpose. The public also has access to final case dispositions and agency issued advice, online in a searchable format through the case management system.

Budget and Service Reductions

A 10% budget reduction would be of such magnitude that it would likely render the agency unable to perform its duties in any viable manner. The agency's budget is such that approximately two-thirds is devoted to personal services. Subscription services for the agency's on-line filing system and its case management system will be approximately 11% of the agency's operating budget. Government Ethics Commission responsibilities are defined in statute and require certain activities by the agency, such as collecting public official and lobbyist forms, and requiring associated records to be created and maintained.

In order for the Government Ethics Commission to continue the administration of these programs and provide service for compliance with the various filing requirements, certain costs for overhead cannot be reduced. A reduction could be made in personal services; however, this would require the elimination of positions or the conversion of full-time positions to part-time. Alternatively, to continue operations under a potential reduction utilizing existing staff, a revision of statute to remove or amend currently mandated functions would be needed.

Any reduction in FTE would have an impact on the ability of the Government Ethics Commission to meet its performance measures in most areas, including training, investigations, compliance review, and records maintenance. It would seriously degrade the timeliness and quality of services offered to stakeholders and the public. This would have a direct impact on meeting Oregon Benchmark No. 35, Public Management Quality.

APPENDIX

1. Agency New Hires
2. Other Funds Ending Balance

AGENCY NEW HIRES

2017-19 Biennium

- | | | |
|----------|-------------------------|-----------|
| 1. C5247 | Compliance Specialist 2 | Step 5 ** |
| 2. C5248 | Compliance Specialist 3 | Step 5 ** |
| 3. C5233 | Investigator 3 | Step 4 ** |
| 4. C0860 | Program Analyst 1 | Step 5 ** |

** The Compliance Specialist 2 position was appointed following working out of class in the vacant position.

** The Compliance Specialist 3 position was filled with existing staff as a promotional opportunity.

** The Investigator 3 position was filled with a new to state employee, with qualifications (law degree) requiring fourth step to meet pay equity.

** The Program Analyst 1 position was filled with a former state employee who returned within two years of leaving state service.

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2017-19 & 2019-21 BIENNIA

Agency: 199 Oregon Government Ethics Commission
 Contact Person (Name & Phone #): Ron Bersin (503)378-5105

November
 (J) BDV102A Projections (J) BDV102A
 Using Tracker
 with new
 CSL beginning

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2017-19 Ending Balance In LAB	(g) 2019-21 Ending Balance Revised	(h) 2019-21 Ending Balance In CSL	(i) 2019-21 Ending Balance Revised	(j) Comments
Limited	19900-010-00-00-00000	0401/Other Funds Cash Account	Operations	2007, CHAP 877, SEC 2/ORS 244.255 & .345	492,266	738,168	740,144	764,525	Revenue comes in towards the end of the 1st quarter and into the 2nd quarter of each fiscal year. For this agency, working capital should be appx 5 months (611K).

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2019-21 legislatively adopted budget.

Instructions:

- Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.
- Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2017-19 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).
- Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).
- Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.
- Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.
- Columns (f) and (h): Use the appropriate, audited amount from the 2017-19 Legislatively Approved Budget and the 2019-21 Current Service Level at the Agency Request Budget level.
- Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2017-19 General Fund approved budget or otherwise incorporated in the 2017-19 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).
- Column (j): Please note any reasons for significant changes in balances previously reported during the 2017 session.

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

Addendum
Other Fund & Ending Balance Report
for the 2017-19 & 2019-21 Biennium

At this point in the 2017-19 biennium, the Oregon Government Ethics Commission's ending balance is greater than what was projected. The factors affecting the variance are due primarily to unexpected staff vacancy savings, and to the delayed launch of the final phases of the agency's Case Management System, wherein the system developer did not increase the charges to the agency until the phases were completed.

The agency is currently being sued in Circuit Court. The litigation is producing increased AG costs during this biennium. ORS 244.400 allows the award of attorney fees to the prevailing party at the conclusion of a contested case, and the agency may need access to some of the excess ending balance for payment of those fees during the 2019-21 biennium if it does not prevail in this matter. Also, just recently, another case has been filed in Appellate Court contesting a Commission final order. That case will produce AG costs outside of the Agency's flat rate fee agreement with the Department of Justice. The agency may need to request additional limitation in the 2019-21 biennium to cover the increased AG costs.

The agency would like to use any remaining excess balance to reduce the amount of the next biennial assessment to public bodies and local governments, whose payments fund the activities of the agency pursuant to ORS 244.255.

We do not expect to accrue an ending balance excess in the next biennium.