

Government Ethics Commission

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
Other Funds	2,571,969	2,903,298	3,054,695	3,329,862	3,191,597
Total Funds	2,571,969	2,903,298	3,054,695	3,329,862	3,191,597
Positions	9	9	9	9	9
FTE	9.00	9.00	9.00	9.00	9.00

* Includes Emergency Board and administrative actions through January 2021.

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. Nine volunteer members make up the Commission, including eight members appointed by the Governor upon recommendation by the Democratic and Republican leaders of the Oregon House and Senate, and one member appointed directly by the Governor. All members are confirmed by the Senate. Unlike most commissions, members are limited to one four-year term and may not be reappointed. Additionally, no more than three of the members may be from the same political party. The Executive Director is appointed by the Commission.

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 2021-23 current service level (CSL) budget of \$3.3 million is \$275,167 (or 9%) more than the 2019-21 legislatively approved budget (LAB) of \$3.1 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures, including additional inflation for shared financial and payroll services provided by the Department of Administrative Services (DAS). Personal services expenditures comprise 62% of the Commission's budget, with services and supplies, including annual subscription fees for the electronic filing and case management systems, making up the remaining 38% of expenditures. The number of positions (9) and total FTE (9.00) remain unchanged from the prior biennium.

The Commission's 2021-23 CSL budget includes Other Funds assessment revenue of \$3.1 million and an estimated ending balance of \$387,513, which provides approximately three months of operating reserves. Imposition of civil penalties is expected to generate an estimated \$30,000 in fines and forfeitures in the 2019-21 and 2021-23 biennia. These revenues are transferred to the General Fund and are not used to support agency operations. Actual fines and forfeiture revenue collected in 2017-19 totaled \$62,627.

Policy Issues

During the 2015 session, 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. The Commission revised administrative rules to reflect the changes to ethics statutes and has written rules on executive session of public meetings, which has historically been an area of the law that generates questions.

The shortening of the timeline for preliminary review has had the most significant impact on the agency; considering that the level and timing of complaints varies, and the Commission must work within existing staff resources to meet deadlines. One hundred and eleven complaints were received in calendar year 2019, which is a 15% increase over the 96 average annual complaints received between 2015 and 2019. Complaints have increased since a significant decline in 2016 due to a change in how the Commission tracks complaints received. Prior to 2015 and the reduced preliminary review period, the Commission included complaints received that were outside of its jurisdiction as additional information would be requested from the complainant prior to a final determination.

Other Significant Issues and Background

The Commission has implemented two electronic reporting systems over the last several biennia. In 2013, the Legislature approved a special assessment of \$800,000 for an electronic filing system for lobbyists and public officials who must file quarterly and annual reports. The electronic filing system was launched in December 2015, enabling lobbyist registrations, lobbying expenditure reports, legal expense trust fund reports, and annual statements of economic interest to be filed and accessed online. Funding for an electronic case management system was approved in 2015 to implement the online posting of agency findings in a searchable format. The electronic case management system was launched in January 2017, providing online access to advice and final disposition of cases, as well as the ability to submit complaints electronically. Both systems met their statutory implementation deadlines and were recognized nationally through StateScoop's State IT Innovation of the Year Awards in 2016 and 2018, respectively. The electronic systems provide increased transparency through the availability of online information and result in efficiencies that help the Commission meet reduced review timelines.

Due to the COVID-19 pandemic, Commission meetings and trainings have been held virtually. Training was previously held both in-person and online but has been shifted to an entirely virtual platform to accommodate the remote working environment. The Commission also plans to make some training videos available on YouTube and iLearn.

No policy option packages were proposed by the Commission or included in the 2021-23 Governor's Budget. The Governor's Budget reflects statewide reductions in DAS assessments and Attorney General rates, elimination of services and supplies inflation, and increased vacancy savings assumptions.

Key Performance Measures

A copy of the Commission's Annual Performance Progress Report can be found on the LFO website:

https://www.oregonlegislature.gov/lfo/APPR/APPR_OGEC_2020-10-01-1.pdf