

## Governments Ethics Commission

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
Other Funds	2,477,666	2,705,247	2,758,688	2,934,592	2,913,971
<b>Total Funds</b>	<b>2,477,666</b>	<b>2,705,247</b>	<b>2,758,688</b>	<b>2,934,592</b>	<b>2,913,971</b>
Positions	9	9	9	9	9
FTE	8.88	9.00	9.00	9.00	9.00

\* Includes Emergency Board and administrative actions through December 2018.

### 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 2019-21 current service level (CSL) budget of \$2.93 million is \$175,904 (or 6.4%) more than the 2017-19 legislatively approved budget (LAB) of \$2.76 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures. Personal services expenditures comprise 64.5% 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 35.5% of expenditures. The number of positions (9) and total FTE (9.00) remain unchanged from the prior biennium.

The Commission's 2019-21 CSL budget includes Other Funds assessment revenue of \$2.96 million and an estimated ending balance of \$764,525, which provides a six-month operating reserve. The reserve balance is available during the biennium for compensation plan changes and possible increased attorney general costs as a result of two outstanding lawsuits. Imposition of civil penalties is expected to generate an estimated \$30,000 in fines and forfeitures in the 2017-19 and 2019-21 biennia. These revenues are transferred to the General Fund and are not used to support agency operations. Actual fines and forfeiture revenue collected in 2015-17 totaled \$38,807. Several high-

profile ethics investigations and resulting civil penalties may result in an increased level of fine and forfeiture revenue collected during the 2017-19 biennium.

### 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. Ninety-three complaints were received in calendar year 2017, which is a slightly less than the 97 average annual complaints received between 2013 and 2017. However, total complaints decreased significantly 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.

No policy option packages were proposed by the Commission or included in the 2019-21 Governor's Budget. The Governor's Budget reflects statewide reductions in the Department of Administrative Services' assessments and Attorney General rates.