

2025-27 Budget Review

Government Ethics Commission

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	3,023,863	5,698,983	5,818,459	6,816,378
Total Funds	3,023,863	5,698,983	5,818,459	6,816,378
Positions	9	15	15	15
FTE	9.00	13.63	15.00	15.00

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The mission of the Oregon Government Ethics Commission (OGEC) 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. Commission actions range from education to formal sanctions including fines and forfeitures.

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. Members are limited to two four-year terms. Additionally, no more than three of the members may be from the same political party. The Executive Director is appointed by the Commission. Approximately 260,000 public officials are subject to the Commission's jurisdiction with approximately 6,000 public officials and 1,000 lobbyists that must file statements of economic interest.

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 originate as General Fund, but for the purposes of OGEC's budget are Other Funds.

BUDGET ENVIRONMENT

The number of public officials required to file statements of economic interest increased with the passage of HB 4114 (2022), which added school board members to those who must file. Recent

legislation (HB 2805, 2023) also required OGEC to provide annual trainings and best practices on Oregon Public Meetings Law and expanded the Commission's authority to include receiving reports and conducting investigations of alleged violations.

Requests for advice and the number of complaints and cases opened by the Commission has increased over the last several years. The Commission received 396 requests for written advice in 2023, a 95% increase over the number received in 2021. In 2021, OGEC received 250 complaints and opened 103 cases, compared to 398 complaints and 207 cases opened in 2023. While the costs of Commission are shared equally between state and local jurisdictions, the complaints relating to officials of local jurisdictions make up the vast majority of the total, though this does not take into consideration the complexity of the cases.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget of \$5.8 million is \$119,476, or 2.1%, more than the 2023-25 legislatively approved budget (LAB) of \$5.7 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures net of the phase-out of one-time costs for upgrades to the electronic filing and case management systems. Personal services expenditures comprise 69% of the Commission's budget. The number of positions remain unchanged from the prior biennium, with the full biennial cost of positions added in the prior biennium included in CSL.

The Commission's 2025-27 CSL budget includes Other Funds revenue of \$7 million from the assessments on state agencies and local jurisdictions. Imposition of civil penalties is expected to generate an estimated \$50,000 in fines and forfeitures in the 2025-27 biennium. These revenues are transferred to the General Fund and are not used to support agency operations. Actual fines and forfeiture revenue collected in 2021-23 totaled \$54,974.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget for the Commission totals \$6.8 million Other Funds, an increase of \$1 million, or 17.2%, from current service level, and includes the following significant investments above CSL:

- **Legal Services** – an increase of \$600,000 Other Funds to support estimated Department of Justice legal services costs above current service level due to an increase in the number of complaints and cases.
- **Case Management and Electronic Filing Systems** – an additional \$300,000 Other Funds to continue updates to the Case Management and Electronic Filing Systems that were started in the 2023-25 biennium but delayed due to prioritization of system updates related to implementation of HB 2038 (2023).

OTHER SIGNIFICANT ISSUES

In 2017, the Commission adopted a ten-year strategic plan which focused on education and transparency, with enforcement as a secondary focus. Prior to that the primary focus was on enforcement.

While training was shifted to entirely virtual platform during the COVID-19 pandemic, the Commission has resumed in-person and hybrid trainings. In addition to live webinars, the Commission has also made training available on YouTube and Workday Learning. The training program has experience continued growth, with a total of 1,834 webinars, 1,263 in-person, and 4,553 hybrid trainings offered in 2023.

KEY PERFORMANCE MEASURES

A copy of the Oregon Government Ethics Commission Annual Performance Progress Report can be found on the LFO website:

https://www.oregonlegislature.gov/lfo/APPR/APPR_OGEC_2024-09-23.pdf

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