

## FY23 Budget Performance Review

### 296 - Ethics Commission

Lead Administrator: Ashley Kemp

Lead Financial Officer: Ashley Kemp

#### Agency Mission

The Oklahoma Ethics Commission is created by Article 29 of the Oklahoma Constitution. It has the Constitutional mission to promulgate rules of ethical conduct for state officers and employees and for campaigns for elective state office and initiatives and referenda, including civil penalties for violations. An additional part of its Constitutional mission is to investigate and, when appropriate, prosecute in District Court alleged violations of those rules.

#### Division and Program Descriptions

**Note: Please define any acronyms used in program descriptions.**

##### 1000010 - Compliance

Assist regulated entities get into or stay in compliance with the Ethics Rules by reviewing filed documents. This may occur by providing advice initiated by the regulated entity or by Commission staff through reviewing reports.

##### 1000010 - Enforcement

The Constitution requires the Commission to (1) promulgate Rules in its area of jurisdiction; and (2) enforce those rules. This program deals with enforcement of the Rules through investigations, complaints, and litigation if necessary.

##### 1000010 - Resources and Materials

As resources allow, the Commission offers educational programs and materials with up to date information on the Ethics Rules as they apply to different regulated entities.

##### 1000010 - Rule Promulgation

Commission is required to promulgate Rules regarding conduct of state officers and employees, campaigns for elective state office, and campaigns for initiative and referenda according to the process set forth in the Constitution.

##### 1000010 - Political Subdivision Enforcement

SB 1745 (2014) repealed the Political Subdivisions Ethics Act and replaced it with the Political Subdivisions Campaign Finance and Financial Disclosure act which vested enforcement of the Act with the Ethics Commission. This includes Counties, certain municipalities with population over 10,000 and GRF expenditure budget of \$10 million, and Independent School District and Technology Center Districts. Enforcement is discretionary when less than \$100,000 is in the fund.

#### FY'22 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
1000010	Admin General Operations	\$661,965		\$51,880			\$713,845
8800020	Administrative IS Services	\$25,992		\$94,347			\$120,339
						\$0	\$0
<b>Total</b>		<b>\$687,957</b>	<b>\$0</b>	<b>\$146,227</b>	<b>\$0</b>	<b>\$0</b>	<b>\$834,184</b>

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

#### FY'21 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total

N/A

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

#### What changes did the agency make between FY'21 and FY'22?

1.) Are there any services no longer provided because of budget cuts?

Routine Educational Programs are no longer provided; Compliance Order process suspension for administrative hearings to address late filings.

2.) What services are provided at a higher cost to the user?

n/a

3.) What services are still provided but with a slower response rate?

Guidance on the Ethics Rules, updating materials and resources explainign rules, assistance with reporting, verifying validity of complaints, investigations.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

N/A

#### FY'23 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
1000010	Admin General Operations	\$864,965	\$0	\$51,880	\$0	\$916,845	28.44%
8800020	Administrative IS Services	\$25,992	\$0	\$94,347	\$0	\$120,339	0.00%
<b>Total</b>		<b>\$890,957</b>	<b>\$0</b>	<b>\$146,227</b>	<b>\$0</b>	<b>\$1,037,184</b>	<b>24.34%</b>

1. Please describe source(s) and % of total of "Other" funding for each department:

**FY'23 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Deputy Director	\$143,000
Request 2:	Continuing Education Resources, Materials, & Programs	\$75,000
Request 3:	Accommodate increases in costs of services already provided to Commission	\$15,000
Request 4:	Funding of the Political Subdivision enforcement Division	\$150,000
Request 5:		
<b>Top Five Request Subtotal:</b>		<b>\$383,000</b>
<b>Total Increase above FY-21 Budget (including all requests)</b>		<b>\$ 203,000</b>
<b>Difference between Top Five requests and total requests:</b>		<b>-\$180,000</b>

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

No

**How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)**

FY 23 is part of the 2022 election cycle with over 300 elections within the Commission's jurisdiction (over double that of the 2020 election cycle). A flat/0% budget change will result in less accurate reporting and ability to minimize reporting errors while cost to correct an issue is nominal, significant delays in or the inability to provide guidance on the Ethics Rules and how they apply to certain situations by phone, email, or in person.

**How would the agency handle a 2% appropriation reduction in FY '23?**

See above. The commission would reduce services.

**Is the agency seeking any fee increases for FY '23?**

Increase	Request (\$)	Statutory change required? (Yes/No)
Increase 1	n/a	
Increase 2		
Increase 3		

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCP? (Yes/No)
Priority 1 Independent IT Systems		
Priority 2 Funding of the Political Subdivisions Enforcement Fund To provide services to political subdivisions	\$150,000	
Priority 3		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
N/A							

**Federal Government Impact**

<b>1.) How much federal money received by the agency is tied to a mandate by the Federal Government?</b>	N/A
<b>2.) Are any of those funds inadequate to pay for the federal mandate?</b>	
<b>3.) What would the consequences be of ending all of the federal funded programs for your agency?</b>	
<b>4.) How will your agency be affected by federal budget cuts in the coming fiscal year?</b>	
<b>5.) Has the agency requested any additional federal earmarks or increases?</b>	

**FY'22 Budgeted FTE**

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
1000010	Admin General Operations	2		6		4	2
8800020	Administrative IS Services						
<b>Total</b>		<b>2</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>4</b>	<b>2</b>

**FTE History**

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013
1000010	Admin General Operations	6.0	6.0	6.0	7.0	7.0
8800020	Administrative IS Services					
<b>Total</b>		<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>7.0</b>	<b>7.0</b>

**Performance Measure Review**

FY 21	FY 20	FY 19	FY 18	FY 17
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Program Name					
Review routine filings and provide feedback on filings with candidate committees with the current election prioritized					
Process Compliance Orders for late filings of Contributions and Expenditures reports and Lobbyist or Liaison Expenditure Reports					
Process and preliminarily verify facts of Complaints filed with the Commission alleging violations of the Ethics Rules					
Track phone calls and emails of those seeking guidance on the Rules and responses					
Review, Assess, and Allocate resources according to prioritization of Commission					

Revolving Funds (200 Series Funds)			
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'19-21 Avg. Revenues	FY'19-21 Avg. Expenditures	June '21 Balance
<b>200: Ethics Revolving Fund</b>			
<i>Annual Revenue to fund is capped at \$150,000 for Registration fees, Administration Fees, Education Fees, Compliance Fees</i>	\$339,691	\$107,262	\$340,581
<b>210: Political Subdiv Enforcement Fd</b>			
Late Fees for political subdivision filers capped at \$150,000	\$0	\$0	\$0
<b>211 Ethics Commission Online Filing Revolving Fund</b>			
"Pour Over" Fund. Once \$150,000 is exceeded in the 200 fund, the revenue to this fund is capped at \$200,000.	n/a/	n/a	n/a